

The logo consists of the letters 'INVL' in a white, bold, sans-serif font, set against a dark blue square background.

TECHNOLOGY

Special Closed-Ended Type Private Capital Investment Company 's
INVL Technology preliminary results for 12 months of 2017

Translation note:

This version of the Interim Report for the 12 months of 2017 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
Fax	+370 5 279 0530
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
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. VJK-005
Depository	SEB Bank, AB, code 112021238, bank licence No. 2

INFORMATION ON COMPANY'S GOALS AND STRATEGY

On 14 July 2016 INVL Technology received a closed-ended type investment company licence, issued by the Bank of Lithuania. Under the company's Articles of Association, a closed-ended type investment company (CEF) INVL Technology will operate until 14 July 2026, with a possible extension for two more years.

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.

At the end of 2017, 15 operating companies had formed a portfolio of INVL Technology managed companies.

INVL Technology has investments in the Norwegian company Norway Registers Development AS with subsidiaries NRD Systems (NRD UAB) and Etronika UAB in Lithuania, Norway Registers Development East Africa Ltd. in Tanzania, Norway Registers Development Rwanda Ltd. in Rwanda, Norway Registers Development Bangladesh Ltd. in Bangladesh and Infobank Uganda Ltd. in Uganda. It has also invested in BAIP UAB with its subsidiary Acena UAB, NRD CS UAB and Algoritmu sistemas UAB, all in Lithuania, Estonia's Andmevara AS with its subsidiary Andmevara SRL in Moldova.

INVL Technology – a company, investing in IT businesses, listed on Nasdaq Baltic stock exchange (ticker symbol INC1L) from June 2014.

2 Letter from the Managing Partner

2017 was successful for INVL Technology – since most of the managed companies increased not only revenue, but also profit, the value of the companies under management grew as well.

Kazimieras Tonkūnas

INVL Technology Managing Partner



2017 was successful for INVL Technology – since most of the managed companies increased not only income, but also profit, the value of the companies grew as well. Good results were demonstrated by companies operating in the areas of cyber security, fintech and solutions for IT intensive industries. Income of INVL Technology companies mostly grew in the markets of East Africa and South Asia.

In 2017 we were expanding the regular sales channels and developing new products

The priority for INVL Technology in 2017 was expansion of the regular sales channels as well as the portfolio of the managed companies. The priority for the managed companies was new product development as well as increasing their capacity for international operations.

In 2017 INVL Technology companies carried out projects in 17 countries, including in 14 countries, in which the projects were also carried out in 2016. The companies started new projects, made new contacts with partners in Cyprus, Albania, Malawi, Gambia, India. It enabled them to partly compensate for the new stage of EU funding for the IT sector in Lithuania that has not started yet.

At the beginning of 2017, we established a company in Bangladesh – NRD Bangladesh Ltd., which helped companies to get established in the market, which is strategically important for the entire group. In the second quarter of 2017, in Bangladesh, NRD CS along with NRD AS completed the project of development of the national computer incident response team, which was nominated in February 2018 for a World Summit on the Information Society (WSIS) Prize 2018 in Action Line C5: Building confidence and security in the use of ICTs. NRD Companies, BAIP and NRD CS also supplied technologies in Bangladesh, intended for development of the computer incident response team (CIRT) laboratory in Bangladesh Computer Council and strengthening of national critical infrastructure.

In 2017, experts of the managed companies also actively organised and took part as presenters and lecturers in various events both in Lithuania and elsewhere in Europe, East Africa and South Asia, cooperated with various international organisations and created new products such as Processes management system by Etronika, NRD CS open-source intelligence module and others. That reinforced the intellectual capital of the companies and laid foundation for growth in value.

In 2018 we will develop the companies and raise their value

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

NRD companies will continue to belong to the business climate improvement and e-government group, the cyber security group will cover NRD CS UAB and other potential acquisitions in this area, whereas the IT services and software group will be formed by joining the areas of IT infrastructure and IT intensive industries' solutions. IT services and software group

will be formed of companies Novian UAB (known as Vitma UAB until February 2018), BAIP UAB, Acena UAB, Algoritmu sistemas UAB and Andmevara AS (that used to belong to the business climate improvement and e-government group).

We believe that this will enable the companies to serve clients better, create a competitive advantage in the Baltic States, support business development in Norway and Sweden, join the companies' forces for development in the region, and increase their income and value. We think that bigger companies will be attractive for investors too

NOVIAN

On 21st February Vitma UAB has changed its name to Novian UAB.

Investments

Currently, INVL Technology is exploring new investment possibilities in Lithuania, Sweden and Norway. We expect to make a new acquisition in 2018 or at the beginning of 2019.

In 2018, the company will also support creation of inner start-ups in INVL Technology companies. Spinning-off of a part of business or product to form separate subsidiaries is also possible.

Managed companies will strengthen their product portfolios and increase efficiency of their activities

In 2018, the priority of the managed companies further lies in new product development as well as increasing their capacity for international operations. The companies will invest into commercialisation and sales of already developed products, brand awareness, also improving service quality and customer satisfaction.

During this period of intensive investment, the collaboration between INVL Technology managed companies is an important aspect of the value growth by 2026. It allows the companies to utilise their resources more effectively, share and take over the best-practices, use sales channels in foreign markets and together develop new specialised competences. Newly formed functional groups will further this by enabling the companies to develop new joint products and services, suitable for better service of clients in the Baltic States and in the territories of East Africa and South Asia, more effectively.

