



INVL

TECHNOLOGY

Special Closed-Ended Type Private Capital Investment Company 's  
INVL Technology preliminary results for 12 months of 2018

## Translation note:

**This version of the Interim Report for the 12 months 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.**

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## 1. GENERAL INFORMATION ABOUT THE COMPANY (ISSUER') AND OTHER COMPANIES COMPRISING THE ISSUER'S GROUP

Name of the Company	Special closed-end type private capital investment company INVL Technology
Code	300893533
Address	Gynėjų str. 14, LT-01109 Vilnius, Lithuania
Telephone	+370 5 279 0601
E-mail	<a href="mailto:info@invltechnology.lt">info@invltechnology.lt</a>
Website	<a href="http://www.invltechnology.lt">www.invltechnology.lt</a>
Legal form	Public joint-stock company
Type of the Company	Closed-ended type investment company
Date and place of registration	27 June 2007; Register of Legal Entities
Date on which the Supervisory authority approved the documents on the formation of the collective investment undertaking	14 July 2016
Period of activity of the Company	Till 14 July 2026 (+2 years)
Management company	INVL Asset Management UAB, code 126263073, licence No. VJK-005
Depository	SEB Bank, AB, code 112021238, bank licence No. 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 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.

### 3. LETTER FROM THE MANAGING PARTNER

*INVL Technology had equity of EUR 28.1 million at the end of 2018, or EUR 2.31 per share. Equity per share increased by almost 18 per cent during the year.*

INVL Technology Managing Partner



INVL Technology had equity of EUR 28.1 million at the end of 2018, or EUR 2.31 per share. Equity per share increased by almost 18 per cent during the year. According to preliminary unaudited data, the company's net profit for 2018, taking into account a revaluation of financial assets, was EUR 4.3 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

#### 4. THE RESULTS OF INVL TECHNOLOGY FOR 12 MONTHS OF 2018, THOUS. EUR

The Company's financial statements are prepared based on acquisition cost, except for financial assets and financial liabilities carried at fair value. The fair value of the investment is the price that would be obtained by selling the asset. The fair value of investments for which there is no active market is determined using valuation methods.

The preliminary financial indicators of the Company for the year 2018 are presented after the Company's financial assets, i.e. the securities held, were assessed by an independent business appraiser, who is entitled to engage in such activities and who performs such assessment once a year, at the end of the calendar year.

##### 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	3,512
Profit (loss) before taxes	4,084	4,304
Net profit (loss)	4,084	4,304
	31.12.2017	31.12.2018
Financial assets value	20,808	24,320
Cash and Cash equivalents	5,030	2,230
Bonds	-	1,235
Other assets	39	456
<b>TOTAL ASSETS</b>	<b>25,877</b>	<b>28,241</b>
Other liabilities	2,065	125
<i>of which financial debt</i>	1,953	-
Equity	23,812	28,116
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,877</b>	<b>28,241</b>

##### Financial assets, thous. EUR

Company	31.12.2017	31.12.2018
NRD Companies (includes Etronika UAB, NRD Systems UAB, Norway Registers Development AS and others)	3,624	5,458
Novian UAB (includes Novian as well as BAIP UAB and Acena UAB)	7,497	7,588
Algoritimų sistemos UAB	3,821	4,078
Andmevara (includes Anmevara AS and Andmevara Services OU)	525	510
NRD CS UAB	5,067	6,455
FINtime UAB	274	231
<b>Total</b>	<b>20,808</b>	<b>24,320</b>

Value of portfolio companies increased by EUR 3.5 mln or 16.9% after revaluation.

In 2018 the following fully controlled subsidiaries of INVL technology paid dividends: Algoritimų 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	3,512
<b>CLOSING BALANCE</b>	<b>24,320</b>

Reported financial indicators of the Company are preliminary, unaudited and do not represent disclosure of the net asset value of the Company. Net asset value of the Company will be reported under the terms set in the Articles of Association of the Company. If audited net asset value is different from the value calculated based on preliminary financial indicators, provisions on error reporting set by Articles of Association of the Company shall not be applied.

