

LIETUVOS BANKO  
PRIEŽIŪROS TARNYBA

INVL Technology

PATVIRTINTA

2016 m. liepos 18 d.  
Sprendimu Nr. 241-153

**SPECIAL CLOSED-ENDED TYPE PRIVATE CAPITAL INVESTMENT COMPANY**  
**INVL Technology**

*(incorporated in Lithuania with limited liability, corporate ID code 300893533, licensed as a special closed-ended type investment company, the licence issued by the Bank of Lithuania on 14 July 2016)*

**Prospectus of admission of 12,175,321 ordinary registered shares, with a nominal value of EUR 0.29 each  
in a special closed-ended type private capital investment company INVL Technology  
to trading on Nasdaq Vilnius AB**

This prospectus (the "Prospectus") was prepared by the special closed-ended type private capital investment company INVL Technology (the "Company") for the purpose of admission of all the issued 12,175,321 shares of the Company (the "Shares") to trading on Nasdaq Vilnius AB ("Nasdaq").

Before the issuance of the closed-ended type investment company licence (the "Licence") by the Bank of Lithuania (in Lithuanian: *Lietuvos bankas*, the "LB") on 14 July 2016 all the Shares of the Company were listed and traded on the Secondary List of Nasdaq. Following the issuance of the Licence, no new Shares of the Company were issued. However, taking into consideration the changed status of the Company (becoming a licensed closed-ended type investment company), the Company drafted this document as one of its establishment documents, also aiming that the Shares of the Company would remain listed and would be continuously traded on Nasdaq. No securities issued by the Company are admitted to trading on any other regulated market.

No public offering of any part of Shares shall be executed by the Company based on this Prospectus. Consequently, information communicated by this Prospectus does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any of its portfolio companies (the "Portfolio Companies") nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any of its Portfolio Companies, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

Distribution of this Prospectus in certain jurisdictions is restricted by law. Thus, persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

This Prospectus constitutes a prospectus for the purposes of Articles 3.3 and 5.3 of Directive 2003/71/EC of the European Parliament and of the Council, as amended (the "Prospectus Directive") and Articles 5(6) and 6(4) of the Law on Securities of the Republic of Lithuania, as amended (the "Law on Securities") and Commission Regulation (EC) 809/2004 of 29 April 2004, as amended (the "Prospectus Regulation"). The LB in its capacity as the competent authority in Lithuania under the Law on Securities has approved this document as a prospectus. The Shares of the Company will be eligible for trading on Nasdaq, once the LB approved this Prospectus and after the Prospectus has been made available to the public together with a translation of the summary into Lithuanian language.

All the Shares of the Company are ordinary registered shares and are registered with the Central Securities Depository of Lithuania (in Lithuanian: *Lietuvos centrinis vertybinių popierių depozitoriumas*, the "CSDL") under ISIN code LT0000128860. Shareholders of the Issuer may hold the Shares through the CSDL participants, such as investment firms and custodian banks operating in Lithuania.

Although the whole text of this document should be read, the attention of persons receiving this document is drawn, in particular, to the section headed "Risk Factors" contained in Part III of this document. All statements regarding the Company's and its Portfolio Companies' business, financial position and prospects should be viewed in light of the risk factors set out in Part III of this document.

The date of this Prospectus is 18 July 2016

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## I IMPORTANT INFORMATION

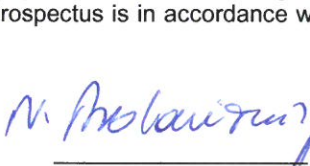
**Prospectus.** This Prospectus has been prepared by the Company, which was issued with a Licence by the LB in connection with the Admission, aiming that the Shares of the Company would be eligible to be continuously traded on Nasdaq solely for the informational purposes. The information contained in the Prospectus has been provided by the Issuer and other sources identified herein. This Prospectus is a prospectus in the form of a single document within the meaning of the Prospectus Directive and the Prospectus Regulation. This Prospectus has been prepared in accordance with Annex XV (Minimum Disclosure Requirements for the Registration Document for Securities Issued by Collective Investment Undertakings of the Closed-end Type) and Annex III (Minimum Disclosure Requirements for the Share Securities Note) of the Prospectus Regulation. A summary of the Prospectus contains the key information items set out in Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation.

### 1.1 Responsibility for this Prospectus


**Persons Responsible.** The person responsible for the information provided in this Prospectus is INVL Technology AB, corporate ID code 300893533, with the registered office at Gynėjų str. 16, Vilnius, Lithuania. The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and members of the Board of INVL Asset Management UAB (the "Management Company") – Mr. Darius Šulnis (Chairman), Mr. Nerijus Drobavičius and Mr. Vytautas Plunksnis having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.



Darius Šulnis  
Chairman of the Board  
and General Manager of  
the Management  
Company



Nerijus Drobavičius  
Member of the Board of  
the Management  
Company



Vytautas Plunksnis  
Member of the Board of  
the Management  
Company

**Limitations of Liability.** Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in this Prospectus solely on the basis of the summary of this Prospectus, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information.

Furthermore, the legal advisor to the Company expressly disclaim any liability based on the information contained in this Prospectus, the summary of this Prospectus or individual parts thereof and will not accept any responsibility for the correctness, completeness or import of such information. No information contained in this Prospectus or disseminated by the Company in connection with the Admission may be construed to constitute a warranty or representation, whether express or implied, made by the legal advisor to the Company.

Neither the Company nor the legal advisor to the Company will accept any responsibility for the information pertaining to the Admission of the Shares on Nasdaq, the Company, its Portfolio Companies or their operations, where such information is disseminated or otherwise made public by third parties either in connection with the Admission or otherwise.

Any persons in possession of this Prospectus should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus. The delivery of this Prospectus at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's (its Portfolio Companies') affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date. In case until the term of validity of this Prospectus or until Admission (depending on what will happen earlier), material changes in operations of the Issuer occur, they will be reflected in supplements to the Prospectus, which will be subject to an approval by the LB. The supplement (if any) will be published in the same manner as the Prospectus.

In the case of a dispute related to this Prospectus or the Admission, the plaintiff may have to resort to the jurisdiction of the Lithuanian courts and consequently a need may arise for the plaintiff to cover relevant state fees and translation costs in respect of this Prospectus or other relevant documents.

### 1.2 Presentation of Financial and Other Information

INVL Technology AB was established on 29 April 2014 by spinning-off from Invalda INVL AB with investments into BAIP grupė AB. On 9 February 2015 INVL Technology AB was merged to BAIP grupė AB (currently the Company). As a result of the merger INVL Technology AB ceased to exist and BAIP grupė AB changed its name to INVL Technology AB. Financial information that is and will be prepared by the Company for the periods after 9 February 2015 (including the IFRS Financial Statements for the year ended 31 December 2015) will include financial results of the merged entities. The Management of the Company believes that presenting, for the purposes of this Prospectus, historical financial information of INVL Technology AB (that ceased to exist after the merger) and of BAIP grupė AB (currently the Company) is deemed to be appropriate in order to understand activities of the Company and its Portfolio Companies.

For the reasons above, the historical financial statements, as indicated in Section 1.4 *Information Incorporated by Reference* are incorporated to this Prospectus.

Euro values for the periods 2014-2013 are not derived from the audited financial statements. They represent the numbers derived from audited financial statements and converted to EUR using official fixed conversion rate of 3.4528 for the convenience of readers. However, any financial information, expressed in EUR for the periods earlier than 1 January 2015 was not subject to audit or review.

**Approximation of Numbers.** Numerical and quantitative values in this Prospectus (e.g. monetary values, percentage values, etc.) are presented with such precision which the Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented do not add up to total due to the effects of approximation. Exact numbers may be derived from the financial statements of the Company, to the extent that the relevant information is reflected therein.

**Dating of Information.** This Prospectus is drawn up based on information which was valid on 31 December 2015. Where not expressly indicated otherwise, all information presented in this Prospectus (including the financial information of the Company, the facts concerning Company's and Portfolio Companies' operations and any information on the markets in which they operate) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than 31 December 2015, this is identified by either specifying the relevant date or by the use of expressions as "*the date of this Prospectus*", "*to date*", "*until the date hereof*" and other similar expressions, which must all be construed to mean the date of this Prospectus (18 July 2016).

**Currencies.** In this Prospectus, financial information for the periods after 31 December 2014 is presented in Euro (EUR), i. e. the official currency of the EU Member States participating in the Economic and Monetary Union, including in Lithuania (as from 1 January 2015). Financial information for the years 2014 and 2013 is presented in Litas (LTL), which was the official currency of Lithuania until 31 December 2014. In addition, certain financial information for the years 2014 and 2013 has been translated to EUR for convenience purposes only, using EUR. The exchange rate between Euro and Lithuanian Litas is fixed at LTL 3.4528 for EUR 1. Amounts originally available in other currencies have been converted to Euro as of the date for which such information is expressed to be valid. With respect to the state fees, taxes and similar country specific values, information may occasionally be presented in currencies other than EUR. The exchange rates between such currencies and Euro may change from time to time.

**Updates.** The Company will update the information contained in this Prospectus only to such extent, at such intervals and by such means as required under Article 11 of the Law on Securities. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus.

**Third Party Information and Market Information.** With respect to certain portions of this Prospectus, some information may have been sourced from third parties, in such cases indicating the source of such information in the Prospectus. Such information has been accurately reproduced as far as the Company is aware and is able to ascertain from the information published by such other third parties that no facts have been omitted, which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets, on which the Company and its Portfolio Companies are operating, is based on the best assessment made by the Management of the Company (the "Management"). With respect to the industry, in which the Company and its Portfolio Companies are active, and certain jurisdictions, in which its operations are being conducted, reliable market information might be unavailable or incomplete. While every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation into the relevant market or seek professional advice. Information on market shares represents views of the Management, unless specifically indicated otherwise.

If when describing certain parts of the Prospectus, the source is not indicated hereof, this shall mean that the respective information is prepared and presented by the Company itself.

**Non-IFRS Financial Measures.** The Company uses certain Non-IFRS financial measures, as provided in Section 1.5 *Definitions and Abbreviations*. Non-IFRS Financial measures used in the Prospectus are not audited.

### 1.3 Forward Looking Statements

This Prospectus includes forward-looking statements. Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the belief of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about the future operations of the Company and the Portfolio Companies, the macro-economic environment and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as *strategy*, *expect*, *forecast*, *plan*, *anticipate*, *believe*, *will*, *continue*, *estimate*, *intend*, *project*, *goals*, *targets* and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Prospectus whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements is affected by the fact that the Company and the Portfolio Companies operate in a competitive business. This business is affected by changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors. The Company's and the Portfolio Companies' actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Company and the Portfolio Companies (please see Section III *Risk Factors* for a discussion of the risks which are identifiable and deemed material at the date hereof).

#### 1.4 Information Incorporated by Reference

The following information is incorporated in this Prospectus by reference in accordance with Article 28 of the Prospectus Regulation:

- The Company's annual audited financial statements for the year ended 31 December 2015 together with the annual report and the independent auditor's report (they may be found at [http://www.nasdaqbaltic.com/upload/reports/inc/2015\\_ar\\_en\\_eur\\_solo\\_ias.pdf](http://www.nasdaqbaltic.com/upload/reports/inc/2015_ar_en_eur_solo_ias.pdf));
- BAIP grupė AB annual consolidated and separate audited financial statements for the year ended 31 December 2014 together with the consolidated annual report and the independent auditor's report (they may be found at [http://www.nasdaqbaltic.com/upload/reports/inc/2014\\_ar\\_en\\_ltl\\_con\\_ias.pdf](http://www.nasdaqbaltic.com/upload/reports/inc/2014_ar_en_ltl_con_ias.pdf));
- INVL Technology AB (which ceased to exist after the merger) audited financial statements for the year ended 31 December 2014 together with the annual report and the independent auditor's report (they may be found at [http://www.nasdaqbaltic.com/upload/reports/inc/2014\\_ar\\_en\\_ltl\\_solo\\_ias.pdf](http://www.nasdaqbaltic.com/upload/reports/inc/2014_ar_en_ltl_solo_ias.pdf));
- Articles of Association of the Company (they may be found at <https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=717620&messageId=899394>).

It is possible to get acquaintance with the aforementioned documents on the websites of the Company at [www.invltechnology.lt](http://www.invltechnology.lt), of Nasdaq at [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com), also on the website of the central base of regulated information of Lithuania at [www.crib.lt](http://www.crib.lt).

**Documents on Display.** Throughout the lifetime of this Prospectus, the aforementioned documents may also be inspected at the head office of the Company located at Gynėjų str. 16, Vilnius, Lithuania. Any interested party may obtain copies of these documents from the Company without charge.

#### 1.5 Definitions and Abbreviations

In this Prospectus, the definitions in capital letters will have the meanings indicated below unless the context of the Prospectus requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of more importance. Other definitions may be defined elsewhere in the Prospectus.

<b>Admission</b>	Admission of the Shares of the Company (after the issuance of the Licence by the LB) to trading on Nasdaq, aiming that the Shares of the Company would be eligible to be continuously traded on Nasdaq
<b>Articles of Association</b>	Articles of Association of the Company
<b>Audit Committee</b>	Audit Committee of the Company
<b>Company or Issuer</b>	INVL Technology AB (former name BAIP grupė AB), a public limited liability company, acting as a special closed-ended type private capital investment company, established and existing under the laws of the Republic of Lithuania, corporate ID code 300893533, with its registered address at Gynėjų str. 16, Vilnius, Lithuania, which following the reorganisation as indicated in Section 4.3 <i>History and Development of the Issuer</i> has taken over of all the assets, rights and obligations of the Former parent company, the Shares of which shall be Admitted to trading and continuously traded on Nasdaq under the terms and conditions of this Prospectus
<b>CSDL</b>	Central Securities Depository of Lithuania
<b>Current Ratio</b>	Current Assets/Current Liabilities. The ratio represents the Company's ability to cover short-term liabilities
<b>Depository</b>	SEB bankas AB, a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 112021238, with its registered address at Gedimino ave. 12, Vilnius, Lithuania, to which all the assets of the Company were transferred for keeping after issuance of the Licence
<b>Debt-to-Equity Ratio</b>	Total Liabilities/Equity. The ratio indicates what proportion of equity and debt the Company is using to finance its assets
<b>Debt Ratio</b>	Total Debt/Total Assets. The ratio indicates what proportion of Company's assets is financed by debt
<b>EBIT</b>	Operating Profit
<b>EBITDA</b>	Operating Profit + Depreciation/Amortization
<b>EU</b>	European Union

<b>EUR, €, Euro</b>	The lawful currency of the European Union Member States that adopted the single currency, including Lithuania
<b>Former parent company</b>	INVL Technology AB, which existed before the merger to BAIP grupė AB (currently, the Company), which was finalised on 9 February 2015 and which ceased to exist after merger to BAIP grupė AB
<b>Gearing</b>	(Short-term Debt + Long-term Debt + Bank Overdrafts)/Equity. The ratio shows the extent to which the Company's operations are funded by lenders versus shareholders
<b>General Meeting</b>	General Meeting of Shareholders of the Company
<b>Group</b>	Company and all its Portfolio Companies collectively, which till the change of the status of the Company to investment entity comprised the group
<b>IAS</b>	International Accounting Standards as adopted by the European Union
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>IFRS Financial Statements</b>	Company's audited financial statements for the year ended 31 December 2015, Group's consolidated and BAIP grupė AB separate audited financial statements for the year ended 31 December 2014 and INVL Technology AB (which ceased to exist after the merger) audited financial statements for the year ended 31 December 2014
<b>Investment Committee</b>	Investment Committee of the Company, formed by the Management Company
<b>Investment Period</b>	5 (five) years as from receipt by the Company of the Licence from the LB
<b>Key Executives</b>	The Manager (General Manager) and the Board of the Management Company as well as members of the Investment Committee of the Company collectively
<b>Law on Accounting</b>	Law on Accounting of the Republic of Lithuania (as amended from time to time)
<b>Law on Collective Investment Undertakings</b>	Law on Collective Investment Undertakings of the Republic of Lithuania (as amended from time to time)
<b>Law on Companies</b>	Law on Companies of the Republic of Lithuania (as amended from time to time)
<b>Law on Insurance of Deposits and Liabilities to Investors</b>	Law on Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania (as amended from time to time)
<b>Law on Markets in Financial Instruments</b>	Law on Markets in Financial Instruments of the Republic of Lithuania (as amended from time to time)
<b>Law on Securities</b>	Law on Securities of the Republic of Lithuania (as amended from time to time)
<b>LB</b>	The Bank of Lithuania, which performs the functions of licensing and supervising activities of management companies and collective investment undertakings under the procedure set by legal acts of the Republic of Lithuania
<b>Licence</b>	The licence of a closed-ended type investment company, issued to the Company by the LB on 14 July 2016
<b>LTL, Lithuanian Litas</b>	Litas, the lawful currency of the Republic of Lithuania until 31 December 2014
<b>Major Shareholders</b>	The Company's major shareholders LJB Investments UAB, Invalda INVL AB, Irena Ona Mišeikienė, Lietuvos draudimas AB, Kazimieras Tonkūnas and Alvydas Banys as indicated in Section 4.12 <i>Major Shareholders</i>
<b>Management</b>	The Management Company and Key Executives collectively
<b>Management Board or Board</b>	The Board of the Management Company
<b>Management Company</b>	INVL Asset Management UAB, a licensed asset management company, established and existing under the laws of the Republic of Lithuania, corporate ID code 126263073, with its registered address at Gynėjų str. 14, Vilnius, Lithuania, which manages the Company and its assets after issuance of the Licence
<b>Manager</b>	Manager of the Management Company (General Manager)
<b>Member State</b>	A Member State of the European Economic Area
<b>N/A</b>	'not applicable'
<b>Nasdaq</b>	Nasdaq Vilnius AB (Vilnius stock exchange), a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 110057488, with its registered address at Konstitucijos ave. 29, Vilnius, Lithuania
<b>Nasdaq Corporate Governance Code</b>	Corporate Governance Code for the Companies Listed on Nasdaq
<b>Net Asset Value</b>	The difference between the value of assets owned by the Company and long-term and current liabilities of the investment company
<b>Net Debt</b>	(Short-term financial debt + long-term financial debt) – cash and cash equivalents. The net debt figure is used as an indication of a business's ability to pay off all its debts if they

	became due simultaneously on the day of calculation, using only its available cash and highly liquid assets
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>Operational Company</b>	An entity directly managed by the Company or the SPV, executing IT or business process outsourcing activities and which is not a SPV
<b>Performance Fee</b>	Fee payable to the Management Company for exceeding the requested minimal return to be earned for investors
<b>Portfolio Companies</b>	Companies into which the Company has invested and directly or indirectly holds the investments: Vitma UAB, BAIP UAB, Acena UAB, NRD UAB, NRD CS UAB, Norway Registers Development AS, Norway Registers Development East Africa Limited, Infobank Uganda Limited, Informatikos pasaulis UAB, Etronika UAB, Norway Registers Development Rwanda Ltd., Algoritmu sistemos UAB, Inventio UAB, FINtime UAB, Andmevara AS and Andmevara Srl collectively
<b>Prospectus</b>	This document, prepared for the purpose of the Admission, its annexes and all the supplements (if any)
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended from time to time)
<b>Prospectus Regulation</b>	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended from time to time)
<b>Register of Legal Entities</b>	Register of Legal Entities of the Republic of Lithuania
<b>Related Parties</b>	As defined in International Accounting Standard 24 <i>Related Party Disclosures</i>
<b>Section</b>	A section of this Prospectus
<b>Shares</b>	Any ordinary registered shares of the Company with the nominal value of EUR 0.29 each issued and outstanding at any time
<b>SPV</b>	A special purpose vehicle, directly or indirectly managed by the Company, which is controlled by the Company by making a direct decisive influence, the sole aim of which is to invest into the Operational Companies
<b>Summary</b>	The summary of this Prospectus
<b>Takeover Directive</b>	Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (as amended from time to time)
<b>Term of Activities of the Company</b>	10 years as from receipt of the Licence from the LB, unless it will be prolonged, changing the Articles of Association accordingly. The Term of Activities may be prolonged for no longer than 2 additional years
<b>USD, \$, US\$ or U.S. Dollars</b>	The lawful currency of the United States of America
<b>VAT</b>	The value added tax applicable in the Republic of Lithuania

## II SUMMARY

This Summary is made up of disclosure requirements known as “Elements” in accordance with the Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation. These elements are numbered in Sections A – E (A.1 – E.7) below. This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention of ‘not applicable’. In this Summary, the definitions in capital letters will have the meanings, as indicated in Section 1.5 *Definitions and Abbreviations*.