Besides, in September 2017, INVL Technology companies Etronika, FIntime, BAIP, NRD CS, NRD and Acena, which operate in the capital city of Lithuania, moved to new premises in Vilnius Vartai complex at Gynėjų g. 14, Vilnius. In February 2018, they were joined by Algoritmu sistemas. We hope that working side by side, they will be able to carry out multifaceted projects, bringing clients added value and the opportunity to deal with multiple project partners in one place.

INVL Technology's businesses will further benefit from having, together at Vilnius Gates, BAIP'S 24/7 systems monitoring centre and service request management centre, coordinating services in nine countries, and NRD CS Cybersecurity Incident Response Team (NRD CIRT). In addition, clients now have the convenience of being able to discuss ongoing projects in one place. The site hosts meetings and presentations, conferences and workshops.

Kazimieras Tonkūnas

INVL Technology Managing Partner

3 The results of INVL Technology for 12 months of 2017, thous. EUR

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.

KEY FIGURES OF INVL TECHNOLOGY, THOUS. EUR

	12 months of 2016	12 months of 2017
Change in the fair value of financial assets	(4,013)	3,446
Profit (loss) before taxes	(4,541)	3,418
Net profit (loss)	(4,515)	3,418
	31.12.2016	31.12.2017
Financial assets value	16,696	20,142
Cash and Cash equivalents	3,128	5,030
Other assets	27	39
TOTAL ASSETS	19,851	25,211
Other liabilities	123	2,065
<i>of which financial debt</i>	-	1,953
Equity	19,728	23,146
TOTAL EQUITY AND LIABILITIES	19,851	25,211

FINANCIAL ASSETS, THOUS. EUR

Company	31.12.2016	31.12.2017
Novian UAB* (Includes both BAIP UAB and Acena UAB)	7,710	7,284
Algoritmų sistemos UAB (Inventio UAB in 2016)**	3,222	3,748
NRD Companies (includes Etronika UAB, NRD UAB, Norway Registers Development AS and others)	2,870	3,471
NRD CS UAB	1,908	4,873
FINtime UAB	253	274
Andmevara AS	733	492
Total	16,696	20,142

* Vitma UAB on 21.02.2018 changed its name to Novian UAB

**31.12.2016 includes both Inventio UAB and Algoritmų sistemos UAB; in 2017 there companies were merged

CHANGE IN FAIR VALUE OF FINANCIAL ASSETS, THOUS. EUR

Opening balance	16,696
Investments in the purchase of new businesses	5,000
Sale of investments	(5,250)
Profit from the sale of investments	250
Revaluation	3,446
CLOSING BALANCE	20,142

4 The results of INVL Technology portfolio companies for 12 months

KEY PROFIT (LOSS) ITEMS, THOUSAND EUR

	NRD Companies		Etronika UAB ¹		NRD UAB ¹		ANDMEVARA AS ²		BAIP and ACENA		NRD CS		ALGORITMŲ SISTEMOS ³	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Revenue	6,032	7,227	1,540	1,667	1,978	2,020	899	1,092	11,100	11,732	1,577	3,493	2,215	2,757
Gross profit	4,077	4,282	1,350	1,558	1,839	1,780	743	821	2,040	3,441	846	1,755	1,739	2,126
EBITDA	(42)	565	(236)	294	124	134	(29)	(271)	373	780	110	603	431	358
EBIT	(250)	372	(279)	268	80	93	(54)	(292)	(59)	317	90	586	414	340
Net Profit (Loss)	(431)	421	(286)	248	62	84	(53)	(292)	(107)	203	69	468	363	361