## 5. THE PRELIMINARY RESULTS OF INVL TECHNOLOGY PORTFOLIO COMPANIES FOR 12 MONTHS

### KEY PROFIT (LOSS) ITEMS, THOUSAND EUR

	NRD Companies		Etronika UAB <sup>1</sup>		NRD UAB <sup>1</sup>		ANDMEVARA AS <sup>2</sup>		BAIP and ACENA		NRD CS		ALGORITMŲ SISTEMOS	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Revenue	7,232	7,122	1,667	1,880	2,020	2,373	1,092	1,523	11,732	15,271	3,493	3,876	2,757	3,207
Gross profit	4,287	4,375	1,568	1,713	1,842	1,849	821	1,422	2,245	2,328	1,755	1,863	2,136	2,658
EBITDA	557	609	294	214	134	72	(271)	31	780	836	603	559	320	420
EBIT	363	453	268	174	93	35	(292)	2	317	353	586	535	301	389
Net Profit (Loss)	397	373	248	140	71	1	(292)	(47)	203	232	468	439	299	324

### KEY BALANCE SHEET ITEMS, THOUSAND EUR

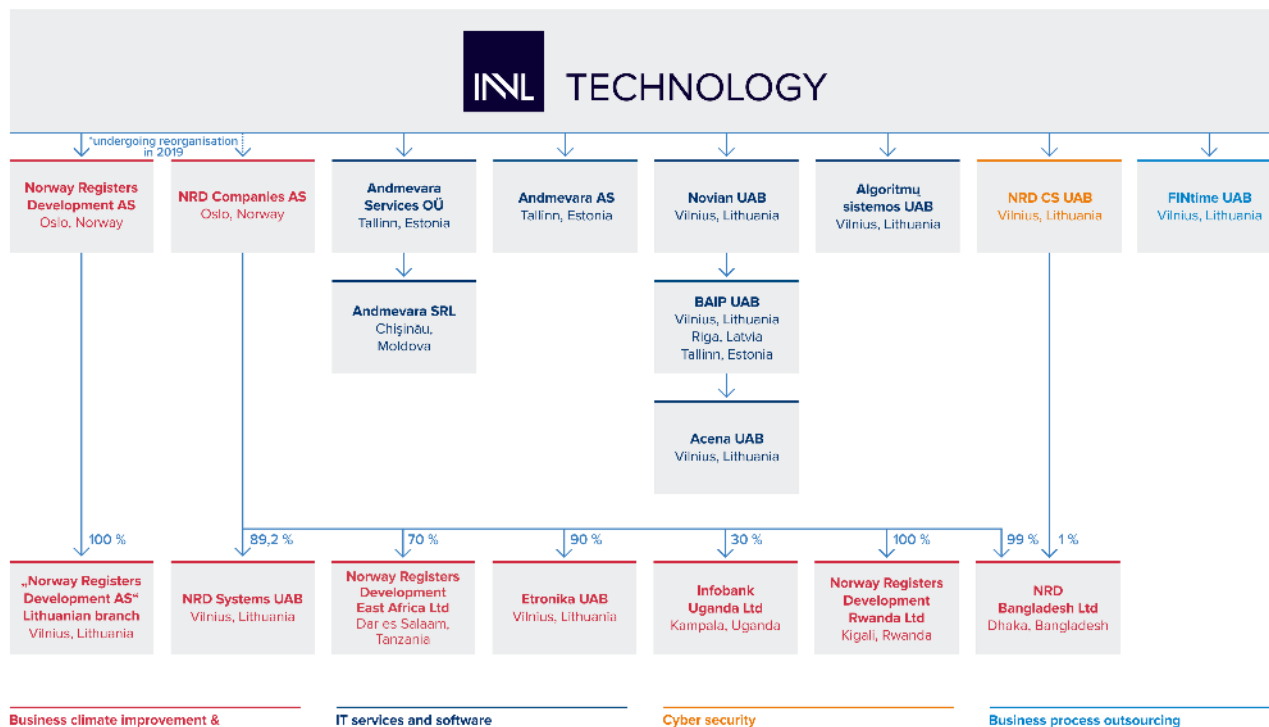
	NRD Companies		Etronika UAB <sup>1</sup>		NRD UAB <sup>1</sup>		ANDMEVARA AS <sup>2</sup>		BAIP and ACENA		NRD CS		ALGORITMŲ SISTEMOS	
	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018
Tangible assets	257	58	9	2	305	29	63	25	1,005	678	34	48	40	89
Intangible assets	599	481	402	369	4	3	6	4	361	420	5	140	1,790	1,802
Other non-current assets	50	35	15	21	23	15	-	-	37	18	8	8	76	65
Current assets	3,606	4,912	464	670	1,042	1,688	235	900	4,146	9,610	2,215	2,486	1,440	1,941
<i>of which cash</i>	297	459	130	61	-	193	51	213	430	3,955	383	749	284	468
<b>Total assets</b>	<b>4,512</b>	<b>5,486</b>	<b>890</b>	<b>1,062</b>	<b>1,374</b>	<b>1,735</b>	<b>304</b>	<b>929</b>	<b>5,549</b>	<b>10,726</b>	<b>2,262</b>	<b>2,682</b>	<b>3,346</b>	<b>3,897</b>
Equity	1,404	1,774	297	437	654	510	(27)	(72)	2,032	2,225	787	819	2,613	2,756
Non-current liabilities	131	110	81	81	-	-	-	-	18	1,253	-	-	100	194
<i>Of which financial debt</i>	-	-	-	-	-	-	-	-	18	1,253	-	-	-	-
Current liabilities	2,977	3,602	512	544	720	1,225	331	1,001	3,499	7,248	1,475	1,863	633	947
<i>of which financial debt</i>	130	560	60	90	70	307	50	530	231	11	366	-	-	-
<b>Total liabilities and equity</b>	<b>4,512</b>	<b>5,486</b>	<b>890</b>	<b>1,062</b>	<b>1,374</b>	<b>1,735</b>	<b>304</b>	<b>929</b>	<b>5,549</b>	<b>10,726</b>	<b>2,262</b>	<b>2,682</b>	<b>3,346</b>	<b>3,897</b>

