

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

1 INVL TECHNOLOGY RESULTS AND KEY EVENTS IN 2016

Equity of the Company as of 31 March 2016 was EUR 24.23 million or EUR 1.99 per share – the same as at the end of 2015.

Fair value of investments managed by the Company amounted to EUR 19.7 million on the 31 March 2016. In the first quarter of 2016, it has increased by EUR 2.78 million – mostly due to the acquisition of Algoritmu sistemas UAB and investments in the share capital of managed companies. Increase in fair value by revaluation amounted to EUR 0.07 million. The cash assets of the Company decreased from EUR 7 million to EUR 4.2 million in the first quarter of 2016. Net loss of the Company for the first quarter of 2016 was EUR 9 thousand.

At the end of the first quarter of 2016, companies managed by INVL Technology were measured at their fair value using the same method that will be used after the Company becomes a closed-end investment entity. The fair value of the companies, controlled by INVL Technology, at the end of 2015 was estimated by an independent appraiser Deloitte verslo konsultacijos UAB. Market conditions and other preconditions used in the valuation did not change significantly during the first three months of 2016. Therefore, when preparing preliminary operating results for the 3 months of 2016, the Company measured fair value of investments using the end of 2015 value adjusted by the net profit or loss and payments to the Shareholders that occurred during the period.

Value of Vitma, which controls 100 per cent of critical IT infrastructure company BAIP UAB and its subsidiary Acena UAB, was estimated at EUR 11.49 million, cybersecurity company NRD CS UAB – at EUR 1.8 million, NRD group – EUR 3.8 million. Companies FINtime and Inventio (company that acquired Algoritmu sistemas, UAB) were estimated at acquisition cost which equalled respectively to EUR 229 thousand and EUR 2.4 million.

During the Shareholders Meeting that took place on 7 March 2016 the Shareholders of INVL Technology approved the company's transition to a closed-end investment entity. Shareholders have also approved New Articles of Association, Management agreement with INVL Asset Management UAB - a licensed asset management company, controlled by the subsidiary of one of the largest investment and asset management groups in Baltic countries Invalda INVL AB - and depository agreement with SEB Bank AB (as the custodian of INVL Technology assets). Term of the closed-end investment company is 10 years (with an option to extend for 2 more years).

The Company discloses operating results of its largest investments as well as the key items of the assets and liabilities of the Company in order to inform the shareholders about the results of investments managed by INVL Technology. It also enables the shareholders to estimate equity per share of the Company.

1.1 FINANCIAL ASSETS

ENTITY	31 MARCH 2016	31 DECEMBER 2015
Vitma UAB ¹	11 486	11 474
NRD group	3 816	3 708
NRD CS UAB	1 814	1 773
FINtime UAB	229	-
Inventio UAB	2 392	-
TOTAL	19 737	16 955

1.2 CHANGE IN FAIR VALUE OF FINANCIAL ASSETS

Opening balance	16 955
Investment in the share capital of managed companies*	2 716
Revaluation	66
CLOSING BALANCE	19 737

*Mainly the increase of Inventio UAB share capital to finance the acquisition of Algoritmu sistemas UAB.

¹ includes both BAIP UAB and Acena UAB

1.3 KEY FINANCIAL DATA OF THE COMPANY

	31 MARCH 2016	31 DECEMBER 2015
Financial assets at fair value	19 737	16 955
Cash and cash equivalents	4 177	6 994
Other assets	423	399
TOTAL ASSETS	24 337	24 348
Financial liabilities	-	-
Other liabilities	103	105
Equity	24 234	24 243
TOTAL EQUITY AND LIABILITIES	24 337	24 348

2 INVL TECHNOLOGY BUSINESS AREAS

INVL Technology operates as a cluster of B2B- and B2G-oriented IT businesses with a focus in four key areas: business climate improvement and e-governance, IT infrastructure, cyber security and IT intensive industries’ solutions. The largest INVL Technology investments currently are companies in Europe (Lithuania, Norway, Estonia, and Moldova) and East Africa (Tanzania, Rwanda and Uganda).



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

Andmevara is a complex IT solutions and services provider to public sector organisations with expertise in e-Government solutions that include development of registries, important national information systems and software, digitisation, database development and hosting services.

Andmevara actively contributes to implementation of Estonian E-Government project, offers several ready-made software products to municipal and governmental institutions, and mostly serves Estonian public sector organisations. From 2002 until 2015, the Company processed the Estonian Population Registry, which was transferred to the Ministry of the Interior IT and Development Centre (SMIT) in 2016, as a part of the effort to consolidate certain IT functions of the State.