PAGRINDINIAI BALANSO STRAIPSNIAI, TŪKST. EUR

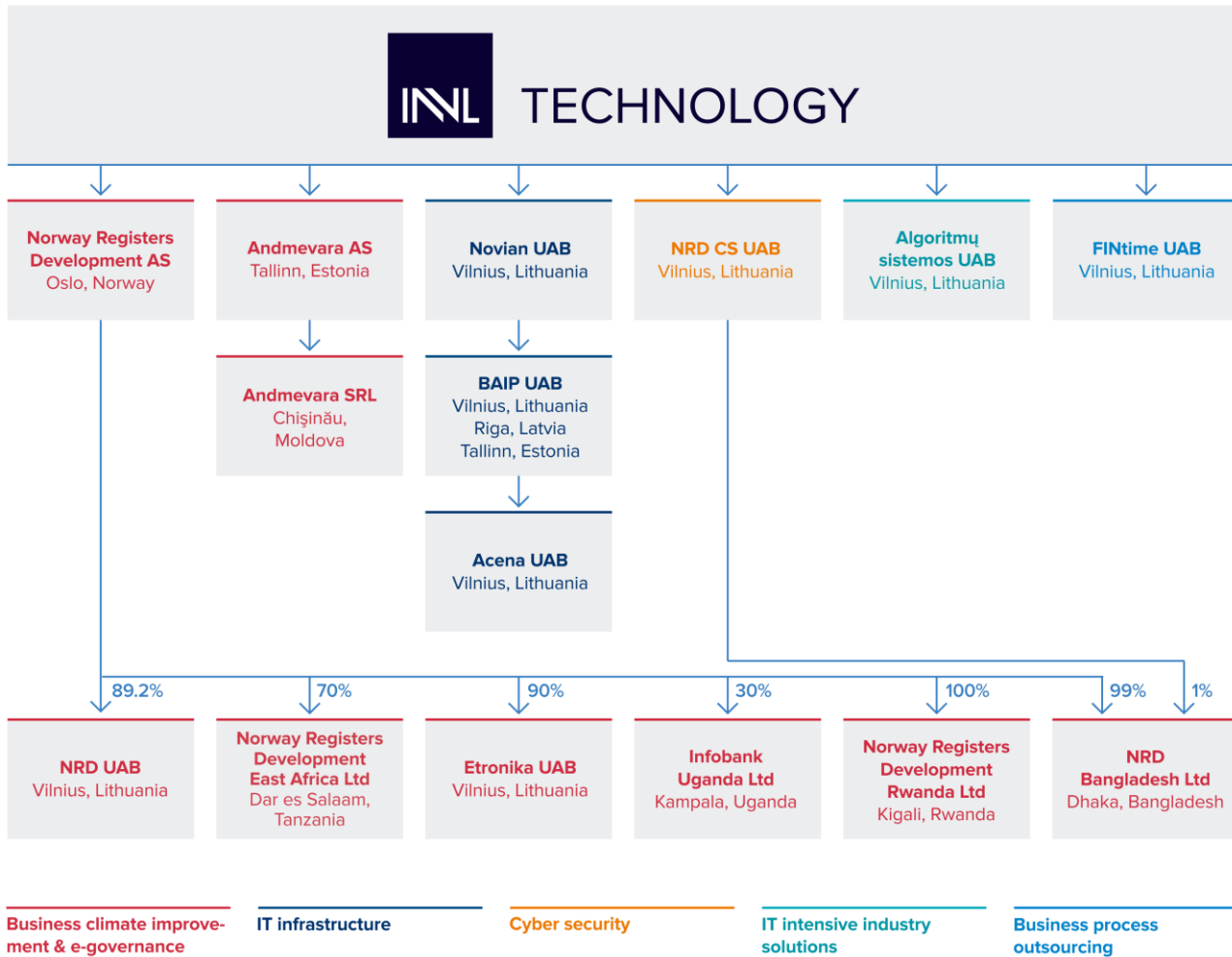
	NRD Companies		Etronika UAB ¹		NRD UAB ¹		ANDMEVARA AS ²		BAIP and ACENA		NRD CS		ALGORITMŲ SISTEMOS ³	
	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017
Tangible assets	314	257	42	9	335	305	29	10	1,176	1,005	32	34	50	40
Intangible assets	593	599	263	402	5	4	11	6	359	361	1	5	1	1,916
Other non-current assets	43	55	-	15	21	28	-	-	308	36	1	8	-	308
Current assets	2,964	3,608	360	464	1,083	1,014	455	298	4,637	4,266	720	2,215	1,132	1,532
<i>of which cash</i>	456	297	57	130	-	-	296	51	1,276	430	422	383	542	284
Total assets	3,914	4,519	665	890	1,444	1,351	495	314	6,480	5,668	754	2,262	1,183	3,796
Equity	1,109	1,454	4	297	583	667	218	(86)	1,829	2,032	320	787	674	3,152
Non-current liabilities	229	102	81	81	21	-	-	-	85	18	-	-	-	-
<i>Of wich financial debt</i>	12	-	-	-	-	-	-	-	85	18	-	-	-	-
Current liabilities	2,576	2,963	580	512	840	684	277	400	4,566	3,618	434	1,475	509	644
<i>of which financial debt</i>	365	130	130	60	14	70	-	-	288	231	-	366	-	-
Total liabilities and equity	3,914	4,519	665	890	1,444	1,351	495	314	6,480	5,668	754	2,262	1,183	3,796

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

² Andmevara AS is included from the month the control was acquired, i.e. 1 May 2016.

³ Algoritmu sistemas UAB is included from the month the control was transferred, i.e. 1 April 2016. 31.12.2016 data includes both Inventio UAB and Algoritmu sistemas UAB; in 2017 the companies were merged

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



5 Significant investments made in 2017

NEW ENTITIES AND AQUISITIONS

On 2 February 2017 INVL Technology managed NRD Companies established a subsidiary entity in Dhaka - NRD Bangladesh. 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 mainly focuses on the services, related to securing the digital environment as well as offers 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.

On 28 September 2017 INVL Technology through 100 percent controlled Finnish company acquired 77.35 percent shares of the Finnish cyber security company Deltagon Group Oy. The price of the acquisition was EUR 4.882 million. The deal was partly financed by the DNB bank in Lithuania. The bank has provided INVL Technology with EUR 1.9 million loan for the period of 4 years. INVL Technology transferred the shares of Finnish company Nordic Cyber Security Oy, that manages 77.35 percent of Deltagon Group Oy shares. Finnish state-owned enterprise Suomen Erillisverkot (State Security Networks Ltd) paid EUR 5.25 million for 100 percent of Nordic Cyber Security shares. The deal was closed on 7 December 2017. It will have no significant influence on the results of INVL Technology.

6 Significant Company's and its portfolio companies' events in 2017



FINANCIAL REPORTS

- **28 February 2017** INVL Technology announced preliminary operating results for 12 months of 2016. The preliminary equity of INVL Technology, after the revaluation of financial assets, as of 31 December 2016, was EUR 19.7 million or EUR 1.62 per share (compared to 1.99 euro per share at the end of 2015) and decreased 18.6 percent in 2016.
- **6 April 2017** INVL Technology announced that on 31 March 2017 the Net Asset Value of the Company was EUR 19,259,953.53 or EUR 1.5819 per share.