<sup>1</sup> The results of Etronika UAB and NRD UAB are included into results of NRD Companies

<sup>2</sup> Includes results of Andmevara AS, Andmevara SRL and Andmevara Services OU.

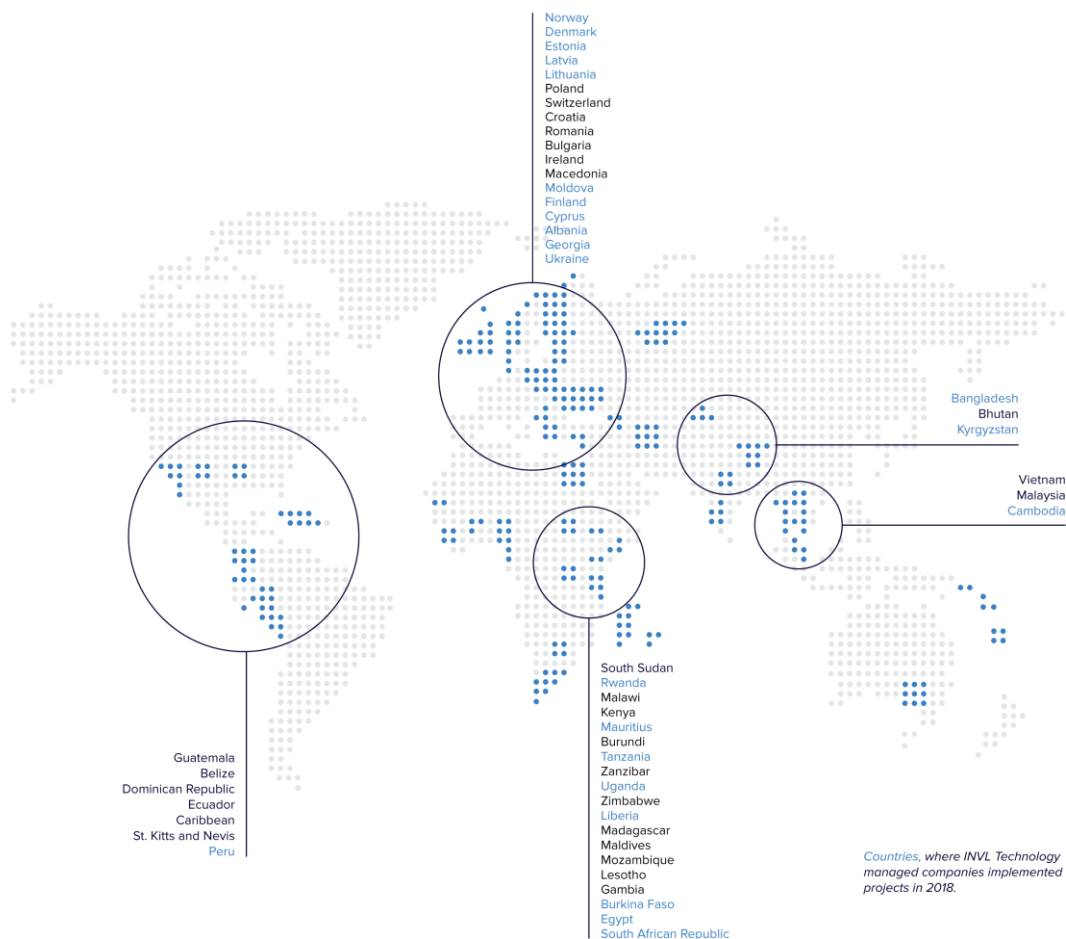


## STRUCTURE OF THE PORTFOLIO COMPANIES OF INVL TECHNOLOGY ON THE REPORT DAY



\*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.

## GEOGRAPHY OF INVL TECHNOLOGY PORTFOLIO COMPANIES



## 5. SIGNIFICANT COMPANY'S AND ITS PORTFOLIO COMPANIES' EVENTS IN 2018



### 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.



## BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE. NRD COMPANIES

### PRELIMINARY KEY PROFIT (LOSS) ITEMS of NRD COMPANIES

- According to preliminary data, the value of NRD companies in 2018 increased by 50.6 percent and at the end of 2018 reached EUR 5.46 million (at the end of 2017 the value was EUR 3.62 million)
- Revenue of NRD Companies for 12 months of 2018 decreased by 1.5 percent, compared to the same period in 2017, and totalled EUR 7.12 million (revenue for the same period of 2017 was EUR 7.23 million).
- EBITDA of the group for the same period increased by 9 percent till EUR 609 thousand (EBITDA in 2017 amounted to EUR 557 thousand).