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

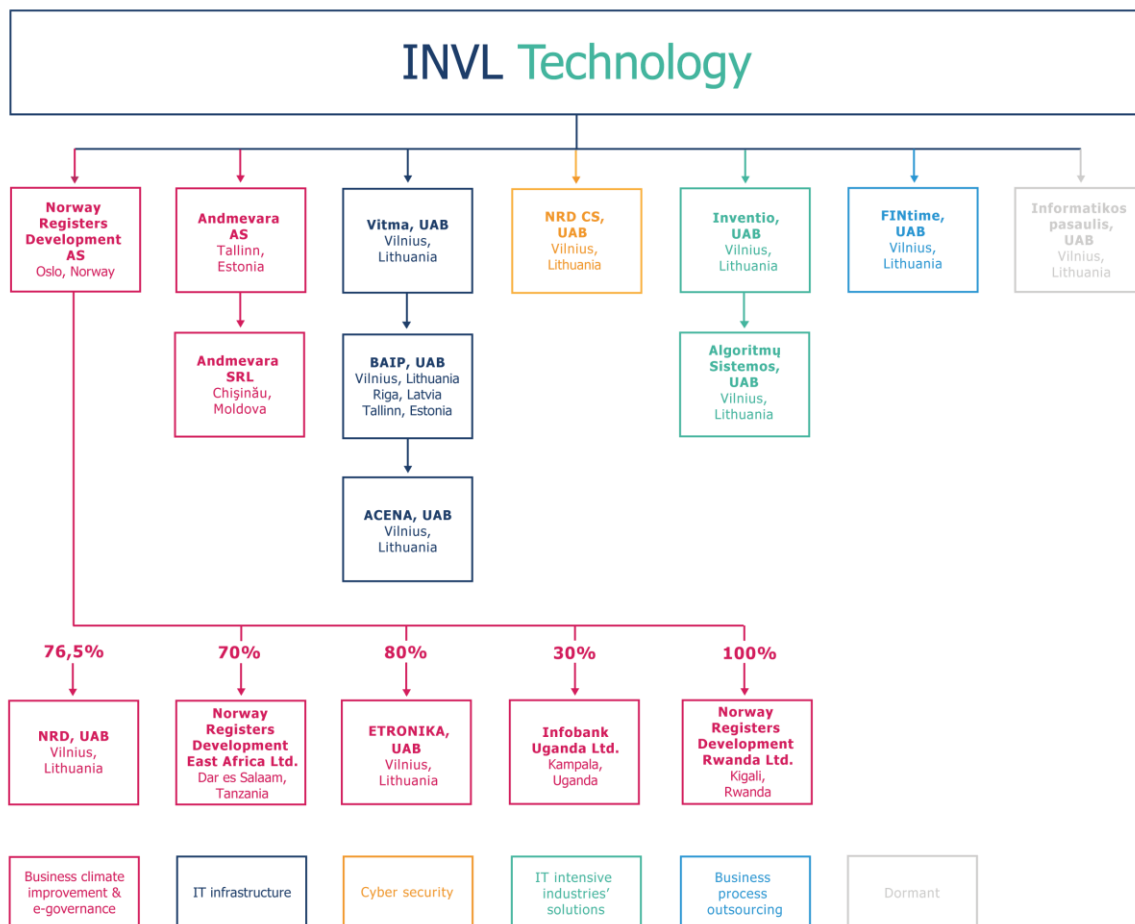


The company working in the area of **Cybersecurity** is a technology consulting, incident response and applied research company NRD CS. The company focuses on the services to law enforcement, national communication regulators, CERTs, and corporate information security departments. Company assists governments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



The company working in the area of **IT intensive industries' solutions** is Algoritmu sistemas. The Company develops high quality, effective and reliable information systems and business process facilitating programs for large and medium-sized public organizations and enterprises. Main fields of company activity include: e-governance, e-health, finance, social security, environmental protection and education. The largest clients in Lithuania are the State Tax Inspectorate under the Ministry of Finance, the State Labor Inspectorate, the National Health Insurance Fund under the Ministry of Health, the State Enterprise Centre of Registers, the Bank of Lithuania, Vilnius University, the Western Shipyard Group, and many others.