- **28 April 2017** INVL Technology reported preliminary operating results for 3 months of 2017. Equity of INVL Technology as of 31 March 2017 was EUR 19.26 million or EUR 1.58 per share. Net loss of the Company for the first quarter of 2017 was EUR 468 thousand. On 31 March 2017 the net asset value of the Company was EUR 19,259,953.53 or EUR 1.5819 per share.
- **30 August 2017** INVL Technology reported the results for 6 months of 2017. Equity of INVL Technology as of 30 June 2017 was EUR 19.7 million or EUR 1.62 per share. Investments of the Company amounted to EUR 16.6 million at the end of June 2017. The cash and cash equivalents of the Company increased from EUR 3.1 million to EUR 3.2 mln in 6 months of 2017. On 30 June 2017 the net asset value of the Company was EUR 19,748,704.83 or EUR 1.6220 per share.
- **31 October 2017** INVL Technology reported the results for 9 months of 2017. Equity of the Company and the Company's net asset value as of 30 September 2017 was EUR 19,941,795.21 or EUR 1.6379 per share. Investments of the Company to managed companies amounted to EUR 21.9 million at the end of September 2017. Increase in fair value of investments amounted to EUR 5.2 million in nine months of 2017. The cash and cash equivalents of the Company decreased from EUR 3.1 million to EUR 50 thousand in nine months of 2017. The net profit of the Company amounted to EUR 214 thousand.



AGREEMENTS

- **4 April 2017** Etronika UAB has signed a distribution agreement with Comarch Technologies, technology wing of the Comarch Capital Group.
- **3 May 2017** INVL Technology has signed the Amendment of the Services Agreement with AB SEB bank. The parties agreed on a 0.04 percentage point lower depository fee.



CHANGES IN PORTFOLIO COMPANIES

- **2 February 2017** INVL Technology managed NRD Companies has established a subsidiary entity in Dhaka - NRD Bangladesh. 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.
- **28 September 2017** INVL Technology through 100 percent controlled Finnish company acquired 77.35 percent shares of the Finnish cyber security company Deltagon Group Oy. The price of the acquisition is EUR 4.882 million.
- **7 December 2017** INVL Technology transferred the shares of Finnish company Nordic Cyber Security Oy, that manages 77.35 percent of Deltagon Group Oy shares. Finnish state-owned enterprise Suomen Erillisverköt (State Security Networks Ltd) paid EUR 5.25 million for 100 percent of Nordic Cyber Security shares.



MANAGEMENT AND SUPERVISORY BODIES

- **18 April 2017** An Advisory Committee for INVL Technology has been appointed by the board of INVL Asset Management, its management company. The Advisory Committee of the Company is composed of Invalda INVL board members Alvydas Banyš and Indrė Mišeikytė, Lietuvos Draudimas's Investment Director for the Baltic countries Gintaras Rutkauskas, and one of the owners of the E-energija group of companies Virginijus Strioga.
- **27 April 2017** the Shareholders Meeting of INVL Technology took place. The following resolutions were adopted: to approve the financial statements for 2016 of INVL Technology; to approve the regulations of the Audit Committee of INVL Technology and to elect Dangutė Pranckėnienė (independent member) and Tomas Bubinas (independent member) to the Audit Committee of INVL Technology for the 4 (four) years term of office; to delegate to the Management company of INVL Technology to determine the remuneration payment procedure for the Audit Committee members; to change the Company registered address.



EMPLOYEE PERKS IN THE FORM OF INVL TECHNOLOGY STOCK

- **19 May 2017** INVL Technology announced that employees of the companies owned by INVL Technology will receive some bonuses in the form of INVL Technology stock. It is envisaged that up to 30 percent of employee bonuses will be paid in stock. It is stipulated that the price paid for shares shall not exceed the net asset value.



NEW PREMISES

- **In the middle of 2017** several INVL Technology companies, operating in the capital, moved into Vilnius Gates: Etronika, FINtime, BAIP, NRD CS, NRD and Acena. Algoritmų Sistemų will join them in early 2018.


BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE. NRD COMPANIES

KEY PROFIT (LOSS) ITEMS of NRD COMPANIES

- Revenue of NRD Companies for 12 months of 2017 increased by almost 20 percent, compared to the same period in 2016, and totalled EUR 7.23 million (revenue for the same period of 2016 was EUR 6.03 million).
 - EBITDA of the group for the same period improved from a negative EUR 42 thousand to a positive EUR 565 thousand.
 - Net profit for 12 months of 2017 amounted to EUR 421 thousand. For the same period of 2016, NRD Companies had a net loss of EUR 431 thousand.
 - **The results of Etronika UAB and NRD UAB are included into results of NRD Companies.**
 - Revenue of Etronika UAB for 12 months of 2017 increased by 8.2 percent, compared to the 12 months of 2016, and reached EUR 1.67 million (for 2016, revenue was EUR 1.54 million). EBITDA of the company improved from a negative EUR 236 thousand for the 12 months of 2016 to a positive EUR 294 thousand in 12 months of 2017. For the same period company had a net profit of EUR 248 thousand (for 2016 company had a net loss of EUR 286 thousand).
 - Revenue of NRD UAB for 12 months of 2017 was EUR 2.02 million – 2 percent higher than for the same period of 2016 (EUR 1.98 million). EBITDA for the same period increased by 8.1 percent and reached EUR 134 thousand in 2017 (EBITDA for 2016 was EUR 124 thousand). For 12 months of 2017, company earned 35.5 percent more net profit than for the same period of 2016 – EUR 84 thousand (in 2016 – EUR 62 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.

NRD Companies is structured to deliver world-class information technology solutions in Europe, Sub-Saharan Africa, South and Southeast Asia as well as small island states at a competitive cost with a seamless implementation on the ground and provide complementary solutions and services via specialized companies.