### Section A — Introduction and warnings

<i>Element</i>	<i>Title</i>	<i>Disclosure</i>
A.1	Introduction and warnings	<p>This Summary is not the prospectus for the listing of Shares of the Company and should be read merely as an introduction to the same. This Summary presents the facts and circumstances that the Company considers important with respect to the Company’s business and the Admission and is a summary of certain information appearing in more detail elsewhere in the Prospectus. Any decision to invest in the Company’s Shares on the secondary market should be based by each investor on the Prospectus (including any amendments or supplements thereto) as a whole and not merely on this Summary.</p> <p>Prospective investors are cautioned that where a claim relating to the information contained in the Prospectus (or this Summary) is brought before a court, the plaintiff investor might, under the national legislation of the relevant state, have to bear the costs of translating the entire Prospectus before court proceedings are initiated. The Company accepts civil liability in respect of this Summary (including any translation hereof) solely in the case where this Summary is found to be misleading, inaccurate or inconsistent when read together with the Prospectus as a whole or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent by the Issuer to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries	Not applicable. This Prospectus was prepared solely for the purpose of the Admission, as described herein. Thus, it may not be used for any sale or subsequent resale and/or final placement of securities by financial intermediaries.

### Section B — Issuer

<i>Element</i>	<i>Title</i>	<i>Disclosure</i>																																		
B.1	Legal and commercial name	Special closed-ended type investment company “INVL Technology” (INVL Technology UTIB).																																		
B.2	Domicile / legal form / legislation / country of incorporation	The Issuer is a public limited liability company, acting as a special closed-ended type private capital investment company, with its registered address at Gynėjų str. 16, Vilnius, Lithuania. The Issuer is incorporated and operates under the Law on Collective Investment Undertakings, Law on Companies, Law on Securities and other applicable legal acts of the Republic of Lithuania.																																		
B.5	Group description. Position of the Company within the Group	<p>The Issuer does not belong to the group of companies as it is described in the applicable Lithuanian laws, i.e. the Issuer is not controlled by any persons, as it is indicated in the Law on Companies – individually none of shareholders of the Company has Shares thereof, entitling to more than 1/2 of votes in the General Meeting.</p> <p>The Company (formerly BAIP grupė AB) has invested into such Portfolio Companies, which till the change of the status of the Company to investment entity, comprised the Group:</p> <table border="1" data-bbox="485 1731 1428 2078"> <thead> <tr> <th rowspan="2">Company (the year of acquisition)</th> <th rowspan="2">Registration country</th> <th colspan="2">as at the date of the Prospectus</th> </tr> <tr> <th colspan="2">Share of the stock held by the group (%)</th> </tr> </thead> <tbody> <tr> <td>Informatikos pasaulis UAB (2007)</td> <td>Lithuania</td> <td></td> <td>100</td> </tr> <tr> <td>Vitma UAB (2007)</td> <td>Lithuania</td> <td></td> <td>100</td> </tr> <tr> <td>BAIP UAB* (2007)</td> <td>Lithuania</td> <td></td> <td>100</td> </tr> <tr> <td>Acena UAB* (2008)</td> <td>Lithuania</td> <td></td> <td>100</td> </tr> <tr> <td>Norway Registers Development AS (2011)</td> <td>Norway</td> <td></td> <td>100</td> </tr> <tr> <td>NRD UAB* (2011)</td> <td>Lithuania</td> <td></td> <td>76.50</td> </tr> <tr> <td>Norway Registers Development East Africa Ltd.* (2013)</td> <td>Tanzania</td> <td></td> <td>70</td> </tr> </tbody> </table>	Company (the year of acquisition)	Registration country	as at the date of the Prospectus		Share of the stock held by the group (%)		Informatikos pasaulis UAB (2007)	Lithuania		100	Vitma UAB (2007)	Lithuania		100	BAIP UAB* (2007)	Lithuania		100	Acena UAB* (2008)	Lithuania		100	Norway Registers Development AS (2011)	Norway		100	NRD UAB* (2011)	Lithuania		76.50	Norway Registers Development East Africa Ltd.* (2013)	Tanzania		70
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B.6	<p>Persons, directly or indirectly, having interest in the Company's capital or voting rights notifiable under Lithuanian law and the amount of such interest. Voting rights of major shareholders. Direct or indirect control of the Company</p>	<p>On the day of this Prospectus the authorised capital of the Company is EUR 3,530,843.09 and is divided into 12,175,321 ordinary registered Shares with a nominal value of EUR 0.29 each. All the Shares issued by the Company entitle to equal voting rights to their holders.</p> <p>In the table below the information is provided on shareholders of the Company having more than 5% of authorised capital of the Company on the date of this Prospectus:</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Directly owned shares and votes</th> <th>Percentage owned directly, %</th> <th>Percentage owned indirectly, %</th> <th>Total, %</th> </tr> </thead> <tbody> <tr> <td>LJB Investments UAB</td> <td>2,424,152</td> <td>19.91</td> <td>0</td> <td>19.91</td> </tr> <tr> <td>Invalda INVL AB</td> <td>1,910,812</td> <td>15.69</td> <td>0</td> <td>15.69</td> </tr> <tr> <td>Irena Ona Mišeikienė</td> <td>1,466,421</td> <td>12.04</td> <td>0</td> <td>12.04</td> </tr> <tr> <td>Lietuvos draudimas AB</td> <td>909,090</td> <td>7.47</td> <td>0</td> <td>7.47</td> </tr> <tr> <td>Kazimieras Tonkūnas</td> <td>675,452</td> <td>5.55</td> <td>1.53<sup>(*)</sup></td> <td>7.08</td> </tr> <tr> <td>Alvydas Banys</td> <td>618,745</td> <td>5.08</td> <td>19.91<sup>(**)</sup></td> <td>24.99</td> </tr> </tbody> </table> <p><i>Source: the Company</i></p> <p><i>* According to Part 10 of Paragraph 1 of Article 26 of the Law on Securities, it is considered that Kazimieras Tonkūnas has votes of his spouse (Vida Juozapavičienė).</i></p> <p><i>** According to Part 6 of Paragraph 1 of Article 26 of the Law on Securities, it is considered that Alvydas Banys has votes of LJB Investments UAB, a company controlled by him.</i></p> <p>The following shareholders of the Company have signed the Shareholders' Agreement, dated 26 November 2014 (which was amended on 27 May 2015): LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė, Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus. On 31 December 2015 the parties of the Shareholders' Agreement owned 68.97% of the Company Shares.</p> <p>Following the indicated agreement LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis and Indrė Mišeikytė for 12 months from the last increase of the share capital of the Company (which was registered with the Register of Legal Entities on 8 July 2015) obliged not to sell more than 50 percent of Shares held by them at that time.</p> <p>Furthermore, Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus have also obliged not to sell any of Shares held by them at that time for 12 months from the last increase of the share capital of the Company (8 July 2015).</p> <p>However, taking into consideration that the above indicated 12 months lock-up period adjourned on 8 July 2016 as well as that all the main obligations of the parties to the Shareholders' Agreement were duly fulfilled, the Company has no information about any control over the Issuer.</p>	Shareholder	Directly owned shares and votes	Percentage owned directly, %	Percentage owned indirectly, %	Total, %	LJB Investments UAB	2,424,152	19.91	0	19.91	Invalda INVL AB	1,910,812	15.69	0	15.69	Irena Ona Mišeikienė	1,466,421	12.04	0	12.04	Lietuvos draudimas AB	909,090	7.47	0	7.47	Kazimieras Tonkūnas	675,452	5.55	1.53 <sup>(*)</sup>	7.08	Alvydas Banys	618,745	5.08	19.91 <sup>(**)</sup>	24.99
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B.7	<p>Selected historical key financial information. Narrative description of significant change to the Company's financial condition and operating results subsequent to the period covered by selected historical key financial</p>	<p>The following tables disclose selected financial information of the Company (EUR thousand) as of 31 December 2015 (derived from the audited annual financial statements for the period ended 31 December 2015, incorporated by reference in this Prospectus). The Company considers that after the merger it continues activities of INVL Technology AB (the Former parent company) as an investment subject. Thus, the comparative financial information for the period ended 31 December 2014 is of former INVL Technology AB, which ceased to exist following the merger.</p> <table border="1"> <thead> <tr> <th></th> <th>31 December 2015</th> <th>31 December 2014</th> </tr> </thead> <tbody> <tr> <td><b>ASSETS</b></td> <td></td> <td></td> </tr> <tr> <td>Non-current assets</td> <td>16,961</td> <td>7,828</td> </tr> <tr> <td>Current assets</td> <td>7,387</td> <td>25</td> </tr> <tr> <td><b>Total assets</b></td> <td><b>24,348</b></td> <td><b>7,853</b></td> </tr> <tr> <td><b>EQUITY AND LIABILITIES</b></td> <td></td> <td></td> </tr> <tr> <td>Total equity</td> <td>24,243</td> <td>7,847</td> </tr> <tr> <td>Liabilities</td> <td>-</td> <td>-</td> </tr> <tr> <td>Non-current liabilities</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		31 December 2015	31 December 2014	<b>ASSETS</b>			Non-current assets	16,961	7,828	Current assets	7,387	25	<b>Total assets</b>	<b>24,348</b>	<b>7,853</b>	<b>EQUITY AND LIABILITIES</b>			Total equity	24,243	7,847	Liabilities	-	-	Non-current liabilities	-	-								
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information

<b>Current liabilities</b>	<b>105</b>	<b>6</b>
<b>Total liabilities</b>	<b>105</b>	<b>6</b>
<b>Total equity and liabilities</b>	<b>24,348</b>	<b>7,853</b>

Source: IFRS Financial Statements

	<b>2015</b>	<b>2014</b>
<b>Continuing operations</b>		
Net change in fair value of financial assets	2,247	2,920
Dividend income	598	-
Interest income	30	-
Other sales revenue	260	-
<b>Total revenue</b>	<b>3,135</b>	<b>2,920</b>
Operating expenses	(518)	(28)
<b>Operating profit</b>	<b>2,617</b>	<b>2,892</b>
Finance cost	(168)	-
<b>Profit for the reporting period before tax</b>	<b>2,449</b>	<b>2,892</b>
Income tax benefit	65	-
<b>Net profit for the reporting period</b>	<b>2,514</b>	<b>2,892</b>

Source: IFRS Financial Statements

	<b>2015</b>	<b>2014</b>
Net cash flow from operating activities	583	(22)
Net cash flow from investing activities	189	120
Net cash flow from financing activities	6,197	(73)
<b>Net change</b>	<b>6,969</b>	<b>25</b>
<b>Opening balance</b>	<b>25</b>	<b>-</b>
<b>Closing balance</b>	<b>6,994</b>	<b>25</b>

Source: IFRS Financial Statements

The following tables set out selected financial information of BAIP grupé AB (currently the Company) for the year ended 31 December 2014 (EUR thousand), extracted from the IFRS Financial Statements and for convenience purposes converted to Euros.

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>15,100</b>	<b>4,693</b>	<b>15,100</b>	<b>4,567</b>
<b>Current assets</b>	<b>371</b>	<b>4,866</b>	<b>371</b>	<b>42</b>
<b>Total assets</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>11,921</b>	<b>2,287</b>	<b>11,921</b>	<b>668</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>	<b>1,143</b>	<b>323</b>	<b>1,143</b>	<b>1,030</b>
<b>Current liabilities</b>	<b>2,407</b>	<b>6,948</b>	<b>2,407</b>	<b>2,910</b>
<b>Total liabilities</b>	<b>3,550</b>	<b>7,271</b>	<b>3,550</b>	<b>3,940</b>
<b>Total equity and liabilities</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>

Source: the Company

The statement of the comprehensive income of BAIP grupé AB (currently the Company) for the periods ended 31 December 2014 and 2013 extracted from the IFRS Financial Statements and for convenience purposes converted to Euros is provided in the table below.

Statement of the comprehensive income

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Continuing operations</b>				
<b>Gross profit</b>	<b>4,167</b>	<b>3,402</b>	<b>260</b>	<b>171</b>
<b>Operating profit (loss)</b>	<b>9,785</b>	<b>899</b>	<b>11,076</b>	<b>(15)</b>
<b>Profit (loss) for the reporting period before tax</b>	<b>9,467</b>	<b>486</b>	<b>10,688</b>	<b>(337)</b>
Income tax benefit (expenses)	(172)	(79)	70	56
<b>Net profit (loss) for the reporting period</b>	<b>9,295</b>	<b>407</b>	<b>10,757</b>	<b>(281)</b>
Attributable to:				
Shareholders of the parent company	9,301	400	-	-

Non-controlling interests	(6)	7	-	-
	<b>9,295</b>	<b>407</b>	-	-
<b>Other comprehensive income for the reporting period less the income tax</b>	<b>12</b>	<b>(26)</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE REPORTING PERIOD LESS THE INCOME TAX</b>	<b>9,307</b>	<b>382</b>	<b>10,757</b>	<b>(281)</b>

Source: the Company

	The Group		The Company	
	2014	2013	2014	2013
Net cash flow from operating activities	2,236	(320)	(11)	185
Net cash flow from investing activities	(1,239)	(218)	422	(191)
Net cash flow from financing activities	(1,248)	(79)	(352)	(5)
Impact of currency exchange	-	(87)	-	-
<b>Net change</b>	<b>(251)</b>	<b>(704)</b>	<b>59</b>	<b>(12)</b>
<b>Opening balance for the period</b>	<b>324</b>	<b>1,028</b>	<b>14</b>	<b>26</b>
<b>Closing balance for the period</b>	<b>73</b>	<b>324</b>	<b>73</b>	<b>14</b>

Source: the Company

The following tables indicate selected financial information of the Former parent company as of 31 December 2014 according to audited financial statements for the year 2014, providing statement of the financial position, comprehensive income and cash flows.

As at 31 December 2014	
<b>ASSETS</b>	
<b>Non-current assets</b>	
Financial assets at fair value through profit or loss	7,828
<b>Total non-current assets</b>	<b>7,828</b>
<b>Current assets</b>	
Cash and cash equivalents	25
<b>Total current assets</b>	<b>25</b>
<b>Total assets</b>	<b>7,853</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Total equity</b>	<b>7,847</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	-
<b>Total current liabilities</b>	<b>6</b>
<b>Total liabilities</b>	<b>6</b>
<b>Total equity and liabilities</b>	<b>7,853</b>

Source: the Company

2014	
<b>Income</b>	
Net changes in fair value of financial assets	2,920
<b>Total net income</b>	<b>2,920</b>
<b>Total operating expenses</b>	<b>(28)</b>
<b>Operating profit</b>	<b>2,892</b>
<b>Profit before income tax</b>	<b>2,892</b>
Income tax expenses	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,892</b>

Source: the Company

2014	
Net cash flow from operating activities	(22)
Net cash flow from investing activities	120
Net cash flow from financing activities	(73)
Impact of currency exchange	-
<b>Net change</b>	<b>25</b>
<b>Opening balance for the period</b>	<b>-</b>
<b>Closing balance for the period</b>	<b>25</b>

Source: the Company

B.8	Selected key pro forma financial information	Not applicable. The Prospectus does not contain pro forma financial information.
B.9	Profit forecast	Not applicable. The Issuer has not made a decision to include the profit forecasts or estimates in the Prospectus.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit reports on the historical financial information incorporated by reference to this Prospectus.

B.34	Investment objective and policy, including any investment restrictions with a description of the instruments used	<p><b>Description of the Investment Objective and Policy</b></p> <p>The purpose of the Company is to accumulate and invest the shareholders' funds in order to rationalise the structure of the investment portfolio (including improvement of management of Operational Companies, encouraging mutual cooperation among Operational Companies, etc.); to perform the activity of investment and reinvestment into Operational Companies; to perform supervision over economic – financial activities of controlled companies.</p> <p>Diversifying investments and managing the risk, the Management Company shall seek to reduce the risk and to prevent possible reduction of investments value and to create value by selecting investment objects and making use of other market participants' experience.</p> <p>The aim of the Company is to earn return for shareholders' benefit from investments into Operational Companies, which are registered or perform activities in a Member State of the European Union (the European Economic Area), Member States of the Organisation for Economic Co-operation and Development (OECD) and in Israel. For avoidance of doubt, Operational Companies can control/acquire companies in countries other than those indicated in this paragraph, but that shall not be regarded as performance of activities of an Operational Company beyond the limits of the States indicated in this paragraph.</p> <p>The Management Company shall invest at least 70 percent of the Net Asset Value of the Company directly or by use of SPVs into shareholdings in Operational Companies the registration and/or activities place of which are as described in paragraph above, enabling it to control Operational Companies or exercise decisive influence on them (after conclusion of the shareholders agreement or acting in concert with other investors or management of such companies).</p> <p>Investing directly or by use of SPVs, the Management Company (on behalf of the Company) shall contribute to development of the companies and creation of value, i.e. will seek development of the business of such companies, more effective management of them and distribution of available resources and optimal processes of activities of such companies, enabling to expect successful development, increase of the market share, increase in profitability and other actions pertaining to long-term activities of such companies, implementation of goals. The Management Company will invest assets of the Company into Operational Companies for a definite period, seeking to sell their securities at a profit (due to increase in the value of companies) during the effective Term of Activities of the Company. The Management Company can take a decision for 2 additional years after the end of the Investment Period to invest funds of the Company into Operational Companies it already owns.</p> <p>Seeking to increase return from investments and ensure supervision over investments, the Management Company shall seek to participate in the management of Operational Companies as a member of the advisory body, management body of the company or in another form depending on specifics and geography of activities of a specific company. The Management Company, involving its human resources, experience in the market and network of professional contacts, if necessary, will delegate professionals in a relevant field, who are of sufficiently good repute, to management bodies of Operational Companies, in order to ensure implementation of strategic goals and exploiting the potential of Operational Companies.</p> <p>For the sake of efficiency of the Company's activities and control over its investments, an Investment Committee was formed by a decision of the Board of the Management Company. The Investment Committee consists of 4 (four) members, representatives of the Management Company.</p> <p>Members of the Investment Committee shall be appointed and removed from office by the decision of Board of the Management Company. An approval of the Investment Committee must be obtained for all investments of the Company (directly to an Operational Company or through an SPV) and for their sale.</p> <p>The procedure of formation, responsibilities, functions of the Investment Committee, decision-making procedure and other procedures of the Investment Committee are set in the regulations of the Investment Committee.</p> <p>For the sake of efficiency of activities of the Company, an Advisory Committee may also be formed by a decision of the Board of the Management Company (currently it is not formed in the Company). The purpose of such committee is to ensure having knowledge about and knowing the specifics of various fields, into which the Company's assets may be invested (directly to an Operational Companies or through an SPV). The Advisory Committee shall</p>
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present its opinion and conclusions to the Investment Committee regarding investments of the Company.