2.1 CURRENT STRUCTURE OF INVL TECHNOLOGY MANAGED COMPANIES:



3 KEY OPERATING RATIOS OF THE BUSINESSES

3.1 KEY PL ITEMS

	BAIP & Acena		NRD group ²		NRD CS	
	2016 I Q	2015 I Q	2016 I Q	2015 I Q	2016 I Q	2015 I Q
Revenue	2 231	2 387	1 835	686	252	89
Gross profit	860	712	1 422	558	200	11
EBITDA	112	89	68	73	50	(86)
EBIT	15	40	37	63	45	(90)
Net Profit (Loss)	13	97	9	55	41	(91)

3.2 KEY BS ITEMS

	BAIP & Acena		NRD group ³		NRD CS	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Tangible assets	1 363	1 023	330	346	38	40
Intangible assets	350	334	767	772	1	2
Other non-current assets	68	145	83	74	1	1
Current assets	4 026	5 253	2 887	3 479	417	782
<i>of which cash</i>	61	746	611	868	99	76
TOTAL ASSETS	5 807	6 755	4 067	4 671	457	825
Equity	2 794	2 782	1 406	1 309	291	250
Non-current liabilities	373	115	182	191	0	0
<i>of which financial debt</i>	373	115	26	26	0	0
Current liabilities	2 640	3 858	2 479	3 171	166	575
<i>of which financial debt</i>	813	246	50	131	0	27
TOTAL LIABILITIES AND EQUITY	5 807	6 755	4 067	4 671	457	825

² ETRONIKA UAB is included from the month the control was transferred, i.e. 1 July 2015

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4 MAIN EVENTS IN 2015

4.1 NEW ENTITIES AND ACQUISITIONS

On February 29 in Lithuania INVL Technology registered a company FINtime that will provide business processes outsourcing services.

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

On 18 March 2016 Inventio, a subsidiary of INVL Technology, acquired 100 per cent shares of information system development company Algoritmu sistemas for EUR 2.385 million. The acquisition was completed after the permits had been issued by the Competition Council and the Commission for the evaluation of compliance of potential buyers to the national security interests.

In 2015, revenue of Algoritmu sistemas increased by 22 per cent and reached EUR 2.768 million, while net profit increased by 18 per cent and reached EUR 386 thousand. The results of Algoritmu sistemas will be included in the financial reports from the day the control of the companies was transferred – 1 April 2016, and will be reflected in the interim financial report for 6 months of 2016.

On 20 April INVL Technology acquired 100 per cent of shares in Estonian IT company Andmevara from Estonian Ministry of the Interior for EUR 664.6 thousand. Andmevara also has a subsidiary company in Moldova.

Before the transaction, Estonian state paid out EUR 1.25 million in dividends and related taxes. A significant part of Andmevara business (processing of Estonian Population Registry) was spun-off from the Company in the beginning of 2016 and is not a part of the acquisition. Company's revenue in 2015 (before the spin-off) was EUR 3.433 million and net profit amounted to EUR 348 thousand. The results of Andmevara will be included in the financial reports from the day the control of the companies was transferred – 1 April 2016, and will be reflected in the interim financial report for 6 months of 2016.

4.2 BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE

In the first quarter of 2016, revenue and EBITDA of NRD group continued to grow due to implementation of projects in Sub-Saharan Africa: Tanzania, Zanzibar, Uganda, Burundi, Mauritius, and Lesotho as well as South Asia: Bangladesh and Bhutan, also successful NRD UAB activities both in Lithuania and in NRD group projects in frontier markets.

During the first quarter of 2016, NRD group was also announced the winner of new international tenders, and signed a 6 months length, USD 99 460 (exclusive of local indirect taxes) value contract with the Ministry of Finance and Development Planning of Liberia for consultancy services to upgrade Liberia Business Registry System to integrate with Standard Integrated Government Tax Administration System (SIGTAS).

4.3 IT INFRASTRUCTURE

IT infrastructure company BAIP in the first quarter of 2016 implemented projects in Lithuania, Latvia, Estonia, Denmark, Rwanda and Burundi. It also signed new long-term maintenance contracts in Lithuania, Norway and Burundi.

Good operating results of Acena UAB were the result of the transition to a services company business model as well as development of own solutions.

4.4 CYBER SECURITY

In the first quarter of 2016, revenue and EBITDA of specialised cyber defence company NRD CS grew due to active investment in the development of international markets in 2015 which resulted in strategic long-term contracts in South Asia region: Bangladesh and Bhutan. In both countries, the company is implementing national cybersecurity incident response teams (CIRTs).

In the first quarter of 2016, NRD CS also signed new international agreements, and implemented projects in Lithuania and Burundi.