The group structure:

- Norway Registers Development is the managing company as well as legal, consulting, project leadership and know-how hub for the group based in Sandvika, Norway;
- NRD Systems (NRD UAB) 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 sale, 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 sale, project leadership, project support and maintenance company for group projects in Rwanda, Burundi and Democratic Republic of the Congo;
- NRD Bangladesh is a regional sale, 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 2017 NRD companies implemented projects in Lithuania, Finland, Estonia, Albania, Tanzania, Zanzibar, Uganda, Ruanda, Burundi, Mauritius and Bangladesh. Companies are also actively participating in international tenders in South Asia and East Africa.

LITHUANIA

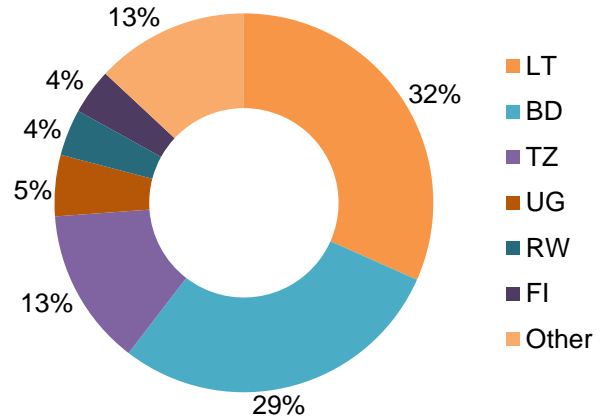
In February, NRD Systems (NRD UAB) signed a contract with the Centre of Registers of Lithuania for the provision of implementation and support services of Legal rights registers for three years. The value of the contract is EUR 774 thousand (excluding VAT).

In September of 2017, NRD UAB has signed a contract with the State Tax Inspectorate of Lithuania (VMI) for the implementation of i.SAF-T subsystem for standardized accounting data storage and management. The contract value is more than EUR 800 thousand including VAT.

The company also provided services to the Central Bank of Lithuania, Customs Department under the Ministry of Finance of the Republic of Lithuania, Republican Hospital of Kaunas, The Authority of Audit, Accounting, Property Valuation and Insolvency Management under the Ministry of Finance of the Republic of Lithuania and other organisations.

Etronika, also a part of NRD Companies, in 2017 developed and implemented a loan origination system, based on principles of Robotics Process Automation, for Lithuanian bank Šiaulių Bankas, began developing a commercial mobile payment infrastructure solution (MoQ) for Mobilieji mokejimai, UAB, implemented a self-service retail check-out solution for Reitan Group in Finland and Estonia, implemented other projects.

REVENUE OF NRD COMPANIES IN 2017 BY COUNTRIES



EUROPE

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

EAST AFRICA

Norway Registers Development AS with subsidiaries NRD UAB and NRD East Africa Ltd in June 2017 implemented a strategic project - designed and developed an Online Registration System at Tanzanian Business Registrations and Licensing Agency (BRELA).

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. In August, Zanzibar delegation visited Lithuania where they met with Lithuanian authorities for the best-practice exchange.

In Ruanda, NRD Rwanda Ltd. together with BAIP signed an infrastructure maintenance agreement. BAIP also renewed cooperation with Ruanda Development Board.

SOUTH ASIA (BANGLADESH)

In Bangladesh, NRD AS, together with NRD CS, finalised the National Computer Incident Response Team development project and in joint venture with BAIP signed a new software and hardware delivery and deployment contract with the Bangladesh Computer Council. The companies will set up a laboratory for the National Computer Incident Response Team (CIRT). NRD CS will provide technology for implementation of the project. Setting-up of the laboratory is financed by the World Bank under the Bangladesh Computer Council’s project “Leveraging ICT for Growth, Employment and Governance”.



CONFERENCES

International Cyber Security Conference organized by Bangladesh Computer Council took place in Dhaka on 9 March 2017. Norway Registers Development AS was the leading partner of the conference. NRD CS and NRD Bangladesh have also contributed to International Cyber Security conference. The conference marks the one year anniversary of BGD e-GOV CIRT (Bangladesh Government Computer Incident Response Team) establishment. BGD e-GOV CIRT was established with assistance from NRD Companies and NRD Cyber Security. State Minister for ICT Zunaid Ahmed Palak delivered a special gift for the successful cooperation to NRD AS.

Norway Registers Development AS sponsored The European Commerce Registers' Forum (ECRF 2017), held on 14–16 June in Vilnius, where Managing Director Rimantas Žylius delivered a speech on the importance of cooperation between business registers in Europe and emerging markets.

The 5th annual Cyber Defence East Africa 2017 conference, held on 9–10 August in Kampala, the capital of Uganda, brought together nearly 150 East African cyber security policy makers and experts from East African central and commercial banks, ministries of ICT and finance, the President's Office, communications regulators, computer emergency response teams (CERT), law enforcement authorities and academia. The conference was organised by NRD companies and NRD CS in cooperation with the National Information Technology Authority – Uganda (NITA-U). The conference was sponsored by BAIP UAB.

OTHER IMPORTANT EVENTS

In the beginning of 2017, new NRD Companies brand was introduced.

NRD UAB has a new Director - Mr Andrius Kaikaris, serving since 18 October 2017. He has replaced the former Director of the company Mr Alvydas Arnoldas Šidlauskas.

NRD company Etronika with its mobile banking solution BANKTRON was included in the study "[IDC MarketScape: European Mobile Banking Software Solutions 2017 Vendor Assessment](#)", which assesses and compares developers of European mobile banking software solutions. The study covers 11 solutions and is an important criteria for financial institutions to consider when making a mobile banking investment decision.