The procedure of formation, responsibilities, functions of the Advisory Committee, decision-making procedure and other procedures of the Advisory Committee shall be set in the regulations of the Advisory Committee.

The strategy of investment of the Company's assets provided for in the Articles of Association, incorporated by reference to this Prospectus, can be changed by making relevant amendments to the Articles of Association by a decision of the General Meeting.

In case of an essential change in the Company's investment strategy, all the shareholders must be informed about that in writing at least 3 months in advance. In such cases, the shareholders must be given a possibility to demand redemption of the Shares owned by them without any additional deductions within a sufficient period of time, which cannot be shorter than 2 months after properly informing the shareholders about the planned change of the investment strategy of the Company (redemption of the Shares shall be performed following the procedure, set in the Articles of Association). Shareholders must be informed about this right by submitting a notification about the planned change of the investment strategy of the Company.

An investment object(s) of the Company (both managed directly or by use of an SPV) can be transferred only subject to prior consent of the Depository. Consents of the Depository indicated in this paragraph are not required if assets of the Operational Company, equity securities of which are kept with the Depository, are transferred.

The Company may own investment objects directly and it may own securities of SPVs. When investing through an SPV, the Depository is to be provided with all documents in connection with investments into the SPV in order that the Depository could perform its functions provided for in legal acts.

The Company shall not use a benchmark.

#### **Investment Restrictions**

The Management Company shall manage the portfolio of investment instruments of the Company following these main principles of diversification (the conformity of the portfolio of investment instruments of the Company to the following principles shall be achieved within four years the LB issued a permission to certify Company's incorporation documents and to choose the Depository):

1. No more than 30% of the Net Asset Value of the Company can be invested:

1.1. into transferrable securities or money market instruments of any (single) newly established company and/or into transferrable securities or money market instruments issued by an existing company, that are not entered onto the trade list of the market, which according to the Law on Markets in Financial Instruments is considered regulated and operating in the Republic of Lithuania or in another Member State of the European Union;

1.2. into transferrable securities or money market instruments of any newly established company and/or into transferrable securities or money market instruments issued by an existing company, which are not admitted to trading on the market operating, recognised, supervised and available to the public according to rules set in another Member State of the European Union or State, with appropriate supervision standards.

2. No more than 30% of the Net Asset Value of the Company can be invested:

2.1. into deposits issued by one person for a term no longer than 12 months, which, upon demand, can be withdrawn in a credit institution, the registered office of which is in a Member State of the European Union or another State, where risk-limiting supervision is no less strict than in the European Union;

2.2. into financial derivatives, which are admitted to trading on the multilateral trading facility, but which are not admitted to trading in the markets indicated in paragraphs 1.1 – 1.2 above and where the other party to the transactions, conducted outside the markets indicated in paragraphs 1.1 – 1.2 above, meets criteria established by the LB and is subject to risk-limiting supervision and which can be checked, assessed reliably and accurately every day and sold or otherwise realised in return for a consideration at their fair value at any time;

2.3. into investment objects provided for in paragraph 4 of Article 141 of the Law on Collective Investment Undertakings and issued by one person, including investment units

		<p>and/or shares of closed-ended type collective investment undertakings, if the investment strategy of such collective investment undertakings, requirements for diversification of their investments and the period of their activities are in line with the Company's investment strategy, requirements for diversification of investments and the period of activities or the Company has a possibility to get back its investments at any time;</p> <p>2.4. into investment units and/or shares of collective investment undertakings issued by one person if these collective investment undertakings are as follows:</p> <p>2.4.1. the sole purpose of such undertakings is to accumulate persons' funds by public offering of investment units or shares and by splitting them to collectively invest them into transferrable securities and/or the planned liquid assets and investments units or shares of which must be redeemed at any time upon request of their holder, these undertakings are licensed in the Republic of Lithuania and their supervision is no less strict than in the European Union or licensed in such a State, where supervision is no less strict than in the European Union, and the LB cooperates with the relevant supervisory authority of another Member State or third country;</p> <p>2.4.2. protection of rights of participants in the undertakings, including regulation of separation of assets, borrowing, lending and gratuitous transfer of assets, is no less strict than established for harmonised collective investment undertakings according to the Law on Collective Investment Undertakings;</p> <p>2.4.3. the undertakings present semi-annual and annual reports on their activities, enabling to assess their assets and liabilities, profit and activities during a reporting period;</p> <p>2.4.4. no more than 10 percent of their net assets, according to their documents of incorporation, can be invested into investment units or shares of other collective investment undertakings.</p> <p>For avoidance of doubt, the total amount of the investments indicated in paragraphs 1 and 2 above into transferrable securities, money market instruments, deposits issued by one person and liabilities arising out of transactions on financial derivatives with that person, cannot be more than 30 percent of the Net Asset Value of the Company.</p> <p>Assets of the Company will not be invested into transferrable securities or money market instruments of companies, that are entered onto the trade list of the market, which according to the Law on Markets in Financial Instruments is considered regulated and operating in the Republic of Lithuania or in another Member State of the European Union (European Economic Area), or into transferrable securities or money market instruments of companies, which are admitted to trading on the market operating, recognised, supervised and available to the public according to rules set in another Member State or another state.</p> <p>The investment portfolio of the Company can fail to meet the set diversification requirements for 4 years after the date when the LB issued a permit to approve documents of its incorporation and choose a Depository (the permit was issued by the LB on 14 July 2016). In all cases, the right not to meet the set diversification requirements does not cancel the duty of the Management Company to invest assets of the Company in compliance with the above requirements.</p> <p>As of the date of the Prospectus, investment into BAIP UAB (via SPV Vitma UAB) exceeds 30 per cent of the Net Asset Value of the Company. Apart from that the Company is not aware of any other non-compliance to the above requirements.</p> <p>If after the end of the term set above investment requirements are violated for reasons that the Management Company cannot control, any non-conformity must be eliminated as soon as possible, but in any case no later than within one year. This term can be longer only in exceptional cases, when the Management Company cannot correct the situation due to reasons beyond its control. In such a case, after the end of the one-year term, the Management Company must immediately inform the LB in writing about the situation and reasons for it. The notification must also indicate the expected date of fulfilment of the requirement.</p>
B.35	Borrowing and/or leverage limits	<p>If necessary, funds may be borrowed (with or without pledge of the assets) in the name of the Company in order to additionally finance investment objects acquired by the Company (or companies controlled by use of an SPV) and in this way seek higher investment return. The Management Company can take a decision to borrow in the name of the Company up to 80 percent of the Net Asset Value as on the date of entry into the loan agreement (taking into account Net Asset Value calculated and published as described in the Articles of Association). Loan agreements of the Company must expire no later than 3 months until the end of the term or extended Term of Activities of the Company.</p> <p>On the day of this Prospectus the Company has not borrowed any funds.</p>

B.36	Regulatory status together with the name of any regulator	The Issuer operates its activities as a special closed-ended type private capital investment company, which is subject to the same requirements as a private capital investment company with variable capital, unless the Law on Collective Investment Undertakings indicates otherwise. The activities of the Issuer are supervised by the LB.																																				
B.37	A brief profile of a typical investor for whom the collective investment undertaking is designed	Investment into the Company is connected with higher than average, long term risk. According to the Key Investor Information Document (KIID), Company's Shares are in the highest (7th) risk bracket. Therefore, Shares of the Company are suitable only for investors, who seek higher long term returns but could afford to take higher than average risk, including loss of principal.																																				
B.38	Where more than 20 % of the gross assets may be: (a) invested, directly or indirectly, in a single underlying asset, or (b) invested in one or more collective investment undertakings which may in turn invest more than 20 % of gross assets in other collective investment undertakings, or (c) exposed to the creditworthiness or solvency of any one counterparty the identity of the entity should be disclosed together with a description of the exposure (e.g. counter-party) as well as information on the market in which its securities are admitted	<p>The split of Company's assets as at 31 December 2015 was as stated in the table below:</p> <table border="1"> <thead> <tr> <th>31 December 2015</th> <th>EUR, thousand</th> <th>% of Total Assets</th> </tr> </thead> <tbody> <tr> <td><b>Financial assets measured at fair value:</b></td> <td><b>16,955</b></td> <td><b>69.64%</b></td> </tr> <tr> <td><i>Vitma UAB Group</i></td> <td><i>11,474</i></td> <td><i>47.13%</i></td> </tr> <tr> <td><i>NRD Group</i></td> <td><i>3,708</i></td> <td><i>15.23%</i></td> </tr> <tr> <td><i>NRD CS UAB</i></td> <td><i>1,773</i></td> <td><i>7.28%</i></td> </tr> <tr> <td>Short term loans</td> <td>83</td> <td>0.34%</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>6,994</td> <td>28.73%</td> </tr> <tr> <td>Other current assets</td> <td>310</td> <td>1.27%</td> </tr> <tr> <td>Other Non-current assets</td> <td>6</td> <td>0.02%</td> </tr> <tr> <td><b>Total Assets</b></td> <td><b>24,348</b></td> <td><b>100.00%</b></td> </tr> <tr> <td>Total Liabilities</td> <td>(105)</td> <td>0.43%</td> </tr> <tr> <td><b>Total Net Assets</b></td> <td><b>24,243</b></td> <td><b>99.57%</b></td> </tr> </tbody> </table> <p><i>Source: IFRS Financial Statements</i></p> <p>The only Portfolio Company exceeding 20 percent threshold is BAIP UAB (controlled via SPV Vitma UAB). This Portfolio Company comprised more than 40 percent of the Company's assets on 31 December 2015.</p> <p><b>BAIP UAB</b> – critical IT infrastructure company providing information systems' resilience and mobility services for the largest corporate IT users and public sector organisations. BAIP holds certifications and competencies with worldwide recognized technological partners in the fields of critical IT infrastructure, printing solutions and solutions for users. Company is acknowledged as a strategic IT infrastructure architect, specialised in large scope local and international projects and helping organisations to ensure their business continuity processes. BAIP has expertise in designing high performance computing systems, cloud computing and open architecture data centres' virtualisation as well as implementation of long-term high-capacity multidimensional data storage solutions. BAIP provides unique technological and user-friendly solutions improving its clients' business processes with fully managed services delivered according to Service level agreements. Company has a wide network of authorised IT service providers in the Baltics and East Africa.</p>	31 December 2015	EUR, thousand	% of Total Assets	<b>Financial assets measured at fair value:</b>	<b>16,955</b>	<b>69.64%</b>	<i>Vitma UAB Group</i>	<i>11,474</i>	<i>47.13%</i>	<i>NRD Group</i>	<i>3,708</i>	<i>15.23%</i>	<i>NRD CS UAB</i>	<i>1,773</i>	<i>7.28%</i>	Short term loans	83	0.34%	Cash and cash equivalents	6,994	28.73%	Other current assets	310	1.27%	Other Non-current assets	6	0.02%	<b>Total Assets</b>	<b>24,348</b>	<b>100.00%</b>	Total Liabilities	(105)	0.43%	<b>Total Net Assets</b>	<b>24,243</b>	<b>99.57%</b>
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B.39	Where a collective investment undertaking may invest in excess of 40 % of its gross assets in another collective investment undertaking the summary should briefly explain either: (a) the exposure, the identity of the underlying collective investment undertaking, and provide such information as would be required in a summary note by	Not applicable, as the Issuer is not allowed investing in excess of 40 % of its Gross Assets in another collective investment undertaking.																																				

	that collective investment undertaking; or (b) where the securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market, the identity of the underlying collective investment undertaking	
B.40	Description of the Issuer's service providers including the maximum fees payable	<p>The expenses incurred by the Company, which might be covered with assets of the Company, consist of:</p> <ul style="list-style-type: none"> <li>– the management fee payable to the Management Company (the "Management Fee"). The Management Fee during Investment Period for a full quarter shall be 0.625 percent while after its end it shall be 0.5 percent of the weighted average capitalisation of the Company. The Management Fee for the Investment Period shall be paid out according to the following rules: 80 percent of the Management Fee shall be paid out not later than 5<sup>th</sup> business day after the last day of the quarter of a calendar year; 20 percent of the Management Fee shall be paid out at the same time as the Performance Fee is paid out;</li> <li>– expenses related to services provided by the Depository. According to the Depository Services Agreement the minimum amount of depository fee is EUR 5,000 per quarter while the annual fee for the services of the Depository shall not exceed 0.2% of the average annual Net Asset Value of the Company;</li> <li>– remuneration to property and business appraisers;</li> <li>– accounting expenses of the Company, expenses of services of determining the value of Shares;</li> <li>– expenses related to acquisition, management and sale of investment objects;</li> <li>– consultancy expenses;</li> <li>– expenses of preparing and amending prospectuses and the Articles of Association;</li> <li>– expenses related to obtaining and modifying licences and permits;</li> <li>– expenses related to Admission of Shares of the Company to trading on a regulated market and remuneration to the operator of the regulated market for its services;</li> <li>– expenses related to services provided by the CSDL;</li> <li>– expenses for notaries public and registers;</li> <li>– expenses related to loans obtained in the name of the Company, etc.</li> </ul> <p>The Performance Fee shall be additionally paid to the Management Company under the procedure set in the Articles of Association, incorporated by reference to this Prospectus.</p> <p>The Performance Fee and discounting expenses of the Management Fee shall not be included in the maximum amount of expenses indicated in paragraph below.</p> <p>The total amount of expenses paid from the assets of the Company and related to the activities of the Company shall not exceed 4 percent of the average annual Net Asset Value of the Company. In case the average annual Net Asset Value of the Company decreases down to EUR 2.5 million and less, the total amount of expenses paid from the assets of the Company and related to the activities of the Company shall not exceed EUR 100,000.</p>
B.41	Identity and regulatory status of any investment manager, investment advisor, custodian, trustee or fiduciary (including and delegated custody arrangements)	<p>The investment manager (Management Company), which manages the assets of the Issuer is INVL Asset Management UAB, a licensed asset management company (holding the licence of management company No. VJK-005, issued by the LB), established and existing under the laws of the Republic of Lithuania, corporate ID code 126263073, with its registered address at Gynėjų str. 14, Vilnius, Lithuania.</p> <p>The custody (Depository), which keeps the assets of the Company is SEB bankas AB, a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 112021238, with its registered address at Gedimino ave. 12, Vilnius, Lithuania, holding the licence of a bank No. 2, issued by the LB.</p>



B.42	Description of how often the Net Asset Value is determined and how such Net Asset Value is communicated to investors	<p>The calculation of the Net Asset Value shall be performed as on the last day of a calendar quarter and shall be announced no later than (i) within one month after the end of the first quarter of respective year; (ii) within two months after the end of two quarters of respective year (semi-annual announcement); (iii) within four month after the end of respective year via the stock exchange Nasdaq information system, also made available on the Company's and Management Company's websites.</p> <p>The currency in which the Net Asset Value shall be calculated is Euro. The Net Asset Value shall be calculated by deducting liabilities, including the Management Fee commitments and the Performance Fee commitments, from the assets of the Company.</p> <p>The calculation of the Net Asset Value must be based on the fair value of the assets, which must reflect the Net Asset Value, for which it is possible to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Calculations of the Net Asset Value shall be performed according to the valuation of Operational Companies (directly or including SPVs) presented by an independent business valuator, having the right to engage in such an activity. The business valuator must meet the qualification, transparency and experience requirements provided for in the accounting policy of the Management Company and the rules for calculation of the Net Asset Value and in legal acts.</p> <p>At least once a year the Company's assets must be valued by the independent appraiser. In the following quarters, if there will be no significant changes in Portfolio Companies business prospects and results, the value of the Portfolio Companies will be adjusted by adding earned profit (or subtracting a loss) and subtracting any distributions to the Company.</p> <p>The calculation of the Net Asset Value is discussed in detail in the accounting policy of the Management Company and the rules for calculation of the Net Asset Value.</p> <p>The Company is not allowed to invest into assets, listed on the regulated markets, therefore majority of the assets is unlisted level 3 assets. Listed securities shall be used mainly for liquidity management reasons and valued by the regulations of the LB.</p>
B.43	In the case of an umbrella collective investment undertaking, a statement of any cross liability that may occur between classes or investment in other collective investment undertaking	Not applicable as the Issuer acts as a special collective investment undertaking, and not as an umbrella collective investment undertaking.
B.44	Where a collective investment undertaking has not commenced operations and no financial statements have been made up as at the date of the registration document, a statement to that effect	Not applicable.
B.45	A description of the collective investment undertaking's portfolio	<p>INVL Technology AB (the Company) – acts as an investment subject and seeks to invest funds solely for capital appreciation and investment income. The Company actively looks for new acquisitions and seeks to improve structure of its investment portfolio. The Company takes an active role in setting the Portfolio Companies' strategic goals, forming and supervising management teams, business development, acquisition strategy and budgeting process. Furthermore, the Company constantly monitors capital structure, value of its Portfolio Companies and takes decisions on value maximizing exit routes, payment of dividends. The Company also seeks to supervise economic and financial activities of Portfolio Companies and sets management reporting and corporate governance standards.</p> <p>The largest and key investments of the Company currently are investments into companies registered in Lithuania and Norway. These are BAIP UAB (via SPV Vitma UAB), Norway Registers Development AS (with subsidiaries, Norway Registers Development East Africa</p>

Ltd., Infobank Uganda Ltd., Etronika UAB, NRD Rwanda Ltd.), NRD CS UAB, recently acquired Algoritmy sistemos UAB (via SPV Inventio UAB), FINtime UAB (established in 2016), Andmevara AS and its subsidiary Andmevara Srl.

Valuation of all the investments of the Company (fair value of investments) is as presented below:

Entity, EUR thousand*	At 31 December 2015	At 9 February 2015**	At 31 December 2014
BAIP Grupė UAB	-	-	7,826
Vitma UAB Group***	11,474	12,800	-
Acena UAB	-	400	-
NRD Group****	3,708	700	-
NRD CS UAB	1,773	1,000	-
Informatikos Pasaulis UAB	0	0	0
Inventio UAB	0	2	2
<b>Total</b>	<b>16,955</b>	<b>14,902</b>	<b>7,828</b>

Source: IFRS Financial Statements

\* Where the value of the Portfolio Company rounds to zero it is stated as "0", while where the investment is not existant for the reporting date, it is stated as "-".

\*\* Investment value at the date of the merger.

\*\*\* As at 31 December 2015 Vitma UAB group consisted of Vitma UAB together with the entities controlled by it – BAIP UAB and Acena UAB; as at 9 February 2015 Acena UAB was controlled directly by the Company.

\*\*\*\* As at 31 December 2015 NRD Group consisted of Norway Registers Development AS together with the entities controlled by it – NRD UAB, Etronika UAB and Norway Registers Development East Africa Ltd, and its associate Infobank Uganda Ltd.