- Net profit for 12 months of 2018 amounted to EUR 373 thousand. For the same period of 2017, NRD Companies had a net profit of EUR 397 thousand.
- **The results of Etronika UAB and NRD UAB are included into results of NRD Companies.**
- Revenue of Etronika UAB for 12 months of 2018 increased by 12.8 percent, compared to the 12 months of 2017, and reached EUR 1.88 million (for 2017, revenue was EUR 1.67 million). EBITDA of the company in 2018 decreased EUR 294 thousand till EUR 214 thousand. For 12 months of 2018 the company had a net profit of EUR 140 thousand (for 2017 company had a net profit of EUR 248 thousand).
- Revenue of NRD UAB for 12 months of 2018 was EUR 2.37 million – 17.5 percent higher than for the same period of 2017 (EUR 2.02 million). EBITDA decreased till EUR 72 thousand in 2018 (EBITDA for 2017 was EUR 134 thousand). For 12 months of 2018, company earned EUR 1 thousand (in 2017 – EUR 71 thousand).

**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 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;
- 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.

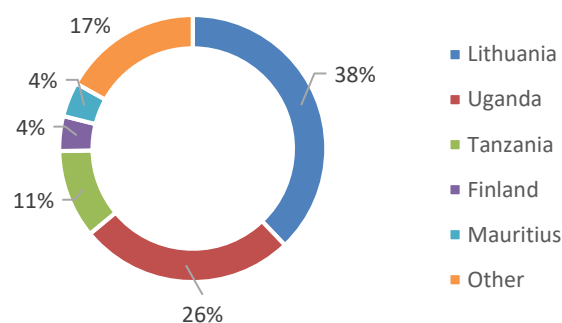
## LITHUANIA

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.