In 2017, NRD Companies also finished implementing Norwegian Peace Corps (Fredskorpset Norway – FK Norway) financed employee exchange program, implemented since August 2014. During three rounds of the project, a total of 17 employees from NRD Companies improved their skills and gained new knowledge in Lithuania and Tanzania.

In November 2017, Norway Registers Development AS signed a Memorandum of Understanding (MoU) with Technology Innovation hub in Malawi – mHub.





BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE. ANDMEVARA

KEY PROFIT (LOSS) ITEMS OF Andmevara

- Revenue of Andmevara AS for 12 months of 2017 was EUR 1.1 million. EBITDA of the company for the same period was a negative EUR 271 thousand.
- For the same period of 2017 net loss of the company was EUR 292 thousand.
- Since publication of the company's data began on 1 May 2016, when control of the company was acquired, there are no comparable previous-year figures.

events taking place during the Estonian Presidency of the Council of the European Union. This will be the main English-language web-based system for the Estonian Presidency, which aims at reducing e-mail messages and exchange of paper printouts, as well as improving information security. This initiative is designed to make the processes safer, faster and more cost-effective and promote the use of digital signatures. The Presidency Gateway source code and its supporting documentation was released for subsequent presidencies to use. In July 2017, IT-Maintenance service for Kohila municipality (48 months) was also won.

In September 2017, the E-Apostille project was completed. The client is the Chamber of Notaries at the Estonian IT-institution for Ministry of Justice. In September 2017, Andmevara won the hosting project of the Tallinn city (48 months).

In October of this year, the Development work for The Election Information System was completed. The Client is the Estonian National Electoral Committee. On 15 October 2017, the municipal elections of Estonia took place, during which the The Election Information System developed and administered by Andmevara AS was successfully used.

In 2017 the company also implemented a project that aimed at increased accessibility of Tallinn city public transport for disabled people.

OTHER IMPORTANT EVENTS

In the end of January 2017, the Company updated its corporate image.



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).

AS Andmevara currently serves 250 clients in Estonia and Moldova. In Moldova, the National Archives Digitization Project is currently taking place, funded by the Estonian Ministry of Foreign Affairs.

Andmevara is an information technology company engaged in software development, digitization and a variety of IT solutions for local governments. The company also provides maintenance and customer support.

PROJECTS

In January 2017 Andmevara completed the digitization of 650 thousand Moldovan court documents project.

On 6 February 2017, an agreement was signed under which AS Andmevara became a partner for the management and development of information systems for local governments. Estonia is currently undertaking local government reform to improve local public services and governance, and achieve efficiency gains.

In June 2017, Andmevara with the partner won the project of Webpage platform development for High-Schools.

In July 2017, Andmevara finished developing an information system (Presidency Gateway) that will make it simpler to organise and run the



IT INFRASTRUCTURE. BAIP AND ACENA

KEY PROFIT (LOSS) ITEMS OF BAIP AND ACENA

- Revenues of BAIP and Acena grew by 5.7 percent in 12 months of 2017 compared to the same period of 2016 and totalled EUR 11.73 million. For 2016 revenues of the companies totalled EUR 11.1 million.
- Their EBITDA for 12 month period more than doubled to EUR 780 thousand (versus EUR 373 thousand for the same period of 2016).
- Net profit of the companies for 12 months of 2017 was EUR 203 thousand, while for the same period of 2016 the companies had a net loss of EUR 107 thousand.

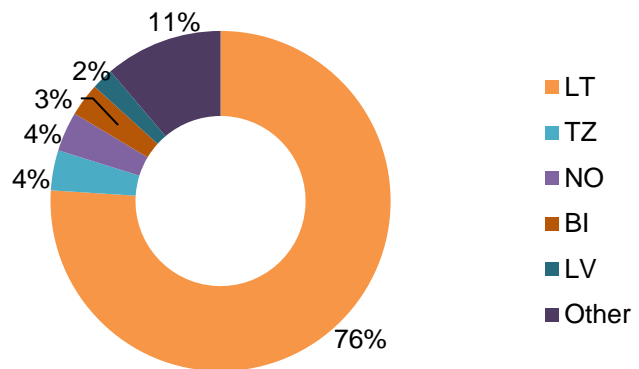
BAIP provides critical IT infrastructure services: information system resilience and mobility services for the largest corporate IT users and public sector organisations.

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 2017, BAIP and Acena carried out projects and signed new contracts in the Baltic States, Denmark, Norway, Tanzania, Rwanda, Burundi, Mauritius and other countries.

REVENUE OF BAIP IN 2017 BY COUNTRIES



LITHUANIA

In 2017, 76 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.

Acena in 2017 implemented more than 20 business analytics, business productivity and other projects for private sector customers.

EAST AFRICA

In Ruanda, BAIP with NRD East Africa signed a contract for further modernisation of the National Bank of Rwanda. BAIP with NRD Rwanda signed infrastructure maintenance and hardware sales agreements with Rwanda Revenue Authority.

SOUTH ASIA

In June 2017, Norway Registers Development AS and BAIP signed an agreement for “Supply, Installation and commissioning of software & various equipment for setting up CIRT Laboratory at Bangladesh Computer Council” under Leveraging ICT for Growth, Employment and Governance Project. NRD CS will provide the technology required for project implementation.

CONFERENCES

An annual conference “Technologies and Resilience” was organized by BAIP and its partners on 27 March 2017. More than 100 Executives, CIOs and IT specialists from biggest Lithuanian business companies, governmental

organizations and academic institutions gather there to discuss about the biggest IT challenges and opportunities. The main topics of the conference were the renewed BAIP methodology CIMF2.0 and applications management. Some of the other topics include data growth, its growth in smart cities, governmental cloud computing projects success stories, and other.