Breakdown of the Company's assets is presented below:

31 December 2015	EUR, thousand	% of Total Assets
<b>Financial assets measured at fair value:</b>	<b>16,955</b>	<b>69.64%</b>
Vitma UAB Group	11,474	47.13%
NRD Group	3,708	15.23%
NRD CS UAB	1,773	7.28%
Short term loans	83	0.34%
Cash and cash equivalents	6,994	28.73%
Other current assets	310	1.27%
Other Non-current assets	6	0.02%
<b>Total Assets</b>	<b>24,348</b>	<b>100.00%</b>
Total Liabilities	(105)	0.43%
<b>Total Net Assets</b>	<b>24,243</b>	<b>99.57%</b>

Source: IFRS Financial Statements

B.46	An indication of the most recent net asset value per security (if applicable)	As of 31 December 2015 the number of Shares issued was 12,175,321, net asset value of the Company was EUR 24,243 thousand, net asset value per Share was EUR 1.99.
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### Section C — Securities

Element	Title	Disclosure
C.3	Number of shares issued and fully paid / issued but not fully paid. Nominal value of share	As of the day of this Prospectus the authorised capital of the Company is EUR 3,530,843.09 and is divided into 12,175,321 ordinary registered Shares with a nominal value of EUR 0.29 each. As of the day of this Prospectus all the Shares issued are fully paid and there are no other types of shares issued by the Company.
C.7	Dividend policy	The Company does not have an approved policy on dividend distributions and any restrictions thereon. Decision on distribution of dividends to shareholders is adopted by the General Meeting.  The Company's and the Portfolio Companies' current priority was to use profits for the development, rather than for the distribution of dividends and it has not paid out dividends in

	<p>the last two full financial years.</p> <p>The Articles of Association (Part X thereof), which is incorporated by reference to this Prospectus, foresees the following rules of dividend payment:</p> <p>Decision on payment of dividend shall be taken by the General Meeting taking into account the recommendations of the Management Company.</p> <p>Not later than 30 days before making a decision to distribute an interim dividends audited financial accounts of the Company must be prepared.</p> <p>The Company shall pay the distributed dividend within one month after the date of the decision of the General Meeting to pay dividend, except for those cases when the Management Company decides to postpone payment of dividend following the Articles of Association.</p> <p>The Management Company can, by its reasoned decision, postpone payment of dividend if payment of dividend:</p> <ul style="list-style-type: none"> <li>– would result in violation of the requirements for diversification of investments of the Company;</li> <li>– would pose a threat for sustainable finances of the Company; or</li> <li>– would pose a risk for proper fulfilment of obligations assumed by the Company or would pose a risk that the Company would be unable to complete the transactions of acquisition of Operational Companies or of additional investments into Operational Companies that started to be implemented (implementation of a transaction in this case is understood as a process from commencing negotiations with a counterparty until closing (fulfilment) of the transaction).</li> </ul> <p>The Management Company must take a relevant decision and resume payment of dividend, ensuring that dividend would be paid to shareholders no later than within one month after the moment of disappearance of the grounds for suspension of payment of dividend, but in any case payment of dividend cannot be postponed for more than one year after the date of taking a relevant decision of the General Meeting to pay dividend.</p> <p>Dividend payable to shareholders shall be transferred to the bank accounts indicated by the shareholders or (if a shareholder's data is unknown) to a deposit account under the procedure set by legal acts.</p> <p>The Company shall pay dividend in Euros. The right to receive dividend shall be vested in persons who were shareholders of the Company or had the right to dividend on any other lawful grounds at the end of the record date of the General Meeting.</p>
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#### Section D – Risks

Element	Title	Disclosure
D.2	Key risks specific to the Issuer	<p><b>Risk factors characteristic of the Company and its Portfolio Companies:</b></p> <p><b><i>Risk factor, related to the change of the legal status of the Company.</i></b> After the issuance of the Licence by the LB on 14 July 2016, the Company started to operate not only according to the Law on Companies and Law on Securities and other related legal acts, as it was until obtaining a Licence, but also under the Law on Collective Investment Undertakings and other related legal acts, which establish certain specific obligations in respect of the protection of Company's shareholders and certain operating restrictions, e.g. the Company is entitled to invest the managed funds following the requirements of the investment strategy of the Company, certain limitations of the applicable laws are applied to the Company with regards its investments, their diversification, management thereof, etc. Furthermore, the Company's operating expenses might be increased because of the requirements to conduct periodic property's assessment, protect the Company's property in the Depository and other. Also investments into Shares of the Company (holding a Licence) are related to higher than average, long-term risk. The Company cannot guarantee that the shareholders will get invested funds back. It should also be noted that redemption of the Shares of the Company is limited, i.e. a shareholder cannot demand that the Company or the Management Company would redeem the Shares. But a shareholder of the Company has a possibility to sell Shares of the Company in the secondary market.</p> <p><b><i>Risk of changes in the market of technologies.</i></b> The business of information technologies and the market related to information technologies change particularly quickly. Therefore, there is a risk that due to unforeseen changes in the market the value of investments of the Company or the investment return from investment objects of the Company can decrease, the development of companies acquired by the Company will take longer and/or will cost more than planned, therefore, the Company's investments will not be profitable and/or their</p>

	<p>value will decrease.</p> <p><b>Risk of the management and human resources.</b> The success of the Company's investments will largely depend on heads of companies managed by the Company (directly or indirectly), also on decisions taken by persons in the Management Company who are responsible for management of the Company and on experience and capabilities of the said persons. There is no guarantee that the same employees will continue managing companies managed by the Company (directly or indirectly), as well as the Management Company throughout the whole Term of Activities of the Company.</p> <p><b>Risk of spin-off from Invalda INVL AB.</b> INVL Technology AB (Former parent company) took over 2.6 percent of the assets, equity and liabilities of Invalda LT AB (currently, Invalda INVL AB). If certain obligations of Invalda INVL AB were not known at the time of the spin-off and for this reason were not distributed to all companies operating after the spin-off, all the companies operating after the spin-off will be liable for them jointly and severally. The liability of each of those companies for these obligations will be limited by the amount of the equity, assigned to each of them according to the terms of spin-off.</p> <p><b>Risk of valuation of the Company's assets.</b> The assets of the Company will be evaluated according to the main rules set in the Articles of Association and the accounting policy of the Management Company. Valuation of individual assets held by the Company shall be performed by a property appraiser, however such valuation of assets shall be only determining the value of the assets, which does not automatically mean the exact sale price of an investment held by the Company, which depends on many circumstances, for example, economic and other conditions, which cannot be controlled.</p> <p><b>Risk related to possible liability of the Company.</b> There is a risk that the activities of the Company and the general performance results of the Company can be negatively affected by demands and claims regarding non-disclosed or non-identified obligations and/or violations in connection with investments acquired by the Company, which may result in the Company's liability for such obligations and/or violations and for this reason the value of the Company's investments and, at the same time, the price of the Shares can significantly decrease.</p> <p><b>Risk related to the duty to redeem shares of the Company.</b> Legal acts provide for a duty of the Company in certain circumstances to redeem its Shares from the shareholders that requested such redemption. Accordingly, if the Company becomes subject to the duty to offer to the shareholders redemption of its own Shares and if such a redemption is requested by the shareholders holding a significant number of Shares, the Company can be forced to sell its investments urgently, which can significantly reduce the return earned by the Company from sale of its investments.</p> <p><b>Competition risk.</b> The Company, investing into Operational Companies, will compete with other investors, including, without limitation, with other investment companies or private capital investment funds. Thus, there is a risk that competition with other investors will demand that the Company would conduct transactions at less favourable conditions than it would be possible in other cases.</p>
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#### Section E – Offer

Element	Title	Disclosure
E.1	Total net proceeds. Estimate of total expenses of the Admission (including estimated expenses charged to the investor)	<p>Not applicable, as this Prospectus was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq, aiming that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq, after the issuance of the Licence by the LB on 14 July 2016.</p> <p>There is no public issue/offer of the Shares (or any part thereof). Furthermore, no proceeds will be received by the Company as a result of the Admission.</p> <p>Following the preliminary calculations, the Issuer's fixed expenses, related to the Admission, shall comprise of approximately EUR 20 (twenty) thousand (including, without limitation, the fixed fees (if any) for the Lithuanian legal counsel, state fee for approval of the Prospectus, fees to the CSDL and Nasdaq, fees for preparation of the Prospectus).</p> <p>The Issuer does not intend to charge any expenses to the investors, related to the Admission.</p>
E.2a	Reasons for the offering / Use of proceeds / Estimated net amount of proceeds	<p>Not applicable, as this Prospectus was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq, aiming that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq, after the issuance of the Licence by the LB on 14 July 2016.</p> <p>There is no public issue/offer of the Shares (or any part thereof). Furthermore, no proceeds</p>

		will be received by the Company as a result of the Admission.
E.3	Terms and conditions of the offering	<p>Not applicable. This Prospectus was not prepared for the public offering of the Shares (or any part thereof) and was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq, aiming that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq, after the issuance of the Licence by the LB on 14 July 2016.</p> <p>Following the requirements of the applicable Lithuanian laws, the Shares of the Company cannot be offered publically and introduced to trading in other Member States (other than in the Republic of Lithuania).</p>
E.4	Interests material to the offering / Conflicting interests	<p>Not applicable. Taking into consideration that this Prospectus was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq as well as that there is no public issue/offer of the Shares (or any part thereof), there are no interests, including conflicting ones related to the Admission of the Shares to trading on Nasdaq.</p>
E.5	Name of the person or entity offering to sell the security. Lock-up agreements: parties involved; period of lock-up	<p>Not applicable. This Prospectus was not prepared for the public offering of the Shares (or any part thereof) and was drafted exclusively for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq, aiming that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq, after the issuance of the Licence by the LB on 14 July 2016.</p> <p>Furthermore, as far as it known to the Company, there are no lock-up agreements regarding the Shares, related to the Admission.</p> <p>Following the Shareholders' Agreement, dated 26 November 2014: LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė (the shareholders of INVL Technology AB (the Former parent company) who together managed 89.68% of this company at that time), and Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus, shareholders of BAIP grupė AB (currently – the Company), who together managed 20% of BAIP grupė AB at that time (INVL Technology AB owned the rest 80% at that time), have <i>inter alia</i> agreed that LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis and Indrė Mišeikytė will not transfer more than 50 percent of their Shares of the Company held at the end of placement (8 July 2015) for 12 months to third persons (not being a party to the agreement), while Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus will not transfer any of their Shares of the Company held at the end of placement (8 July 2015) for 12 months to third persons (not being a party to the agreement). This limitation was not applicable to the Shares, acquired by Invalda INVL AB when executing the advanced trade plan, as well as to other Shares of the Company, freely traded on the regulated market and acquired by the parties to the agreement after conclusion thereof. These Shares could be traded without any limitations.</p> <p>Furthermore, on 27 May 2015 parties to Shareholders' Agreement agreed that after registration of the increased share capital of the Company with the Register of Legal Entities, based on the decisions of the General Meeting, dated 10 April 2015, and subject to the condition that during this secondary public offering the Company will raise not less than EUR 10,000,000, Invalda INVL AB will acquire for the final offer price in total 551,523 Shares of the Company from Kazimieras Tonkūnas (165,000 Shares), Gytis Umantas (85,000 Shares), Artūras Milašauskas (50,000 Shares), Vida Juozapavičienė (50,000 Shares), Marius Leščinskas (55,000 Shares), Rokas Ralys (95,893 Shares) and Tomas Šeikus (50,630 Shares).</p> <p>However, taking into consideration that the above indicated 12 months lock-up period adjourned on 8 July 2016 as well as that all the main obligations of the parties to the Shareholders' Agreement were duly fulfilled, as far as it is known to the Company, there are no lock-up agreements regarding the Shares.</p>
E.6	Immediate dilution. Amount and percentage of immediate dilution if existing shareholder not subscribing during offering	<p>Not applicable, as there is no public offering of the Shares (or any part thereof) and the Prospectus was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq, aiming that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq, after the issuance of the Licence by the LB on 14 July 2016.</p>
E.7	Estimated Expenses charged to the investor by the Company	<p>Not applicable. The Issuer does not intend to charge any expenses to the investors.</p>

### III RISK FACTORS

*The risk factors exist, related to activities of the Issuer and investment into its securities. If any of the events described below actually occur, the business, financial condition or results of operations of the Company and/or its Portfolio Companies could be materially adversely affected, and the value and trading price of the Shares may decline, resulting in a loss of all or a part of any investment in the Shares. Furthermore, the risks described below are not the only risks the Company and its Portfolio Companies face. The order of the risk factors described below is not an indication of their relative importance for the Company and its Portfolio Companies, the probability of their occurrence or their potential influence on the activity of the Company and its Portfolio Companies. Additional risks not currently known or which are currently believed to be immaterial may also have a material adverse effect on the business, financial condition and results of operations of the Company and its Portfolio Companies.*

*Generally, investments into Shares of the Company are related to higher than average, long-term risk. The Company cannot guarantee and does not guarantee that the shareholders will get invested funds back.*

#### **3.1 General Risk Factors in the Business Field Where the Company and its Portfolio Companies Operate**

##### ***Risk factor, related to the change of the legal status of the Company***

After the issuance of the Licence by the LB on 14 July 2016, the Company started to operate not only according to the Law on Companies and Law on Securities and other related legal acts, as it was until obtaining a Licence, but also under the Law on Collective Investment Undertakings and other related legal acts, which establish certain specific obligations in respect of the protection of Company's shareholders and certain operating restrictions, e.g. the Company is entitled to invest the managed funds following the requirements of the investment strategy of the Company, certain limitations of the applicable laws are applied to the Company with regards its investments, their diversification, management thereof, etc. Furthermore, the Company's operating expenses might be increased because of the requirements to conduct periodic property's assessment, protect the Company's property in the Depository and other.

It should also be noted that investments into Shares of the Company (holding a Licence) are related to higher than average, long-term risk. The Company cannot guarantee that the shareholders will get invested funds back.

##### ***Risk of changes in the market of technologies***

The business of information technologies and the market related to information technologies change particularly quickly. Therefore, there is a risk that due to unforeseen changes in the market the value of investments of the Company or the investment return from investment objects of the Company can decrease, the development of companies acquired by the Company will take longer and/or will cost more than planned, therefore, the Company's investments will not be profitable and/or their value will decrease.

##### ***The recent global sovereign debt crisis could result in higher borrowing costs and more limited availability of credit***

Due to on-going recession and financial disturbance in Europe the availability of capital can be limited and therefore the cost of borrowing can increase. Poor economic situation in Greece, Spain, Cyprus and some other EU member states might further negatively affect the commercial situation of many banks operating in Europe. In addition, the risk of lower consumer confidence can have an adverse impact on financial markets and economic conditions in the EU and throughout the world and, in turn, the market's anticipation or reflection of these impacts could have a material adverse effect on the business of the Company and/or its Portfolio Companies in a variety of ways:

- difficulty or inability to acquire capital for further acquisitions by the Company and/or its Portfolio Companies and to cover financial obligations of current debt;
- increased risk of weak financial condition of the debtors of the Company and/or its Portfolio Companies resulting from current economic situation, etc.

##### ***Risk of inflation and deflation***

There is a risk that in case of inflation the value of a Share will grow slower than the inflation, which would result in the return lower than inflation. In such a case, the real return earned by persons who sold the Shares of the Company in the market from increase in the value of the Shares can be smaller than expected. In case of deflation, there would be a risk that the value of the Company's investments will decrease by reason of the drop of the general price level.

##### ***Geopolitical risk***

There is a risk that geopolitical changes can have an effect on activities of the Company and for this reason the investment value of the Company can decrease or it may be impossible to sell the Company's investments at the desired time for the desired price.

## **3.2 Risk Factors Characteristic of the Company and its Portfolio Companies**

### ***General risk***

The value of investments into the Company can fluctuate significantly in the short term, depending on the situation in the market. Investments into the Company should be made for a long term in order that the shareholder could avoid the risk of short-term price fluctuations.

Redemption of the Shares of the Company is limited, i.e. a shareholder cannot demand that the Company or the Management Company, which took over its management, would redeem the Shares. But a shareholder of the Company has a possibility to sell Shares of the Company in the secondary market as it is indicated in Articles 82 – 84 of the Articles of Association, incorporated by reference to this Prospectus.

### ***Risk of the management and human resources***

The success of the Company's investments will largely depend on heads of companies managed by the Company (directly or indirectly), also on decisions taken by persons in the Management Company who are responsible for management of the Company and on experience and capabilities of the said persons. There is no guarantee that the same employees will continue managing companies managed by the Company (directly or indirectly), as well as the Management Company throughout the whole Term of Activities of the Company.

### ***Transactions with related parties***

There are quite a few transactions with related parties among the Company and its Portfolio Companies. Detailed information about such transactions is presented in Section 4.13 *Related Party Transactions*. Following applicable taxation legislation, transactions with related parties must be conducted at arm's length (i.e. independent and on an equal footing). In spite of the fact that the Management uses all efforts in order to ensure the conformity with the above-mentioned standard, a theoretical taxation risk remains here, i.e. the risk that applicable taxes will be calculated according to prices applicable at arm's length in case it was determined that certain transactions were conducted disregarding this principle, also the risk that relevant fines and default interest will be imposed. Besides, neither the Company nor its Portfolio Companies have approved their pricing policy.

### ***Success of former, current and future investment projects***

The Company carried out investment projects of large scope in the past and can carry them out in the future. Though the Management Company and its employees, as well as the employees of companies managed by the Company (directly or indirectly), when forecasting investments, rely on all the information and analytical resources they have, there is no guarantee that all the information, which was relied on when planning investments, was full and correct. Besides, there is no guarantee that investment plans and investments will earn the expected or planned return or that the investment will not cost more than planned. If the investment projects which are being carried out or planned investment projects turn out to be worse than expected, if the return on these projects is less than planned or if their price turns out to be more than planned, this can have a significant adverse effect on the Issuer's activities, its financial situation and performance.

Also, there is no guarantee that the current investment projects related to increase of the Portfolio companies' capacities, introduction of new products and/or technologies will meet the needs of the Portfolio companies' customers.

### ***Issuer's business can be adversely affected by loss of major customers***

Though the Company is not dependent on any one major customer or their group, still loss of one or several of them and inability to substitute other similar customers for the lost ones can have an adverse effect on the Issuer's controlled Portfolio Companies' business, financial situation or performance.

### ***Interest rate risk***

There is a risk that in case of fast recovery of the global economy or increase in inflation, central banks will increase interest rates and it will be more expensive to service loans in connection with the Company's investments, therefore, the value of the Company's investments can decrease.

### ***Currency risk***

The Operational Companies enter into a large portion of non-EUR denominated agreements in foreign markets, whereas some of their performance costs are incurred in EUR, therefore a drop in the rate of respective currencies can have a negative effect on profitability of the managed companies. A large part of computers and other equipment is purchased from foreign manufactures where payments are also made in non-EUR currencies. Besides, having in mind that the Operational Companies operates in many states, there is a risk that the attractiveness or profitability of the Company's investments will decrease also due to fluctuations in rates of other currencies.

### ***Credit risk***

There is a risk that buyers of products and services of companies (directly or indirectly) owned by the Company will fail to fulfil their obligations in time – this would have a negative effect on the profit of the Company and/or companies (directly or indirectly) managed by it. In case of late performance of a large part of obligations, the ordinary business of the

Company and/or companies (directly or indirectly) owned by it may be disrupted, it may be necessary to search for additional sources of financing, which may be not always available. The Company also incurs the risk of keeping funds in bank accounts or investing into short-term financial instruments.

#### ***Risk of spin-off from Invalda INVL AB***

INVL Technology AB (Former parent company) took over 2.6 percent of the assets, equity and liabilities of Invalda LT AB (currently, Invalda INVL AB). If certain obligations of Invalda INVL AB were not known at the time of the spin-off and for this reason were not distributed to all companies operating after the spin-off, all the companies operating after the spin-off will be liable for them jointly and severally. The liability of each of those companies for these obligations will be limited by the amount of the equity, assigned to each of them according to the terms of spin-off. Thus, there is a risk that if the obligations of Invalda INVL AB are not distributed, the Company will be liable for obligations of Invalda INVL AB, which according to the terms of spin-off are assigned to the Company.

The Company does not have any information that the reorganisation of Invalda INVL AB was performed improperly and/or that some of the obligations of Invalda INVL AB are not distributed.