Revenue of NRD Companies by countries 2018



## 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 Rwanda, 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 Algoritmy sistemas 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 Duomenų 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 20<sup>th</sup> anniversary*

## IT SERVICES AND SOFTWARE.

### NOVIAN GROUP: BAIP AND ACENA

#### PRELIMINARY KEY PROFIT (LOSS) ITEMS OF BAIP AND ACENA

- The preliminary value of BAIP and ACENA at the end of 2018 was EUR 7.59 million (EUR 7.497 million at the end of 2017).
- Over the 12 months of 2018, revenue of BAIP and Acena increased by 30 percent compared to the same period in 2017, reaching EUR 15.27 million (EUR 11.73 million in 2017).
- EBITDA increased by 7.2 percent over the reporting period and reached EUR 836 thousand (during the same period, EBITDA in 2017 was EUR 780 thousand).
- During the 12 months of 2018, the net profit of the companies increased by 14.3 percent to 232 thousand euros (in the same period of 2017, the net profit of the companies was 203 thousand euros).

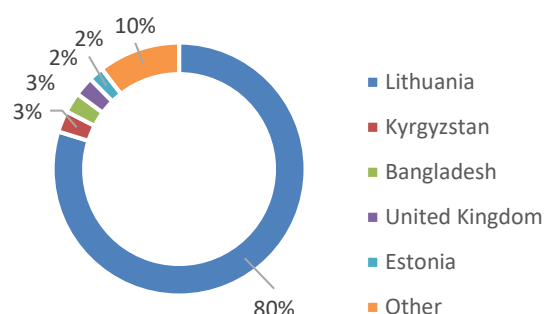
**BAIP** provides critical IT infrastructure services: information system resilience and mobility services for the largest corporate IT users and public sector organisations.

**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.

Revenue of BAIP by countries  
2018



#### 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

**PRELIMINARY KEY PROFIT (LOSS) ITEMS OF ALGORTIMŲ SISTEMOS**

- According to preliminary data, the value of Algortimų sistemas increased by 6.7 percent. from EUR 3.8 million at the end of 2017 to EUR 4.08 million at the end of 2018.
- Revenue of Algortimų sistemas for the 12 months of 2018 increased by 16 percent to EUR 3.21 mln (for the same period in 2017 revenue totalled EUR 2.76 million)
- The company's EBITDA increased by 31 percent from EUR 320 thousand in 2017 to EUR 420 thousand in the 12 months of 2018.
- The Company's net profit at the end of 2018 amounted to EUR 324 thousand, while at the end of 2017 net profit was EUR 299 thousand.

**Algortimų Sistemas** 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, Algortimų sistemas 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.

At Vilnius City municipality, Algortimų sistemas 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. Algortimų sistemas provided services for the development and modification of the Taxpayers' Electronic

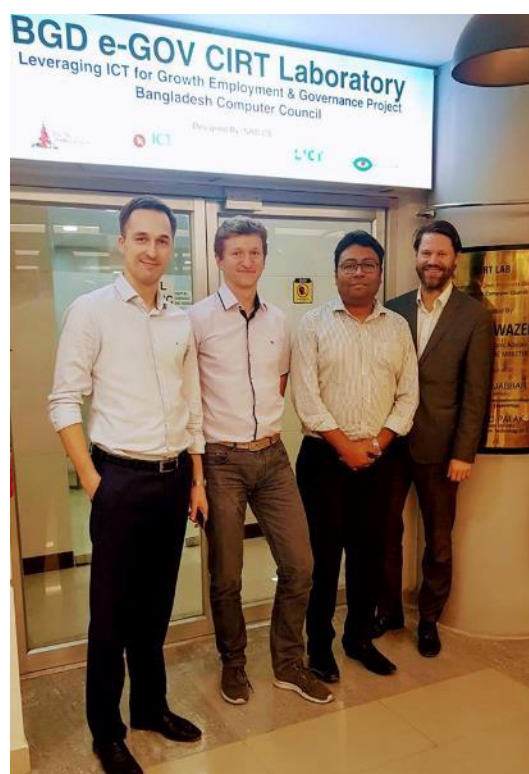
Education, Counselling and Information Services System (ESKIS), started the development of the Personal Income Tax Information System (GYPAS) and provided maintenance services.