BAIP also sponsored the conference “Cyber Defence East Africa 2017”, held on 9–10 August in Kampala.

OTHER IMPORTANT EVENTS

17 January 2017 INVL Technology has acquired EUR 1.55 million of bonds from the company BAIP. The bonds pay an annual interest rate of 7.625 per cent and mature on 30 June 2017. The bonds were redeemed in 4 May 2017. The money raised in the bond issue was used to ensure the participation of INVL Technology group companies in a foreign tender.

BAIP also strengthened its partnerships with hardware and software vendors and qualified as a Dell Premier Partner in Lithuania. In the beginning of April 2017, BAIP was named DELL EMC Partner of the year in the category for Cloud & Data Center solutions in their annual regional partners’ awards for the Baltics.

On 3 December 2017 BAIP also celebrated its 10th birthday.





CYBERSECURITY. NRD CS



Photo: In 2017 NRD CS consultants assisted Office of the Commissioner of Electronic Communications and Postal Regulation of the Republic of Cyprus in development of the national cyber security incident response team (CIRT).

KEY PROFIT (LOSS) ITEMS OF NRD CS

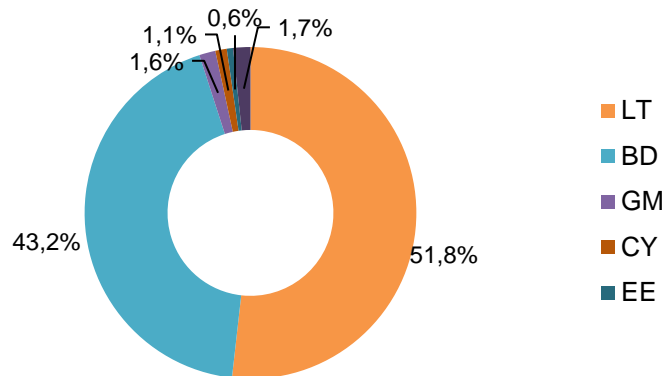
- NRD CS revenue for the 12 months of 2017 more than doubled, compared to the same period of 2016, and totaled EUR 3.49 million (revenue for 2016 was EUR 1.58 million).
- EBITDA of NRD CS increased 5.5 times to EUR 603 thousand, from EUR 110 thousand in 12 months of 2016.
- Net profit of the company, compared to the same period of 2016, increased 6.8 times from EUR 69 thousand to EUR 468 thousand for the 12 months of 2017.

NRD CS (NRD Cyber Security) 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 2017 NRD CS implemented projects and signed new contracts in Lithuania, Cyprus, Gambia and Bangladesh.

REVENUE OF NRD CS IN 2017 BY COUNTRIES



LITHUANIA AND EUROPE

In 2017 NRD CS implemented information analysis capacity building projects with law enforcement, provided 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 2017 NRD CS consultants assisted Office of the Commissioner of Electronic Communications and Postal Regulation of the Republic of Cyprus in development of the national cyber security incident response team (CIRT).

SOUTH ASIA (BANGLADESH)

In 2017, NRD CS together with NRD AS finalised the National Computer Incident Response Team development project and within the framework of NRD AS and BAIP's project supplied technology for the set up of a laboratory for the National Computer Incident Response Team (CIRT) in the Bangladesh Computer Council. New agreement was also signed for implemented of technology for strengthening of national critical infrastructure.

EVENTS

In 2017, NRD CS experts organised and participated as speakers and lecturers in various cyber security conferences, seminars, discussions and Forums in Lithuania, Belgium, Switzerland, Sweden, Uganda, Bangladesh, India and toher countries. NRD CS team members shared their knowledge and insights on such topics as: Open source intelligence (OSINT), How Digitisation Will Challenge Current Security Practices, the new EU personal data privacy regulation, importance of a coordinated response to ICT security incidents and how this contributes to the broader development agenda, the necessity to integrate cyber security into all national digital development programmes at an early stage, protection of the public core of the Internet, and many other.

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.

On 9–10 August, the 5th annual Cyber Defence East Africa 2017 conference was held in Kampala, the capital of Uganda. The conference was organised by NRD companies and NRD CS in cooperation with the National Information Technology Authority – Uganda (NITA-U).

On 23-24 November, 2017 NRD Cyber Security CEO Dr Vilius Benetis participated at Global Conference on Cyber Space 2017 which took place at Aero City, New Delhi, India. During the event, he contributed to the preparation of Delhi Communiqué on a GFCE Global Agenda for Cyber Capacity Building. NRD CS is a full member of the Global Forum on Cyber Expertise (GFCE) (<https://www.thegfce.com/>) and NRD CS experts continuously contribute to various initiatives of the organisation.

On 1 December 2017, the fifth annual NRD CS conference Cyber Defence Lithuania 2017 was dedicated to secure messaging and cybersecurity actualities, presentation of new solutions and strengthening of cyber security community in Lithuania.

NRD CS event callendar and archive can be accessed at: <https://www.nrdcs.lt/en/events/>

OTHER IMPORTANT EVENTS

In 2017, NRD CS updated its brand.



At the end of April, NRD CS and Vilnius University initiated a visit of representatives from the Oxford Global Cyber Security Capacity Centre and together with representatives from the public and private sectors, law enforcement, banks and academic community contributed to the Lithuanian cyber security maturity assessment implemented by the Centre.