#### ***Risk of liquidity of investments***

There is a risk that investments into Operational Companies will be relatively illiquid and finding buyers for such companies can take some time. Furthermore, financing conditions can become worse due to deteriorating economic condition of the world, a region or a country, where the Operational Company is acting. Therefore, sale of the Company's investments can take longer than planned or their return may be less than planned. When investing into Operational Companies, securities issued by which (shares, bonds and other financial instruments) are not admitted to trading on regulated markets, there is a probability of facing a situation when sale of securities, due to absence of demand or other conditions in the market, can take longer than planned or not be as profitable as planned or may even cause losses.

#### ***Liquidity risk***

There is a risk that due to deteriorating economic condition of the world, a region or a country it will become difficult/expensive for the Company (managed by the Management Company) to obtain new loans for acquisition of investment objects or to refinance old loans, therefore the value of the Company's investments can decrease. In order to reduce this risk, the Management Company will seek to maintain a sufficient level of liquidity in the Company or will seek to organise timely financing from financial institutions or other parties.

Acquiring Shares of the Company, the shareholders assume the risk of securities liquidity – in case of a drop in demand for Shares or delisting them from the stock exchange, investors would find it difficult to sell them. In case of deterioration of the Company's financial situation, the demand for Shares of the Company, as well as their price may decrease.

#### ***Risk of investments by Operational Companies***

Operational Companies can control/acquire companies in countries other than those indicated in Article 18 of the Articles of Association and that shall not be considered as performance of the Company's activities beyond the limits of the countries indicated in Article 18 of the Articles of Association. However, there is a risk that companies acquired/controlled by Operational Companies will be relatively illiquid and finding buyers for such companies can take some time.

Furthermore, financing conditions can become worse due to deteriorating economic condition of the world, a region or a country. Therefore, there is a probability of facing a situation when, due to activities of companies managed by an Operational Company or sale of companies managed by an Operational Company, the Operational Company will suffer losses, which will be reflected in the Net Asset Value of the Company.

#### ***The Portfolio Companies are party to public sector contracts, which may be affected by political and administrative decisions, and the success and profitability of such contracts may be influenced by political considerations***

Public sector customers account for a significant portion of revenues of the Portfolio Companies. The extent and profitability of public sector business of the Portfolio Companies may be influenced by political considerations. It may also be affected by political and administrative decisions concerning levels of public spending. In certain cases, due to applicable regulations, such as European Union tender rules, certain terms of public sector contracts, such as pricing terms, contract period, use of business partners and ability to transfer receivables under contract, provide the Portfolio Companies with less flexibility than comparable private sector contracts do. Moreover, decisions to decrease public spending may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on business, results of operations, financial condition and prospects of the Portfolio Companies.

Contracts in the public sector are also subject to review and monitoring by authorities to ensure compliance with applicable laws and regulations, including those prohibiting anti-competitive practices. The Management believes that it complies with these laws and regulations. However, regulatory authorities may nevertheless deem a Portfolio Company to be in violation of such laws or regulations, and the relevant Portfolio Company could be subject to fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts. Any such event would have a material adverse impact on the business, results of operations, financial condition, prospects and reputation of the Portfolio Company or some of them.



***The Company could be subject to information technology theft or misuse, which could result in third party claims and harm its business, reputation, results and financial condition***

The Company could face attempts by other persons to gain unauthorised access to the Company's information technology systems, which could threaten the security of the Company's information and stability of its systems. These attempts could arise from industrial or other espionage or actions by hackers that may harm the Company or its customers. The Company may be not successful in detecting and preventing such theft and attacks. Theft, unauthorised access and use of trade secrets or other confidential business information as a result of such an incident could disrupt the Company's business and adversely affect its reputation and competitive position, which could materially adversely affect the Company's business, results of operation or financial condition.

***Risk of insolvency of Operational Companies***

Operational Companies, in performance of their activities, can face insolvency problems (go bankrupt, undergo restructuring, etc.). Accordingly, such situations can have a negative effect on the price of the Shares or result in insolvency of the Company itself.

***Risk of insolvency of the Company***

In case of realisation of one or several of the risks indicated in this Section, which would have a negative effect on the value and/or liquidity of Operational Companies, this can result in the Company's solvency problems, when the Company will be incapable of fulfilling its obligations. In such a case, shareholders of the Company can lose all their funds invested into the Company.

**3.3 Risk Factors Related to the Company's Shares (investments thereto)**

***Past performance risk***

The past performance of the Company and its investments is not a reliable indication of the future performance of the investments held by the Company.

***No guarantee of return***

The shareholders and investors of the Company should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objectives of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

***Market risk***

Acquisition of Shares of the Company entails the risk to incur losses due to unfavourable changes in the Share price in the market. A drop in the price of the Shares can be caused by negative changes in the value of assets and profitability of the Company, general share market trends in the region and in the world. Trade in Shares of the Company can depend on comments of financial brokers and analysts and announced independent analyses about the Company and its activities. If the analysts give an adverse opinion about prospects of the Shares of the Company, this can also have a negative effect on the price of Shares in the market. In assessing shares, non-professional investors are advised to address intermediaries of public trading or other specialists in this field for help.

***Turmoil in emerging markets could cause the value of the Shares to suffer***

Financial or other turmoil in emerging markets has in the recent past adversely affected market prices in the world's securities markets for companies operating in the affected developing economies. There can be no assurance that renewed volatility stemming from future financial turmoil, or other factors, such as political unrests that may arise in other emerging markets or otherwise, will not adversely affect the value of the Shares even if the Lithuanian economy remains relatively stable.

***The market value of Shares may be adversely affected by future sales or issues of substantial amounts of Shares***

All the Shares of the Company may be provided for sale without any restrictions and there can be no assurance as to whether or not they will be sold on the market.

The Company cannot predict what affect such future sales or offerings of Shares, if any, may have on the market price of the Shares. However, such transactions may have a material adverse effect, even if temporary, on the market price of the Shares. Therefore, there can be no assurance that the market price of the Shares will not decrease due to subsequent sales of the Shares held by the existing shareholders of the Company or a new Share issue by the Company.

***The marketability of the Shares may decline and the market price of the Shares may fluctuate disproportionately in response to adverse developments that are unrelated to the Company's operating performance***

The Company cannot assure that the marketability of the Shares will improve or remain consistent. Shares listed on regulated markets, such as Nasdaq, have from time to time experienced, and may experience in the future, significant price fluctuations in response to developments that are unrelated to the operating performance of particular companies. The market price of the Shares may fluctuate widely, depending on many factors beyond the Company's control. These factors include, amongst other things, actual or anticipated variations in operating results and earnings by the Company and the Portfolio Companies and/or their competitors, changes in financial estimates by securities analysts, market conditions in the industry and in general the status of the securities market, governmental legislation and regulations, as well as general economic and general market conditions, such as recession. These and other factors may cause the market price and demand for the Shares to fluctuate substantially and any such development, if adverse, may have an adverse effect on the market price of the Shares which may decline disproportionately to the operating performance of the Company and/or the Portfolio Companies. The market price of the Shares is also subject to fluctuations in response to further issuance of Shares by the Company, sales of Shares by the Company's existing shareholders, the liquidity of trading in the Shares and capital reduction or purchases of Shares by the Company as well as investor perception.

***Dividend payment risk***

There is a risk that the Company will not pay dividend. A decision on payment of dividend will depend on profitability of activities, cash flows, investments plans and the general financial situation and other circumstances. For more information regarding payment of dividend by the Company please see Section 4.14.3 *Dividend Policy* as well as Part X of the Articles of Association, which is incorporated by reference to this Prospectus.

***Liquidity of the Issuer's Shares is not guaranteed***

It may be possible that in case an investor wants to urgently sell the Issuer's securities (especially a large number of them), demand for them on the exchange will not be sufficient. Therefore, sale of shares can take some more time or the investor may be forced to sell shares at a lower price. Analogous consequences could appear after the exclusion of the Company's Shares from the Secondary List of Nasdaq. Besides, in case of deterioration of the Company's financial situation, demand for the Shares of the Company and, at the same time, their price may decrease.

***Risk of conflicts of interest***

There is a risk that there will be situations when interests of the Management Company (or persons related to it) and the Company or shareholders will differ or interests of individual shareholders will differ, i.e. there will be a conflict of interest. When it is impossible to avoid a conflict of interest, the Management Company must ensure that shareholders are treated fairly. Employees of the Management Company and other persons related to the Management Company and persons, directly or indirectly related to the Management Company by relationship of control, must immediately, as soon as they become aware of such information, notify the Investment Committee about a potential or existing conflict of interest. The Investment Committee, approving of investment decisions, shall take into account the information presented to it about potential or existing conflicts of interest. The Investment Committee shall immediately inform the head and the Board of the Management Company about conflicts of interest it is aware of.

Following legal acts regulating organisation of activities of collective investment undertakings, the Management Company has implemented appropriate measures for avoiding conflicts of interest, which enable to perform the activities of managing the risk of conflicts of interest and managing conflicts of interest independently, in order to avoid/reduce the risk of conflicts of interest or properly manage a conflict of interest when it occurs.

***Risk related to forward looking statements (statements in the future tense)***

This Prospectus includes some forward looking statements, are based on estimate, opinion, expectations and forecasts regarding future events and financial trends that will possibly have an effect on the activities of the Company. Forward looking statements include information about possible or presumable results of the Company's activities, investment strategy, contractual relationships, borrowing plans, investment conditions, effect of future regulation and other information. For more information on the forward looking statements please see Section 1.3 *Forward Looking Statements*. The Company cannot assure that the forward looking statements will reflect future events and circumstances fully and correctly. The Company, the Management Company and their employees do not undertake to adjust or modify the forward looking statements, except to the extent required by laws and the Articles of Association.

***Risk of valuation of the Company's assets***

The assets of the Company will be evaluated according to the main rules set in the Articles of Association, incorporated by reference to this Prospectus and the accounting policy of the Management Company. Valuation of individual assets held by the Company shall be performed by a property appraiser, however, such valuation of assets shall be only determining the value of the assets, which does not automatically mean the exact sale price of an investment held by the Company, which depends on many circumstances, for example, economic and other conditions, which cannot be controlled. Thus, the sale price of investments held by the Company can be higher or lower than the value of assets determined by a property appraiser.

### **Competition risk**

The Company, investing into Operational Companies, competes with other investors, including, without limitation, with other investment companies or private capital investment funds. Thus, there is a risk that competition with other investors will demand that the Company would conduct transactions at less favourable conditions than it would be possible in other cases.

### **Risk related to the duty to redeem shares of the Company**

Legal acts provide for a duty of the Company in certain circumstances to redeem its Shares from the shareholders that requested such redemption (for more information please see Article 90 of the Articles of Association). Accordingly, if the Company becomes subject to the duty to offer to the shareholders redemption of its own Shares and if such a redemption is requested by the shareholders holding a significant number of Shares, the Company can be forced to sell its investments urgently, which can significantly reduce the return earned by the Company from sale of its investments. This risk is planned to be managed by means stipulated in Article 97 of the Articles of Association.

## **3.4 Legal and Taxation Risk Factors**

### **Risk of changes in laws and regulations**

There is a risk that upon changes in legal acts of the Republic of Lithuania or the states where assets of the Company are invested or where Operational Companies, into which the Company invests, operate, such changes in legal acts can have a negative effect on the protection of the Company's investments, the activities, profitability and value of the Operational Companies or such changes in legal acts can have a negative effect on rights and interests of the Company otherwise.

### **Risk related to possible liability of the Company**

There is a risk that the activities of the Company and the general performance results of the Company can be negatively affected by demands and claims regarding non-disclosed or non-identified obligations and/or violations in connection with investments acquired by the Company, which may result in the Company's liability for such obligations and/or violations and for this reason the value of the Company's investments and, at the same time, the price of the Shares can significantly decrease.

It should be also noted that, the Company after the reorganisation – the merger of Former parent company with the Company (previous name – BAIP grupė AB), which continues its activities after the reorganisation, took over all the assets, equity and liabilities of the Former parent company (for more information on the reorganisation please see Section 4.3 *History and Development of the Issuer*). For any and all the obligations of the Former parent company after the reorganisation, the Company took responsibility.

### **The Issuer does not fully comply with Nasdaq Corporate Governance Code**

The Issuer does not fully comply with Nasdaq Corporate Governance Code: it has not formed the Nomination and Remuneration Committee, no public statements are made regarding the Company's remuneration policy, etc. (exhaustive information about its compliance with the Code is given in Appendix 2 of the Annual Report of the Company for the year 2015).

### **Tax risk**

Lithuanian tax legislation which was enacted or substantively enacted at the end of the reporting period may be subject to varying interpretations. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be successfully challenged by relevant authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Management is not aware of any circumstances that could lead to significant tax charges and penalties in the future that have not been provided for or disclosed in these financial statements. Uncertain tax positions of the Company and of the Portfolio Companies are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognized based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

There is also a risk that upon changes in economic conditions, political situation in the country or due to any other reasons, new taxes on shareholders of the Company, the Company or the Operational Companies will appear or the rates of current taxes will increase, therefore the price, liquidity and/or attractiveness of the Shares or the value of investments of the Company may decrease.

## IV INFORMATION ABOUT THE ISSUER

### 4.1 Statutory Auditors

The financial statements of the Company for the year ended 31 December 2015 as well as separate and consolidated financial statements for the year ended 31 December 2014 of BAIP grupė AB, incorporated by reference in this Prospectus, have been audited by PricewaterhouseCoopers UAB ("PwC"), independent auditors, who issued an unqualified auditor's report on the above-mentioned financial statements. The independent auditor's report on the financial statements for the year ended 31 December 2014 contains additional explanation: "The comparative information in the stand-alone financial statements of the Company as at, and for the period ended 31 December 2013 has not been audited". Financial statements of the Former parent company for the year ended 31 December 2014 have been audited by PwC, independent auditors, who issued an unqualified auditor's report on these financial statements.

PwC, independent auditors, holds the audit company's licence No. 001273. The registered office address of PwC is J. Jasinskio str. 16B, LT-03163 Vilnius, Lithuania. On behalf of PwC the auditor's report of the Company for the year ended 31 December 2015 was signed by audit partner Rimvydas Jogėla, auditor's certificate No. 000457, and the statutory auditor Rasa Radzevičienė, auditor's certificate No. 000377. On behalf of PwC the auditor's report of BAIP grupė AB for the year ended 31 December 2014 was signed by the statutory auditor Rasa Radzevičienė, auditor's certificate No. 000377. On behalf of PwC the auditor's report of INVL Technology AB (the Former parent company, which ceased to exist after the merger) for the year ended 31 December 2014 was signed by audit partner Rimvydas Jogėla, auditor's certificate No. 000457, and the statutory auditor Rasa Radzevičienė, auditor's certificate No. 000377.

### 4.2 Selected Financial Information

The following tables disclose selected financial information of the Company (EUR thousand) as of 31 December 2015 (derived from the audited annual financial statements for the period ended 31 December 2015, incorporated by reference in this Prospectus).

The Company considers that after the merger it continues activities of INVL Technology AB (Former parent company) as an investment subject. Thus, the comparative financial information for the period ended 31 December 2014 is of former INVL Technology AB, which ceased to exist after the merger.

**Table 1. Statement of the financial position, EUR thousand**

	31 December 2015	31 December 2014
<b>ASSETS</b>		
Non-current assets	16,961	7,828
Current assets	7,387	25
<b>Total assets</b>	<b>24,348</b>	<b>7,853</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>24,243</b>	<b>7,847</b>
<b>Liabilities</b>	-	-
Non-current liabilities	-	-
Current liabilities	105	6
<b>Total liabilities</b>	<b>105</b>	<b>6</b>
<b>Total equity and liabilities</b>	<b>24,348</b>	<b>7,853</b>

Source: IFRS Financial Statements

Non current assets and equity of the Company increased during the merger between BAIP grupė AB and INVL Technology AB (please see Section 4.5.1 *Financial Condition*).

**Table 2. Statement of the comprehensive income, EUR thousand**

	2015	2014
<b>Continuing operations</b>		
Net change in fair value of financial assets	2,247	2,920
Dividend income	598	-
Interest income	30	-
Other sales revenue	260	-
<b>Total revenue</b>	<b>3,135</b>	<b>2,920</b>
Operating expenses	(518)	(28)
<b>Operating profit</b>	<b>2,617</b>	<b>2,892</b>
Finance cost	(168)	-
<b>Profit for the reporting period before tax</b>	<b>2,449</b>	<b>2,892</b>
Income tax benefit	65	-
<b>Net profit for the reporting period</b>	<b>2,514</b>	<b>2,892</b>

Source: IFRS Financial Statements

Below is presented statement of cash flows of the Company for the year ended 31 December 2015:

**Table 3. Statement of the cash flows, EUR thousand**

	2015	2014
Net cash flow from operating activities	583	(22)
Net cash flow from investing activities	189	120
Net cash flow from financing activities	6,197	(73)
<b>Net change</b>	<b>6,969</b>	<b>25</b>
<b>Opening balance</b>	<b>25</b>	<b>-</b>
<b>Closing balance</b>	<b>6,994</b>	<b>25</b>

Source: IFRS Financial Statements

Below is presented the selected financial information of BAIP grupè AB (currently the Company) for the year ended 31 December 2014, extracted from IFRS Financial Statements and for convenience purposes converted to Euros:

**Table 4. Statement of the financial position, EUR thousand**

	The Group		The Company	
	2014	2013	2014	2013
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>15,100</b>	<b>4,693</b>	<b>15,100</b>	<b>4,567</b>
<b>Current assets</b>	<b>371</b>	<b>4,866</b>	<b>371</b>	<b>42</b>
<b>Total assets</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>11,921</b>	<b>2,287</b>	<b>11,921</b>	<b>668</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>	<b>1,143</b>	<b>323</b>	<b>1,143</b>	<b>1,030</b>
<b>Current liabilities</b>	<b>2,407</b>	<b>6,948</b>	<b>2,407</b>	<b>2,910</b>
<b>Total liabilities</b>	<b>3,550</b>	<b>7,271</b>	<b>3,550</b>	<b>3,940</b>
<b>Total equity and liabilities</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>

Source: the Company

The statement of the comprehensive income of BAIP grupè AB (currently the Company) for the periods ended 31 December 2014 and 2013 extracted from IFRS Financial Statements and for convenience purposes converted to Euros is provided in the table below.