In November 2018, Algortimų sistemas 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, Algortimų sistemas also began implementing its first project in Bangladesh. On 26th June, Algortimų sistemas, 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 Sistemas 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: Algortimų sistemas at Bangladesh Computer Council*



## IT SERVICES AND SOFTWARE.

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

#### PRELIMINARY KEY PROFIT (LOSS) ITEMS OF ANDMEVARA

- The preliminary value of Andmevara AS and Andmevara Services at the end of 2018 amounted to EUR 510 thousand (EUR 525 thousand at the end of 2017).
- Revenues in the 12 months of 2018 increased by 39.5 percent and reached 1.5 million euros (revenue in 2017 was 1.1 million euros).
- EBITDA rose from a negative EUR 271 thousand to a positive EUR 31 thousand.
- Net loss of the companies during the 12 months of 2018 amounted to 47 thousand euros (in the same period of 2017 net loss amounted to 292 thousand euros).
- Andmevara Services results are counted from 27 August 2018, when the Company's split off was completed.

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

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)

### PRELIMINARY KEY PROFIT (LOSS) ITEMS OF NRD CS

- According to preliminary data, the value of NRD CS increased by 27.4 percent over the year from EUR 5.07 mln to EUR 6.46 mln euros.
- Revenues of NRD CS over the 12 months of 2018 increased by 11 percent compared to the same period in 2017, reaching EUR 3.88 mln. The Company's revenue for the 12 months of 2017 amounted to EUR 3.49 mln.
- EBITDA fell by 7 percent to EUR 559 thousand (EBITDA for the 12 months of 2017 was EUR 603 thousand).
- Compared to 2017, the Company's net profit decreased by 6% and at the end of 2018 amounted to EUR 439 thousand. During the same period, the net profit for 2017 amounted to EUR 468 thousand.

**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

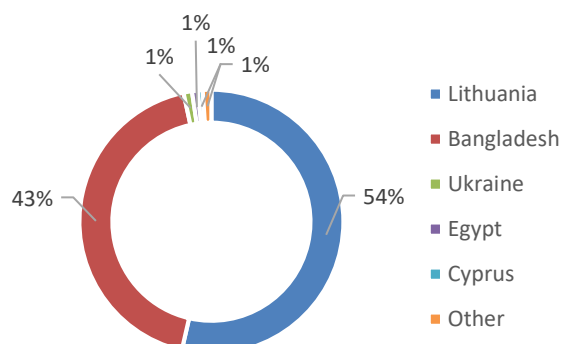
In 2018, NRD CS implemented projects and signed new contracts in Lithuania, Cyprus, Peru, Bangladesh, Ukraine, Georgia, Egypt and South African Republic.

### 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).

Revenue of NRD CS by countries  
2018



### 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 Algoritmy sistemas 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.

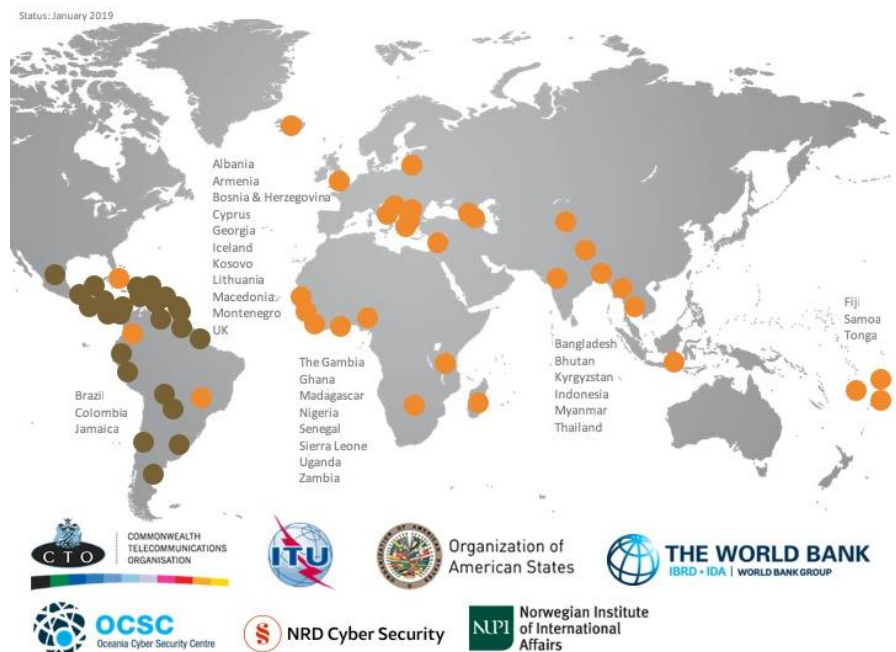
## OTHER IMPORTANT EVENTS

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