IT INTENSIVE INDUSTRIES SOLUTIONS. ALGORTIMŲ SISTEMOS

KEY PROFIT (LOSS) ITEMS OF ALGORTIMŲ SISTEMOS

- Revenue of Algoritimų sistemas for the 12 months of 2017 totalled EUR 2.76 million, EBITDA – EUR 358 thousand and net profit – EUR 361 thousand.
 - Since publication of the company's data began on 1 April 2016, when control of the company was acquired, there are no comparable previous-year figures.
-

Algoritimų 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

Currently, the biggest clients of Algoritimų Sistemos UAB operating in the field of solutions for IT-intensive industries 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, the Environmental Protection Agency and State Social Insurance Fund Board.

In 2017, Algoritimų sistemas was awarded contracts by Vilnius City Municipality for the development of Real estate accounting system, by the State Tax Inspectorate for the maintenance of its information systems as well as other contracts.

The company also implemented such projects as "Pillow Fee in Palanga Municipality", "Register of Persons who Limited their Gambling Possibilities", "Creation of VLE.LT, an Electronic Version of the Universal Lithuanian Encyclopaedia", and other.

OTHER IMPORTANT EVENTS

In 2017, the company also contributed to the development of anti-corruption environment in Lithuania and in cooperation with the Lithuanian Special Investigation Service and Telia Lietuva AB created a website for the Anti-Corruption Guide for Business.

Algoritimų Sistemos actively participated in international public procurement tenders together with other companies owned by INVL Technology. The portfolio of services offered by the company includes a range of services relevant to the public sector: e-health, tax modernisation, environmental management, election system solutions, etc.

7 Other information

SHARES AND SHAREHOLDERS

Since 2014 the shares of the Company are listed on Nasdaq Vilnius stock exchange:

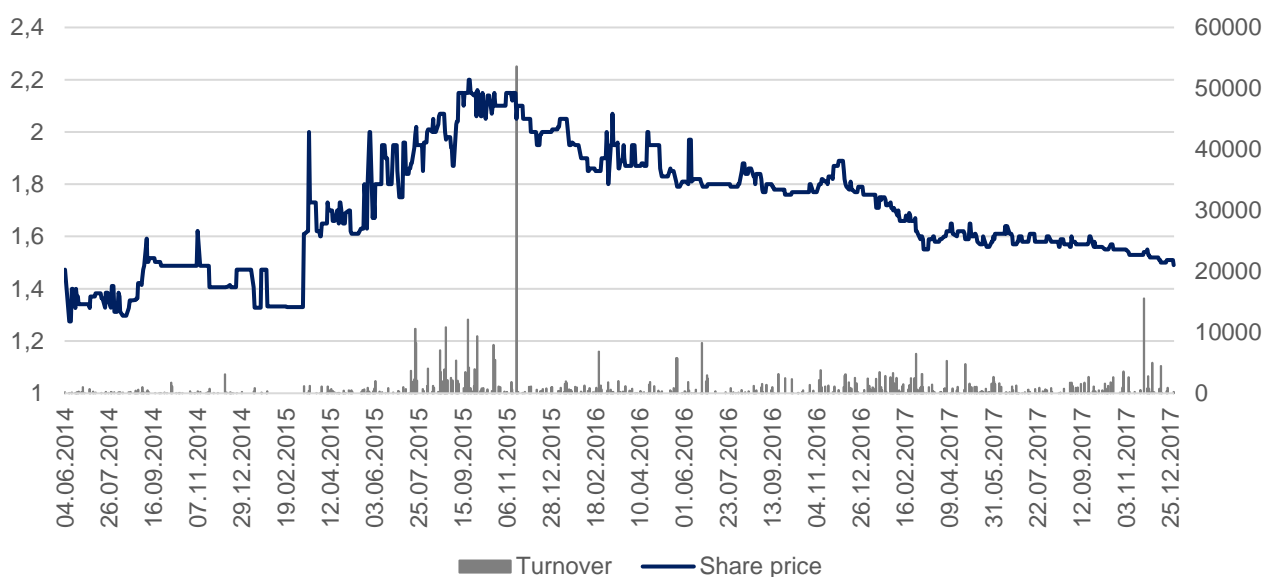
- ISIN code LT0000128860
- Ticker symbol INC1L

As of 31 December 2017 all the shares of the Company were owned by 3,389 shareholders.

Shareholders who held title to more than 5% of INVL Technology authorised capital and/or votes as of 31 December 2017

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	1,691,737	13.90	13.90	-	13.90
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 ⁴	7.08
Alvydas Banys	618,745	5.08	5.08	19.91 ⁵	24.99

TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE, EUR



⁴ According to Part 10 of Paragraph 1 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Kazimieras Tonkunas has votes of his spouse.

⁵ According to Part 6 of Paragraph 1 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Alvydas Banys has votes of LJB Investments, UAB a company controlled by him.

MANAGEMENT OF THE COMPANY

When the Bank of Lithuania on 14 July 2016 issued a closed-end investment company licence to INVL Technology AB, the mandates of the board and the chief executive of INVL Technology were transferred and, as of that same date, are performed by the asset management company INVL Asset Management.

Under INVL Technology’s Articles of Association, INVL Asset Management, which has assumed the management of the company, forms investment and advisory committees which also participate in the company’s management in keeping with the mandates they are given.

Investment Committee operates from 14 July 2016. Members of the Investment Committee:



Kazimieras Tonkūnas
Chairman of the
Investment Committee



Vytautas Plunksnis
Member of the
Investment Committee



Vida Juozapavičienė
Member of the
Investment Committee



Nerijus Drobavičius
Member of the
Investment Committee

Advisory Committee operates from 18 April 2017. Members of the Advisory Committee:



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

INVL Technology Managing Partner

Kazimieras Tonkūnas