**Table 5. Statement of the comprehensive income, EUR thousand**

	The Group		The Company	
	2014	2013	2014	2013
<b>Continuing operations</b>				
<b>Gross profit</b>	<b>4,167</b>	<b>3,402</b>	<b>260</b>	<b>171</b>
<b>Operating profit (loss)</b>	<b>9,785</b>	<b>899</b>	<b>11,076</b>	<b>(15)</b>
<b>Profit (loss) for the reporting period before tax</b>	<b>9,467</b>	<b>486</b>	<b>10,688</b>	<b>(337)</b>
Income tax benefit (expenses)	(172)	(79)	70	56
<b>Net profit (loss) for the reporting period</b>	<b>9,295</b>	<b>407</b>	<b>10,757</b>	<b>(281)</b>
Attributable to:				
Shareholders of the parent company	9,301	400	-	-
Non-controlling interests	(6)	7	-	-
	<b>9,295</b>	<b>407</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the reporting period less the income tax</b>	<b>12</b>	<b>(26)</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE REPORTING PERIOD LESS THE INCOME TAX</b>	<b>9,307</b>	<b>382</b>	<b>10,757</b>	<b>(281)</b>

Source: the Company

Below is presented statement of cash flows of BAIP grupè AB (currently the Company) for the periods ended 31 December 2014 and 2013 extracted from IFRS Financial Statements and for convenience purposes converted to Euros:

**Table 6. Statement of the cash flows, EUR thousand**

	The Group		The Company	
	2014	2013	2014	2013
Net cash flow from operating activities	2,236	(320)	(11)	185
Net cash flow from investing activities	(1,239)	(218)	422	(191)
Net cash flow from financing activities	(1,248)	(79)	(352)	(5)
Impact of currency exchange	-	(87)	-	-
<b>Net change</b>	<b>(251)</b>	<b>(704)</b>	<b>59</b>	<b>(12)</b>
<b>Opening balance for the period</b>	<b>324</b>	<b>1,028</b>	<b>14</b>	<b>26</b>
<b>Closing balance for the period</b>	<b>73</b>	<b>324</b>	<b>73</b>	<b>14</b>

Source: the Company

The following tables indicate selected financial information of the Former parent company as of 31 December 2014 according to audited financial statements for the year 2014, providing statement of the financial position, comprehensive income and cash flows:

**Table 7. Statement of the financial position, EUR thousand**

	As at 31 December 2014
<b>ASSETS</b>	
<b>Non-current assets</b>	
Financial assets at fair value through profit or loss	7,828
<b>Total non-current assets</b>	<b>7,828</b>
<b>Current assets</b>	
Cash and cash equivalents	25
<b>Total current assets</b>	<b>25</b>
<b>Total assets</b>	<b>7,853</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Total equity</b>	<b>7,847</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	-
<b>Total current liabilities</b>	<b>6</b>
<b>Total liabilities</b>	<b>6</b>
<b>Total equity and liabilities</b>	<b>7,853</b>

Source: the Company

**Table 8. Statement of the comprehensive income, EUR thousand**

	2014
<b>Income</b>	
Net changes in fair value of financial assets	2,920
<b>Total net income</b>	<b>2,920</b>
<b>Total operating expenses</b>	<b>(28)</b>
<b>Operating profit</b>	<b>2,892</b>
<b>Profit before income tax</b>	<b>2,892</b>
Income tax expenses	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,892</b>

Source: the Company

**Table 9. Statement of the cash flows, EUR thousand**

	2014
Net cash flow from operating activities	(22)
Net cash flow from investing activities	120
Net cash flow from financing activities	(73)
Impact of currency exchange	-
<b>Net change</b>	<b>25</b>
<b>Opening balance for the period</b>	-
<b>Closing balance for the period</b>	<b>25</b>

Source: the Company

### 4.3 History and Development of the Issuer

Legal name of the Issuer	special closed-ended type investment company "INVL Technology"
Commercial name of the Issuer	INVL Technology UTIB
Place of registration of the Issuer (registered office)	Gynėjų str. 16, Vilnius, Lithuania
Corporate ID code of the Issuer	300893533
Legal form of the Issuer	public limited liability company, acting as a special closed-ended type private capital investment company
Legislation under which the Issuer operates	Lithuanian
Country of incorporation of the Issuer	Republic of Lithuania
Date of incorporation of the Issuer	27 June 2007
Term of Activities of the Company	10 years as from receipt of the Licence from the LB, unless it will be prolonged, changing the Articles of Association accordingly. The Term of Activities may be prolonged for no longer than 2 additional years
Telephone number	+370 5 219 1919
Fax number	+370 5 219 5900
Email	<a href="mailto:info@invltechnology.lt">info@invltechnology.lt</a>
Internet address	<a href="http://www.invltechnology.lt">www.invltechnology.lt</a>

Positor UAB (current name INVL Technology AB) was established on 27 June 2007 by Invalda INVL AB (former name Invalda AB) together with an experienced team of information technology sector managers, as a company which business is investing in information technology companies. The Company started with the minimal required authorized capital of approx. EUR 2.9 thousand and in the following month on 27 July 2007 the authorized capital was increased to approx. EUR 144.81 thousand. Following the increase of the authorised capital in the end of 2007 Positor UAB acquired Informatikos pasaulis UAB for EUR 273 thousand and Vitma UAB for EUR 2.4 million – a sole shareholder of BAIP UAB (former name Baltic Amadeus infrastruktūros paslaugos), a spin-off from Baltic Amadeus UAB. Shortly after that, on 12 February 2008 the authorized capital of the Company was increased to approx. EUR 1.448 million and on 27 March 2007 Positor UAB acquired Acena UAB for EUR 47 thousand. On 8 February 2011 the Company changed its name to BAIP grupė UAB. Continuing its strategy and growing via international expansion, on 28 November 2011 the Company acquired 100 percent of Norwegian information technology company Norway Registers Development AS (NRD AS) for EUR 1.2 million which at that time controlled 70.73 percent of Lithuanian subsidiary NRD UAB. In April 2013 BAIP grupė UAB strengthened its positions in Africa by acquiring 70 percent of Tanzanian IT company 360° Smart Consulting Ltd. (current name Norway Registers Development East Africa Ltd.) for EUR 3 thousand in order to be able to participate in local IT infrastructure segment projects as a local resident. Later, on 8 August 2013 BAIP grupė UAB established a cyber-security company NRD CS UAB by separating cyber-security division of BAIP UAB. This company started with the authorized capital of approx. EUR 2.9 thousand, which latter was increased to approx. EUR 86.886 thousand (on 28 November 2014).

Moreover, after the reorganization of the major shareholder of BAIP grupė AB (Invalda INVL AB) on 29 April 2014 three new companies, holding assets, spin-off from Invalda INVL AB, were established and on 4 June 2014 listed on Nasdaq. One of these companies was INVL Technology AB (the Former parent company) which became the major shareholder of BAIP grupė UAB holding 80 percent stake thereof.

On 18 December 2014 under the Shareholders' Agreement of 26 November 2014 (for more information on this agreement please see Section 4.16 *Material Contracts*) and the respective decision of the General Meeting BAIP grupė UAB status was changed to public joint stock company BAIP grupė AB. At the same time the authorized capital of BAIP grupė AB was increased to approx. EUR 1.765 million and new share issue of approx. EUR 316.463 thousand was acquired by the shareholders of BAIP grupė AB while INVL Technology AB (the Former parent company) stake in the Company was reduced from 80 percent to 65.65 percent.

Simultaneously, on 9 February 2015 the Company finalized the reorganization process and the parent company INVL Technology AB was merged to BAIP grupė AB and at the time of reorganization the name of BAIP grupė AB was changed to INVL Technology AB. The shareholders of INVL Technology AB, which ceased to exist after the reorganisation, became direct shareholders of BAIP grupė AB (current name INVL Technology AB).

Building on successful experience in African region on 3 December 2014 NRD AS established Infobank Uganda Ltd., in which it holds 30 percent stake. On 23 March 2015 NRD AS signed the Shareholders' Agreement of Infobank Uganda Ltd. This company plans to participate in public register projects in order to transfer the system from paper based to information technology based documentation.

On 7 April 2015 Norway Registers Development AS signed an agreement for acquisition of the new share issue of Etronika UAB – the company creating e-banking, e-commerce and mobile signature solutions. Total investment into the

company amounted EUR 200 thousand. The transaction was closed at the end of July 2015, when all the necessary legal approvals have been granted.

In June-July 2015 the secondary public offering of shares of the Company was successfully executed. As a result of the offering the Company raised EUR 10,000,001.55, and issued 6,060,607 new Shares, with a nominal value of EUR 0.29 and the issue price of EUR 1.65 each. Following the capital increase, the authorized capital of the Company was increased to EUR 3,530,843.09 and currently it is divided into 12,175,321 ordinary registered Shares, with a nominal value of EUR 0.29 each.

Following the decisions of the General Meeting, dated 10 April 2015, the Company has applied on 1 September 2015 to the LB for issuance of the closed-ended type investment company Licence. Upon issuance of this Licence on 14 July 2016, the Company started acting under the Law on Collective Investment Undertakings, management of the Company was transferred to INVL Asset Management UAB – a licensed asset management company, controlled by the subsidiary of one of the largest investment and asset management groups in the Baltic States Invalda INVL AB. The term of the closed-ended type investment Company is 10 years (with an option to extend for 2 additional years), investment period is 5 years. SEB bankas AB is selected to act as the Depository (custodian) of assets of the Company. After the issuance of the Licence the Shares of the Company remains listed on Nasdaq. However, in order to ensure continuous possibility to trade in Shares of the Company this Prospectus was drafted and announced.

In February 2016 a new entity was registered in Rwanda which will be operating under Norway Registers Development AS. This group is operating in Rwanda for ten year already and the idea is to consolidate the group's knowledge in various fields, i.e. e-governance, cyber security, finance and other and strengthen positions in Rwanda.

In February 2016 FINtime UAB was registered in Lithuania. The entity will be working in a field of business process outsourcing.

In December 2015 a Portfolio Company Inventio UAB has signed an agreement for acquisition of 100 per cent of shares in Algoritmu sistemas UAB, information system development company. The acquisition was completed on 18 March 2016, 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. Price of 100 per cent stake in Algoritmu sistemas UAB amounted to EUR 2.385 million. In order to finance the transaction the share capital of Inventio UAB was increased from EUR 0.029 million to EUR 2.395 million by additional cash contributions of the Company.

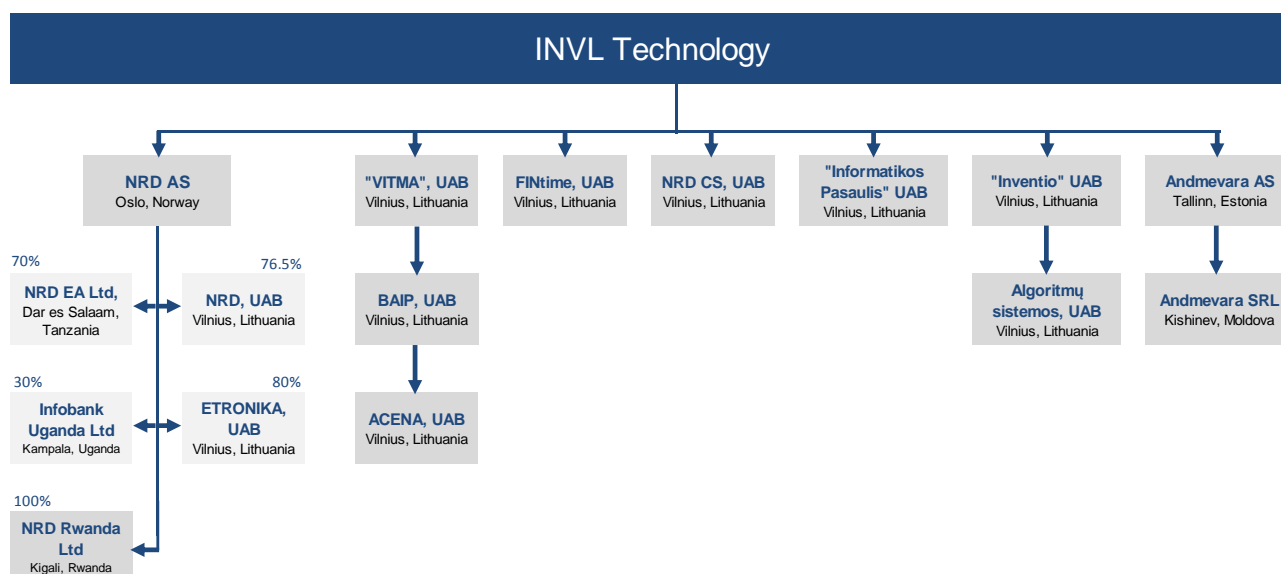
In 2015 the revenue of Algoritmu sistemas UAB increased by 22 per cent and reached EUR 2.768 million, while the net profit increased by 18 per cent and reached EUR 386 thousand.

The founder and the chairman of the Board of Algoritmu sistemas UAB Rimgaudas Žaldokas will continue serving on the Board of the company together with the representatives of the Company, Vytautas Plunksnis and Vida Juozapavičienė, who were also elected to the Board.

On 20 April 2016 the Company has closed another transaction, acquiring 100 per cent of shares in Estonian state owned company, dealing with registers and data systems development, data processing, digitizing and information services development, Andmevara AS. The entity was acquired for EUR 0.665 million.

#### 4.4 Organisational Structure

Figure 1. Structure of the Issuer and its Portfolio Companies as of the date of the Prospectus



Source: the Company



The Issuer does not belong to the group of companies as it is described in the applicable Lithuanian laws, i.e. the Issuer is not controlled by any persons, as it is indicated in the Law on Companies – individually none of shareholders of the Company has Shares thereof, entitling to more than 1/2 of votes in the General Meeting.

Till the change of the status of the Company to investment entity the Company together with the Portfolio Companies formed a Group of companies, as indicated below.

**Table 10. Shareholdings of the Company, held in the Portfolio Companies as on the date of the Prospectus**

Company (the year of acquisition)	Registration country	as at the date of the Prospectus
		Share of the stock held by the group (%)
Informatikos pasaulis UAB (2007)	Lithuania	100
Vitma UAB (2007)	Lithuania	100
BAIP UAB (2007)	Lithuania	100 <sup>(*)</sup>
Acena UAB (2008)	Lithuania	100 <sup>(**)</sup>
Norway Registers Development AS (2011)	Norway	100
NRD UAB (2011)	Lithuania	76.50 <sup>(***)</sup>
Norway Registers Development East Africa Ltd. (2013)	Tanzania	70 <sup>(****)</sup>
Infobank Uganda Ltd. (2014)	Uganda	30 <sup>(****)</sup>
Etronika UAB (2015)	Lithuania	80 <sup>(****)</sup>
NRD CS UAB (2013)	Lithuania	100
Inventio UAB (2014)	Lithuania	100
Algoritimų sistemos UAB (2016)	Lithuania	100 <sup>(****)</sup>
Norway Registers Development Rwanda Ltd. (2016)	Rwanda	100 <sup>(****)</sup>
FINtime UAB (2016)	Lithuania	100
Andmevara AS (2016)	Estonia	100
Andmevara Srl (2016)	Moldova	100 <sup>(*****)</sup>

Source: the Company

\* The indicated shares are held by Vitma UAB, i.e. by the Portfolio Company 100% owned by the Issuer.

\*\* The indicated shares are held by BAIP UAB, i.e. by the Portfolio Company 100% owned by Vitma UAB, which is 100% owned by the Issuer.

\*\*\* The indicated shares are held by Norway Registers Development AS, i.e. by the Portfolio Company 100% owned by the Issuer.

\*\*\*\* The indicated shares are held by Inventio UAB, i.e. by the Portfolio Company 100% owned by the Issuer.

\*\*\*\*\* The indicated shares are held by Andmevara AS, i.e. by the Portfolio Company 100% owned by the Issuer.

The main registration data of the Portfolio Companies are provided below:

**Table 11. Registration information of the Portfolio Companies**

<b>Name of the company</b>	Vitma UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	121998756
<b>Date of incorporation</b>	25 June 1993
<b>Registered address</b>	A. Juozapavičiaus str. 6, Vilnius, Lithuania

<b>Name of the company</b>	BAIP UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	301318539
<b>Date of incorporation</b>	3 December 2007
<b>Registered address</b>	A. Juozapavičiaus str. 6, Vilnius, Lithuania

<b>Name of the company</b>	Acena UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	300935644
<b>Date of incorporation</b>	20 July 2007
<b>Registered address</b>	A. Juozapavičiaus str. 6, Vilnius, Lithuania

<b>Name of the company</b>	NRD CS UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	303115085

<b>Date of incorporation</b>	6 August 2013
<b>Registered address</b>	Gynėjų str. 16, Vilnius, Lithuania

<b>Name of the company</b>	Norway Registers Development AS
<b>Legal form</b>	Public Joint-Stock Company
<b>Country of incorporation</b>	Kingdom of Norway
<b>Administrator of the register</b>	Register of Business Enterprises of Norway ( <i>Brønnøysundregistrene</i> )
<b>Code</b>	985 221 405
<b>Date of incorporation</b>	23 December 2002
<b>Registered address</b>	Billingstadsletta 35 1375, Billingstad, 0220 Asker, Norway

<b>Name of the company</b>	NRD UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	111647812
<b>Date of incorporation</b>	15 October 1998
<b>Registered address</b>	Žygimantų str. 11-5, Vilnius, Lithuania

<b>Name of the company</b>	Norway Registers Development East Africa Limited
<b>Legal form</b>	Private Limited Company
<b>Country of incorporation</b>	United Republic of Tanzania
<b>Administrator of the register</b>	Tanzania's Business Registration and Licensing Agency
<b>Code</b>	88597
<b>Date of incorporation</b>	13 January 2012
<b>Registered address</b>	3rd floor, Elite tower, Azikiwe Street, P.O.Box 78533, Dar es Salaam, Tanzania

<b>Name of the company</b>	Infobank Uganda Limited
<b>Legal form</b>	Private Limited Company
<b>Country of incorporation</b>	Republic of Uganda
<b>Administrator of the register</b>	Uganda Registration Services Bureau
<b>Code</b>	193144
<b>Date of incorporation</b>	3 December 2014
<b>Registered address</b>	Norwegian Business Centre, Suite A7/A8, Plot 1 Hill Lane, Kololo, P.O. Box 72492, Kampala, Uganda

<b>Name of the company</b>	Inventio UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	303252340
<b>Date of incorporation</b>	27 February 2014
<b>Registered address</b>	Gynėjų str. 14, Vilnius, Lithuania

<b>Name of the company</b>	Informatikos pasaulis UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	126396718
<b>Date of incorporation</b>	11 December 2003
<b>Registered address</b>	A. Juozapavičiaus str. 6, Vilnius, Lithuania

<b>Name of the company</b>	Etronika UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	125224135
<b>Date of incorporation</b>	21 March 2000
<b>Registered address</b>	Vito Gerulaičio str. 1, Vilnius, Lithuania

<b>Name of the company</b>	Algoritimų sistemos UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers

<b>Code</b>	125774645
<b>Date of incorporation</b>	15 October 2001
<b>Registered address</b>	Smolensko str. 10, Vilnius, Lithuania

<b>Name of the company</b>	Norway Registers Development Rwanda Ltd.
<b>Legal form</b>	Private Limited Company
<b>Country of incorporation</b>	Republic of Rwanda
<b>Administrator of the register</b>	Office of the Registrar General
<b>Code</b>	105378191
<b>Date of incorporation</b>	22 February 2016
<b>Registered address</b>	Remera, Gasabo, Umuji wa Kigali, Rwanda

<b>Name of the company</b>	FINtime UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	304192355
<b>Date of incorporation</b>	29 February 2016
<b>Registered address</b>	A. Juozapavičiaus str. 6, Vilnius, Lithuania

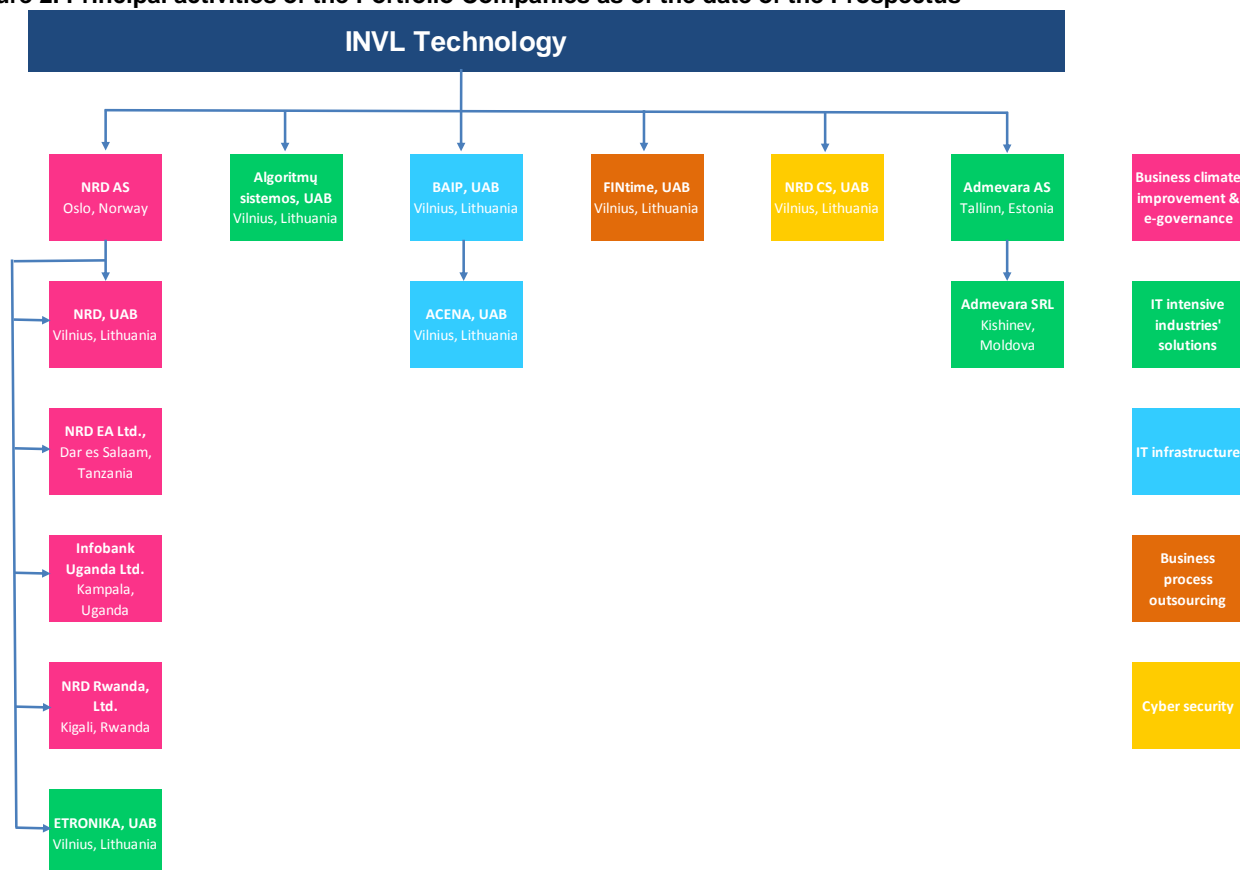
<b>Name of the company</b>	Andmevara AS
<b>Legal form</b>	Public Limited Company
<b>Country of incorporation</b>	Republic of Estonia
<b>Administrator of the register</b>	Centre of Registers and Information Systems
<b>Code</b>	10264823
<b>Date of incorporation</b>	19 September 1997
<b>Registered address</b>	Pärnu mnt 158, Tallinn, Estonia

<b>Name of the company</b>	Andmevara Srl
<b>Legal form</b>	Limited Liability Company
<b>Country of incorporation</b>	Republic of Moldova
<b>Administrator of the register</b>	State Registration Chamber of the Ministry of Informational Development
<b>Code</b>	1013600014121
<b>Date of incorporation</b>	17 April 2013
<b>Registered address</b>	Șciusev A. str. 89, Kishinev, Moldova

Portfolio Companies, controlled by the Issuer operate as a cluster of business-to-business (B2B) and business-to-government (B2G) oriented ICT businesses with a focus in four key areas: business climate improvement and e-governance (lead by Norway Registers Development AS), IT infrastructure (lead by BAIP UAB), cyber security (lead by NRD CS UAB) and IT hard users' industry solutions (Algoritmu sistemas UAB and Andmevara AS). The figure below illustrates effective functional structure of the Portfolio Companies.

**Figure 2. Principal activities of the Portfolio Companies as of the date of the Prospectus**



Source: the Company

## 4.5 Operating and Financial Review

Operating and financial overview is based on the activities of the currently existing Company and the Group, as well as current Portfolio Companies, as it gives better understanding of the sector, the Group is operating. Former parent company was engaged in managing portfolio companies and its financial results were only fair value change in investments which corresponds to the changes of fair value in investments of the Company.

### 4.5.1 Financial Condition

#### Impact of becoming investment entity by the Company

After becoming an investment entity, the Company is not consolidating its Portfolio Companies but record them at fair value. Such an event had significant impact to the consolidated financial statements, as investments are recorded at fair value and consolidated statement of financial position is not prepared. Financial impact of becoming an investment entity is disclosed in Note 3 of the consolidated financial statements of BAIP grupė AB for the year ended 31 December 2014. Accounting policies of the Former parent company, describing accounting policies on investment entity are disclosed in Note 2.2 in the financial statements of the Former parent company for the year ended 31 December 2014.

#### Reorganisations, cost savings and efficiency improvements

On 9 February 2015 the reorganisation of the Former parent company INVL Technology AB and BAIP Grupė AB was completed, whereby the Former parent company was merged to BAIP Grupė AB. BAIP Grupė AB, which took over all rights and obligations of the Former parent company and continues its activities under a new name of INVL Technology AB. The Company's shares are listed on Nasdaq. The trading in Company's Shares was renewed in March 2015.

Before the merger, the Former parent company's authorised capital amounted to EUR 172 thousand and was divided into 592,730 ordinary registered shares with a par value of EUR 0.29 each. The authorised capital of BAIP Grupė AB amounted to EUR 1,767 thousand and was divided into 6,092,685 ordinary registered shares with a par value of EUR 0.29 each. The proportion at which the shares owned by the shareholders of the Former parent company were exchanged into shares of BAIP Grupė AB was equal to 6.7856, i.e. in exchange for one share of the Former parent company, the shareholders thereof received 6.7856 ordinary registered shares of the Company with a par value of EUR 0.29 each. Previously issued shares of both the Former parent company and BAIP Grupė AB were cancelled on the day of merger and a new authorised capital was formed. Following the merger, the newly formed share capital of the Company (formerly BAIP Grupė AB) was divided into 6,114,714 ordinary registered shares with a par value of EUR 0.29 each.

**Table 12. Merger Effect on the Balance Sheet**

	Former parent company INVL Technology AB	BAIP Grupė AB	Elimination and effects of merger	Merged entity (INVL Technology AB)
Property, plant and equipment and intangible assets	-	5	-	5
Financial assets at fair value through profit or loss	7,828	14,900	(7,826)*	14,902
Deferred income tax assets	-	3	-	3
Prepayments and deferred charges	-	4	-	4
Trade and other receivables	-	266	-	266
Loans granted	-	240	-	240
Cash and cash equivalents	22	41	-	63
<b>Total assets</b>	<b>7,850</b>	<b>15,459</b>	<b>(7,826)</b>	<b>15,483</b>
Share capital	172	1,767	(165)	1,774
Share premium	250	179	(250)	179
Reserves	579	-	(579)	-
Retained earnings	6,844	9,916	(6,832)	9,928
<b>Total equity**</b>	<b>7,845</b>	<b>11,862</b>	<b>(7,826)</b>	<b>11,881</b>
Liabilities	5	3,597	-	3,602
<b>Total equity and liabilities</b>	<b>7,850</b>	<b>15,459</b>	<b>(7,826)</b>	<b>15,483</b>

Source: the Company

\* Elimination of shares of BAIP Grupė AB owned by the Former parent company. The Former parent company owned 65.65% of shares of the new parent Company; since the merger the net assets of the new parent Company are presented in full amounts; the difference between the net assets in the amount of EUR 4,036 thousand was recognised as an increase to equity of the Company.

\*\* Upon the merger, share capital, share premium, legal reserve and reserve for acquisition of own shares were amended to reflect the equity structure of the new parent Company. The remaining impact of the merger on equity was recognised against retained earnings.

As a result of the secondary public offering, which was finalised in June-July 2015, the Company raised EUR 10,000,001.55, and issued 6,060,607 new Shares, with a nominal value of EUR 0.29 and the issue price of EUR 1.65 each.

As the result of the indicated capital increase, on the day of this Prospectus the authorised capital of the Company is equal to EUR 3,530,843.09 and it is divided into 12,175,321 ordinary registered Shares with a nominal value of EUR 0.29 each. All the Shares issued by the Company entitle to equal voting rights to their holders.

Following issuance of the Licence by the LB, the Company continues to operate as an investment entity (a licensed entity).

Despite the fact that reorganisation did not result in significant cost saving, the Company considers that this form of the Company will allow to create an effective management structure, which will also allow to operate the Issuer and its Portfolio Companies in more effective manner, increasing the value of investments.

### Acquisitions and divestments

In 2015 Portfolio Company Norway Registers Development AS acquired a stake of 80 percent of Etronika UAB – the company creating e-banking, e-commerce and mobile signature solutions for a total price of EUR 200 thousand. The agreement to acquire the indicated shareholding of the Portfolio Company was signed on 7 April 2015 and the transaction was closed on 24 July 2015.

In addition to that on 22 December 2015 a Portfolio Company Inventio UAB has signed an agreement for acquisition of 100 per cent of shares in Algoritmu sistemas UAB, information system development company.

The acquisition was completed on 18 March 2016, 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. Price of 100 per cent stake in Algoritmu sistemas UAB amounted to EUR 2.385 million. In order to finance the transaction the share capital of Inventio UAB was increased from EUR 0.029 million to EUR 2.395 million by additional cash contributions of the Company.

In 2015 the revenue of Algoritmu sistemas UAB increased by 22 per cent and reached EUR 2.768 million, while the net profit increased by 18 per cent and reached EUR 386 thousand.

The founder and the chairman of the Board of Algoritmu sistemas UAB Rimgaudas Žaldokas will continue serving on the Board of the company together with the representatives of the Company, Vytautas Plunksnis and Vida Juozapavičienė, who were also elected to the Board.

On 22 February 2016 a new entity was registered in Rwanda which will be operating under Norway Registers Development AS. This group is operating in Rwanda for ten years already and the idea is to consolidate the group's knowledge in various fields, i.e. e-governance, cyber security, finance and other and strengthen positions in Rwanda.

On 29 February 2016 FINtime UAB was registered in Lithuania. The entity will be working in a field of business process outsourcing. In March 2016 the share capital of FINtime UAB was increased from EUR 29 thousand to EUR 229 thousand by additional cash contributions.

As it was indicated by the Company in its notification on material event of 31 March 2016, on 30 March 2016 the Company was announced as the winner at the privatisation auction of Estonian IT company Andmevara. The transaction was completed on 20 April 2016. The value thereof was EUR 0.665 million.

### **Competition and bidding for projects**

In Lithuania and Central Eastern Europe the Portfolio Companies compete with local and regional companies in accordance to their competence fields.

In addition, the Company invests into development of the environment and instruments for the managed companies to act globally and diversify their activities between Lithuania, Eastern Europe and the frontier markets. In the frontier markets, the Portfolio Companies have to compete in small and mid-sized projects with both global and local players.

When competing with local players, Portfolio Companies utilize their knowledge and their cluster approach by offering an effective supply chain as well as competitive pricing of the components. This is possible because the Issuer invests in ICT companies that supplement each other and have potential for synergetic cooperation with other cluster companies. When opposing global players, the Portfolio Companies can offer more flexibility and competitive prices.

Generally, projects in the frontier markets are too small for large multinationals and too big for non-specialised local players. Therefore, projects in these markets are more affected by long and complex processes rather than competition itself.

### **Seasonal fluctuations**

In Lithuania and in the Baltics, EU funding cycles affect some of Portfolio Companies due to demand fluctuations. In addition, according to the Management, the Portfolio Companies act in B2B and B2G sectors which lead to 40–45% of annual revenue concentration in the 4<sup>th</sup> quarter of the fiscal year.

The Company seeks to reduce the effect of seasonal fluctuations via its business model – project geography diversification into markets with different demand cycles and fiscal years. In the frontier markets revenue is also concentrated in the 4<sup>th</sup> quarter. However, for example, in Tanzania and Uganda fiscal year starts on the 1<sup>st</sup> July and ends on the 30<sup>th</sup> June.

### **Project management**

The Issuer strategically manages its Portfolio Companies which implement projects to enforce project management processes, employee competence development and certification. This is crucial for reduction of the associated risks such as cost miscalculation and time mismanagement.

Portfolio Companies follow Prince 2 and PMP methodologies and have certified Prince 2 and PMP professionals allocated to project manager roles in complex and important projects.

### **Subcontractors**

Portfolio Companies are allowed to use subcontractors in their projects. This makes them more flexible and more competitive in bidding for the projects.

The process of subcontracting is supervised by the Issuer in order to protect the interests of the Portfolio Companies. The Management oversees the process of subcontracting as well as joint ventures in order to expose any possible conflicts of interest and to realise the core competences of the Portfolio Companies.

Internal subcontracting and joint ventures among the Portfolio Companies is allowed without any restrictions. Norway Registers Development AS performs the role of a “tradehouse” in the frontier markets.

### **Impairments and write-offs**

Neither the Issuer nor its Portfolio Companies had significant impairment charges during last two years.

### **Composition of operating expenses**

Detailed split of operating expenses is provided in the IFRS Financial Statements of both BAIP grupė AB and Former parent company, incorporated by reference into the Prospectus. The key item of operating expenses both for the Company and the Portfolio Companies are payroll costs, which comprise more than a half of operating expenses (or almost half in case of a company BAIP UAB).

## **Refinancing; financing costs; capitalisation**

During last two years the Company and the Group (Portfolio Companies) were mainly funded by the related parties (for more information please see Section 4.6 *Capital Resources*). Effective rate on borrowings from related parties was between 2.85 and 11 percent during the years 2015, 2014 and 2013.

Also, according to the agreement valid as of 31 December 2015 and 2014 concluded with DNB bank AB, the Company's indirectly owned subsidiary BAIP UAB has restrictions in repaying the loan to the Company which principal amount as at 31 December 2014 amounted to LTL 550 thousand (approx. EUR 159 thousand), also cannot distribute dividends without prior consent of the bank. Other Portfolio Companies as at 31 December 2015 and 2014 did not have significant restrictions for distributions of dividends to the Company from the Portfolio Companies not being consolidated or the restrictions related to the repayment of the loans granted by the Company.

## **Currency exchange rate fluctuations**

As a result of operations the statement of financial position of the Company may be affected by movements in the currencies' exchange rates. The Company's policy is to match the money inflows from the most probable potential sales with purchases by each foreign currency. The Company does not use any financial instruments allowing to hedge foreign currency risks, as these risks are considered insignificant.

The Company's foreign currency risk is not large, taking into consideration that most monetary assets and obligations are denominated in each separate Portfolio Company's functional currency or EUR.

## **Customer claims**

The Company ensures that the Portfolio Companies have the processes and procedures for customer service and dealing with customer complaints in place. Currently the Company is unaware of any customer complaints to have been ever taken to court having significant impact to operations of the Company or its Portfolio Companies.

## **Recent Developments, Current Trading and Prospects**

NRD AS, a Portfolio Company controlled by the Issuer, In July 2015 NRD AS invested into new share issue of Etronika UAB and acquired 80 percent of its shares. Investment to Etronika UAB amounted EUR 200 thousand. Etronika UAB, which develops electronic banking, mobile signature, electronic transport tickets, and retail software solutions.

Investment into Etronika UAB corresponds to the strategy of the Company. Currently Etronika UAB is able to use the competences of the Portfolio Companies and value development practices. Products, reputation and potential of Etronika UAB complement the portfolio of NRD AS and strengthen the synergy between these companies.

In addition to that, on 22 December 2015 a Portfolio Company Inventio UAB has signed an agreement for acquisition of 100 per cent of shares in Algoritmu sistemas UAB, information system development company. The acquisition was completed in March 2016 and the price of 100 per cent of shares amounted to EUR 2.385 million.

Investment into Algoritmu sistemas UAB extends capabilities and expertise within the Portfolio Companies what brings new opportunities working on the e-governance and tax projects in wide geography.

As it was indicated by the Company in its notification on material event of 31 March 2016, on 30 March 2016 the Company was announced as the winner at the privatisation auction of Estonian IT company Andmevara. The transaction was completed on 20 April 2016. The value thereof was EUR 0.665 million.

The Management believes that even without new acquisitions, the Portfolio Companies will grow organically by leveraging their intellectual capital as a basis for new possible spin-offs as well as NRD AS managed sales channels in the frontier markets.

### **4.5.2 Operating Results**

The Company was created after the merger of two companies – BAIP Grupē AB and INVL Technology AB (please see Section 4.5.1 *Financial Condition*).

On 9 February 2015 BAIP Grupē AB was merged with the Former parent company INVL Technology AB (which ceased its activities without liquidation) and thereafter continues its activities under a new name (INVL Technology AB). Upon the merger, all the rights and obligations of the Former parent company were transferred to the Company. As the merged entity continues the activities of the Former parent company as an investment entity, the financial statements of the Company have been prepared as a continuation of the activities of the Former parent company. Thus, the financial data of comparative period, and the period until the date of the merger (that is, 29 April 2014 – 9 February 2015) has been presented from the perspective of the Former parent company, and the financial data from the date of the merger (that is, 9 February – 31 December 2015) has been presented from the perspective of the Company. Upon the merger, the assets and liabilities of two merging entities were combined on a line-by-line basis at their predecessor amounts. Equity of the Company until the merger represents equity structure of the Former parent company, and thereafter of the Company. Effect of the merger is disclosed in Section 4.5.1 *Financial Condition*.

During the year 2015 the Company had an audited net profit of EUR 2.51 million (EUR 2.9 million during the year 2014). Fair value of investments managed by the Company after acquisitions and revaluation reached EUR 16.96 million in 2015.

The value of Portfolio Companies, controlled by the Issuer, at the end of 2015 was estimated by an independent appraiser – Deloitte verslo konsultacijos UAB. The value of Vitma UAB, which controls 100 per cent of critical IT infrastructure company BAIP UAB and its subsidiary Acena UAB, was estimated at EUR 11.47 million, cybersecurity company NRD CS UAB – at EUR 1.77 million, NRD group – EUR 3.7 million.

During the year 2015 the Company has also received EUR 598 thousand of dividends from the Portfolio Companies. Equity of the Company as of 31 December 2015 was EUR 24.24 million or EUR 1.99 per share.

The largest investments of the Issuer currently are companies in Lithuania, Norway, Tanzania, Uganda and Rwanda: Norway Registers Development AS with subsidiaries NRD UAB, Etronika UAB, Norway Registers Development East Africa Ltd and Norway Registers Development Rwanda Ltd, BAIP UAB with its subsidiary Acena UAB, NRD CS UAB and Algoritmu sistemas UAB.

Financial assets of the Issuer measured at fair value through profit or loss comprised of directly and indirectly controlled Portfolio Companies. These assets are non-current assets and belong to Level 3 fair value measurement.

On 24 July 2015 the acquisition of Etronika UAB was completed. NRD AS acquired 80 percent of shares of electronic banking, mobile signature, electronic transport tickets, and retail software solutions' developer Etronika UAB for EUR 200 thousand. Current members of the Investment Committee of the Company Nerijus Drobavičius and Vida Juozapavičienė as well as one of the co-founders of Etronika UAB Jonas Šulcas were elected as members of the Board of Etronika UAB. Kęstutis Gardžiulis, current CEO of Etronika UAB, remains in this position and continues to lead the company.

The acquisition of information system development company Algoritmu sistemas UAB was completed in March 2016, after the permits were issued by the Competition Council and the Commission for the evaluation of compliance of potential buyers to the national security interests. The value of 100 per cent of shares amounted to EUR 2.385 million.

Norway Registers Development Rwanda Ltd. was established in Kigali, Rwanda on the 22 February 2016. The entity in Rwanda will be responsible for providing sales, implementation and maintenance support to NRD companies' projects in the country in the fields of critical IT infrastructure, disaster recovery and business continuity solutions, e-governance, e-banking and m-signature, cyber security solutions and services as well as information system implementation and maintenance.

Below is provided an overview of the activities of the Portfolio Companies which gives an insight of activities of these companies, which in turn might have the impact to the fair value of investments by the Company (and results thereof).

In 2014 the biggest projects of BAIP UAB, managed by the Company included the following: a cloud computing solution between Lithuania and Belarus (value of the project EUR 0.65 million (LTL 2.274 million)), magnetic tape libraries at the LB, which was renewed for EUR 0.5 million (LTL 1.755 million), and designing and implementation of the National Open Access Research Data Archive MIDAS infrastructure for EUR 1.6 million (LTL 5.7 million).

During the one year period ended 31 December 2015 BAIP successfully carried out its mid-term goals – expanded operations to Latvia and Estonia and signed more agreements for maintenance services. In May 2015 BAIP launched operations and registered as a tax payer and in September 2015 as a VAT payer in Latvia and in Estonia, where it provides integrated mobility, cloud computing and managed IT services. The first BAIP clients in Latvia and in Estonia are large retail trade networks and Scandinavian banks.

During the one year period ended 31 December 2015 BAIP signed an agreement with Lithuanian electricity transmission system operator LITGRID AB for the implementation of a data backup and recovery system worth EUR 201.5 thousand. The Company also deployed new internet bank terminals for Swedbank AB customers and agreed on integrated support services in the bank's branches in Lithuania, Latvia and Estonia. Long-term maintenance contract was also signed with the company Palink UAB which manages the retail chain IKI. Furthermore, BAIP UAB entered into the market of enterprise mobility management (EMM) solutions and services, and implemented an EMM project in one of the largest Scandinavian banks across the Baltics.

In Rwanda BAIP UAB as a lead partner in a joint venture agreement with Norway Registers Development East Africa Ltd. signed an agreement with East African Community on the implementation of 2 modernisation projects in the Rwanda National Bank, worth USD 2.35 million in total.

In 2015 Acena UAB was selected as Microsoft country partner of the year for Lithuania. Transfer of 100 percent shares of Acena UAB from the Company to BAIP UAB was completed on 2 October 2015.

Specialized cyber security company NRD CS UAB established the first commercial Cyber security Incident Response Team in the Baltics – NRD CIRT which became a full member of an international organisation FIRST (the Forum of Incident Response and Security Teams). NRD CIRT is also a listed member of Trusted Introducer.

In Lithuania NRD CS implemented Cyber security technological capacity building project with Cyber security and telecommunications department under the Ministry of Defence, prepared Methodology for identification and classification



of Lithuanian Internet infrastructure's critical elements for the Ministry of the Interior and provided Specialised analytical software for the Customs.

In Tanzania the Certification and Security Audit of Election Management Systems was implemented, financed by the UNDP.

In 2015 NRD CS together with other Portfolio Companies signed contracts and began implementing two projects in the South Asia region: Bangladesh and Bhutan. A two year contract of the value of USD 912 thousand (including taxes), was signed with Bangladesh Computer Council (BCC) for the development of a modern National Cyber Defence and Cyber Security Doctrine. An agreement worth USD 150,489 (inclusive of local indirect taxes) was signed with Department of IT & Telecom under the Ministry of Information & Communications of the Royal Government of Bhutan for the consultancy services to establish BtCIRT. This allows the companies to enter a new market with 160 million people and creates preconditions for further international development.

In Africa during the years 2014 and 2015, the Portfolio Companies implemented the Burundi Central Bank data centre modernization project as well as the development of Mozambique companies register and Mauritius registers development project. They also modernized IT infrastructure at the Central Bank of Zimbabwe and finished Vietnam business Registers modernization project in Southeast Asia.

The Portfolio Company Norway Registers Development AS (NRD AS) started activities in Uganda, where together with local partners established a company Infobank Uganda Ltd. NRD AS holds 30 percent of shares in this company. Infobank Uganda intends to work with different registries which are currently largely paper based and provide registries information to financial sector clients via electronic system. Innovative solutions will allow businesses to obtain the required information, use remote services to order and receive information, order official documents and use a spectrum of electronic services despite paper based registries being in operation.

In Burundi NRD AS, as a lead partner in joint venture with NRD CS UAB, BAIP UAB and Norway Registers Development East Africa Ltd, signed an agreement with the Bank of the Republic of Burundi (BRB) for the implementation of COBIT 5 framework for the governance and management of enterprise IT. Furthermore, the company signed a USD 484 thousand (inclusive of local indirect taxes) contract with the Ministry of Communications, Science and Technology at the Kingdom of Lesotho to assist the country in strategic reform planning – Pre-Investment Study for the Lesotho E-Government Infrastructure Project.

In Africa NRD AS signed a USD 415 thousand contract with National Information Technology Authority-Uganda (NITA-U) to design and implement an integrated One-Stop-Centre solution at Uganda Investment Authority. Together with NRD UAB, the company has also signed a USD 480 thousand (inclusive of withholding tax) contract with Tanzania Social Action Fund for Consultancy Services to Develop Unified Registry of Beneficiaries System. In Tanzania the company has also implemented a UNDP financed Certification and Security Audit of Election Management Systems.

In South Asia region NRD AS signed and implemented a contract with United Nations Children's Fund (UNICEF) to develop a National Strategic Plan for Identification in Cambodia. The Draft Strategic Plan was presented at the National Workshop, held on 22-23 September 2015 in Phnom Penh. NRD AS is also involved in projects in Bangladesh and Bhutan – together with NRD CS UAB.

Portfolio Companies will continue their policy to be closer to the customers and involve local business partners in their programs, as well as focus on strengthening cooperation with Lithuanian and European service providers, non-governmental professional organizations and academic sector.

Portfolio Companies of the Issuer specialize in business climate improvement reforms, design of the integrated national information systems, resilience of critical IT infrastructure, national cyber security and cyber defence and implement projects in over 50 countries currently in Central and Eastern Europe, East Africa and other regions.

## Financial results

Below are presented the key items about the Company's investments.

**Table 13.**

EUR thousand	INVL Technology stand-alone		BAIP & Acena	Norway Registers Development AS			NRD CS	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Revenue	260	0	12,149	14,234	5,930	3,285	1,523	870
EBITDA	1,992	2,892	1,273	1,722	871	74	191	37
EBIT	1,989	2,892	1,044	1,488	769	4	173	27
Net Profit (Loss)	2,514	2,892	998	1,366	551	(6)	141	22
<b>Key Balance</b>								

<b>Sheet items</b>								
Non-current assets	16,961	7,828	1,444	441	1,192	568	43	51
Current assets	7,387	25	5,360	6,239	3,479	1,224	782	379
<i>of which cash</i>	6,994	25	746	836	868	151	76	43
<b>Total assets</b>	<b>24,348</b>	<b>7,853</b>	<b>6,804</b>	<b>6,680</b>	<b>4,671</b>	<b>1,792</b>	<b>825</b>	<b>430</b>
Equity	24,243	7,847	2,782	3,025	1,309	533	250	109
Non-current liabilities	-	-	115	409	191	195	-	-
<i>of which financial debt</i>	-	-	115	409	26	82	-	-
Current liabilities	105	6	3,907	3,246	3,171	1,064	575	321
<i>of which financial debt</i>	-	-	247	351	131	52	27	-
<b>Total liabilities and equity</b>	<b>24,348</b>	<b>7,853</b>	<b>6,804</b>	<b>6,680</b>	<b>4,671</b>	<b>1,792</b>	<b>825</b>	<b>430</b>
<b>Net Debt</b>	<b>(6,994)</b>	<b>(25)</b>	<b>(384)</b>	<b>(76)</b>	<b>(711)</b>	<b>(17)</b>	<b>(49)</b>	<b>(43)</b>

Source: IFRS Financial Statements, the Company

Table 14.

EUR thousand	Norway Registers							
	BAIP UAB		Acena UAB		Development AS		NRD CS	
Key Profit and Loss items	2013	2014	2013	2014	2013	2014	2013	2014
Revenue	11,094	13,677	1,020	930	3,728	3,276	-	870
EBITDA	1,050	1,658	93	66	187	44	-	37
EBIT	795	1,425	92	65	43	(25)	-	28
Net Profit (Loss)	706	1,334	78	53	45	(12)	-	22
Key Balance Sheet items	2013	2014	2013	2014	2013	2014	2013	2014
Non-current assets	576	440	1	1	584	568	-	51
Current assets	5,528	6,055	487	314	1,779	1,224	3	379
<i>of which cash</i>	116	743	30	94	159	151	3	43
<b>Total assets</b>	<b>6,104</b>	<b>6,494</b>	<b>488</b>	<b>315</b>	<b>2,363</b>	<b>1,792</b>	<b>3</b>	<b>430</b>
Equity	2,175	2,930	111	95	1,125	533	3	109
Non-current liabilities	358	409	-	-	124	195	-	-
<i>of which financial debt</i>	353	409	-	-	95	82	-	-
Current liabilities	3,571	3,155	377	220	1,114	1,064	-	321
<i>of which financial debt</i>	807	351	-	-	50	52	-	-
<b>Total liabilities and equity</b>	<b>6,104</b>	<b>6,494</b>	<b>488</b>	<b>315</b>	<b>2,363</b>	<b>1,792</b>	<b>3</b>	<b>430</b>
<b>Net Debt</b>	<b>1,044</b>	<b>17</b>	<b>(30)</b>	<b>(94)</b>	<b>(14)</b>	<b>(17)</b>	<b>(3)</b>	<b>(43)</b>

Source: the Company

The above information is provided for the key portfolio investments by the Company, other Portfolio Companies either being dormant or special purpose entities.

The below information briefly describes the financial development of all the Portfolio Companies in the recent years, providing additional insight as to how the financial results thereof have developed. The Issuer and the Portfolio Companies have grown both organically and by acquisitions of Portfolio Companies.

#### Fair value of all the investments

Below are presented the fair value about all the investments of the Company for the year ended 31 December 2015 and 31 December 2014.

**Table 15. Fair value of all the investments of the Company**

Entity, EUR thousand *	At 31 December 2015	At 9 February 2015**	At 31 December 2014
BAIP Grupé UAB	-	-	7.826
Vitma UAB Group***	11,474	12,800	-
Acena UAB	-	400	-
NRD Group****	3,708	700	-
NRD CS UAB	1,773	1,000	-
Informatikos Pasaulis UAB	0	0	0
Inventio UAB	0	2	2
<b>Total</b>	<b>16,955</b>	<b>14,902</b>	<b>7,828</b>

Source: IFRS Financial Statements

\* Where the value of the Portfolio Company rounds to zero it is stated as "0", while where the investment is not existant for the reporting date, it is stated as "-".

\*\* Investment value at the date of the merger.

\*\*\* As at 31 December 2015, Vitma UAB group consisted of Vitma UAB together with the entities controlled by it – BAIP UAB and Acena UAB; As at 9 February 2015 Acena UAB was controlled directly by the Company.

\*\*\*\* As at 31 December 2015, NRD Group consisted of Norway Registers Development AS together with the entities controlled by it – NRD UAB, Etronika UAB and Norway Registers Development East Africa Ltd, and its associate Infobank Uganda Ltd.

#### 4.6 Capital Resources

In the past the Company was funded by the related parties (please see the table below).

**Table 16. Funding structure of the Company (formerly BAIP grupé AB), EUR thousand\***

Amount of loans	2013	2014	2015
Long term loans from Invalda INVL AB	2,456	1,838	-
Short term loans from other shareholders	287	-	-
Short term loans from the Portfolio Companies	1,161	1,652	-
<b>Total</b>	<b>3,903</b>	<b>3,491</b>	-
Equity	668	11,921	24,243
Gearing ratio**	584%	29%	-

Source: the Company

\* Former parent company did not have debts from the related parties, thus, such data is not provided.

\*\* Calculated as a proportion of total financial debt to Equity.

Indebtedness of the Company as at 1 May 2016 is provided in Section 5.2 *Capitalisation and Indebtedness*.

Before becoming an investment entity, the Company acted as holding company of the Group, which should have funded itself from the management fee. Historically the Company was funded by dividends or loans from the Group companies (currently – Portfolio Companies). If the funding was insufficient, the Company was supported by the Invalda INVL AB. Within the Group each entity usually used banking finance and using the Company as financing source in case banking finance was not sufficient. As such, cash flows were managed at the Group level.

After becoming an investment entity, the Company executed a secondary public offering, which was completed on 7 July 2015. During the offering the Company raised more than EUR 10 million (part of proceeds were received in the form of offsetting the loan received by the Company from one of its major shareholders Invalda INVL AB in an amount of EUR 1,402,500) and as of 31 December 2015 the Company did not have any loans.

Future acquisitions of the Company will be funded by the cash raised during the above-mentioned secondary public offering. However, bigger acquisitions with recurring cash flows can be financed by the debt up to proportion of 50/50 (debt to equity).

On the day of this Prospectus there are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations.

#### 4.7 Profit Forecasts

The Issuer has not made a decision to include the profit forecasts or estimates in the Prospectus.

#### 4.8 Administrative, Management and Supervisory Bodies and Senior Management

No management bodies are formed in the Company. Supervisory body (Supervisory Council) is also not formed in the Company.

Management of the Company is transferred to the Management Company. Therefore, following the Law on Collective Investment Undertakings, the rights and duties of the Board and the head of the Company (the Manager), as set in the Law on Companies, are transferred to the Management Company.

The Management Company is responsible for convocation and organisation of the General Meetings, giving notices about material events under the procedure set by legal acts, organisation of activities of the Company, proper management of information about activities of the Company and performance of other functions assigned to the Management Company as provided in Articles of Association, which are incorporated by reference to this Prospectus.

For the sake of efficiency of the Company's activities and control over its investments, an Investment Committee was formed by a decision of the Board of the Management Company. The Investment Committee consists of 4 (four) members, which are the representatives of the Management Company. An approval of the Investment Committee must be obtained for all investments of the Company (directly to an Operational Company or through an SPV) and for their sale.

The procedure of formation, responsibilities, functions of the Investment Committee, decision-making procedure and other procedures of the Investment Committee shall be set in the regulations of the Investment Committee. The regulations of the Investment Committee shall be made public on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt).

For the sake of efficiency of activities of the Company, an Advisory Committee may be formed by a decision of the Board of the Management Company. The purpose of the Advisory Committee is to ensure having knowledge about and knowing the specifics of various fields, into which the Company's assets may be invested (directly to an Operational Company or through an SPV). The Advisory Committee shall present its opinion and conclusions to the Investment Committee regarding investments of the Company. Currently no Advisory Committee is formed in the Company.

The procedure of formation, responsibilities, functions of the Advisory Committee, decision-making procedure and other procedures of the Advisory Committee shall be set in the regulations of the Advisory Committee, which shall be made public on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt).

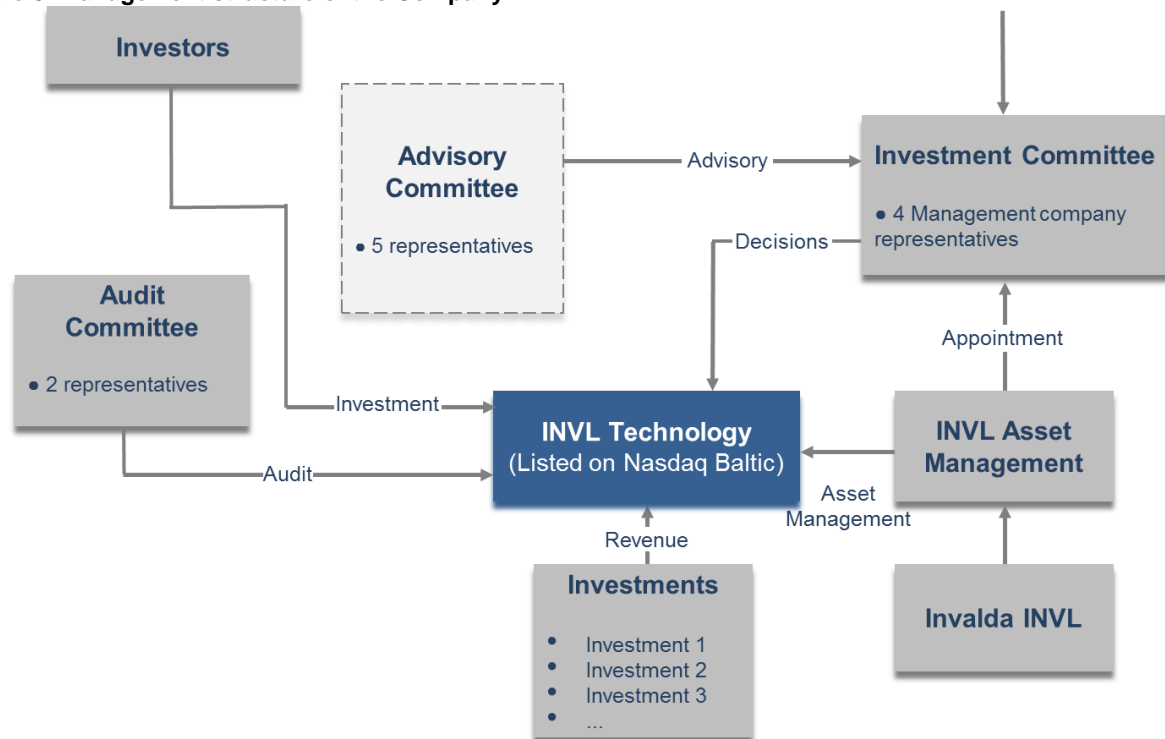
#### **4.8.1 Management Structure of the Company**

Management of the Company is transferred to the Management Company – a fully-licensed asset management company which is supervised by the LB, based on the Management Agreement, dated 27 June 2016, which came into force as from 14 July 2016. The Management Company being a manager of the investment funds, provides back office functions to the Company (financial, administrative and accounting services) and manages activities of the Company in order to realise value from the asset, owned by the Company.

The Management Company has appointed 4 representatives to the Investment Committee as indicated in the Articles of Association of the Company, which is incorporated by reference to this Prospectus. The purpose of the Investment Committee is to maintain professional and effective deployment of the capital, set investment policies and oversee their implementation.

For more information on the functions and competences of the Management Company and management of the Company, please see Section 4.15.2 *Articles of Association*. For more information on the competence of the Investment Committee please see Section 4.18 *Investment Objective and Policy*.

Figure 3. Management structure of the Company



#### 4.8.2 Members of the Administrative, Management Bodies and Key Executives

As it was mentioned above, the management of the Company is transferred to the Management Company. Therefore, the governing bodies of the Management Company are also to be deemed as the Management in the Company and information in this Prospectus provided accordingly.

Table 17. Members of the Board of the Management Company

Name	Position in the Management Company
Darius Šulnis	Chairman of the Board and General Manager
Vytautas Plunksnis	Member of the Board
Nerijus Drobavičius	Member of the Board

Source: the Company

**Darius Šulnis.** Darius Šulnis (45 years) acquired university education by graduating from Vilnius University. He gained Master's degree in Accounting and Audit. He also finished Duke University (USA), whereby he obtained Global Executive MBA. Darius Šulnis holds a financial broker's licence (general) No. A109. Places of his employment for the last 5 years (except for the positions, held in the Company):

INVL Asset Management (Latvia) IPAS – member of the Supervisory Council (since February 2015);  
 INVL atklatais pensiju fonds (Latvia) AS – member of the Supervisory Council (since February 2015);  
 INVL Asset Management UAB – Chairman of the Board (since January 2015), General Director (since January 2015);  
 Finasta Bank AB – member of the Supervisory Council (from January 2015 till September 2015);  
 MP Pension Funds Baltic UAB – Chairman of the Board (from September 2014 till October 2015);  
 INVL Baltic Farmland – member of the Board (since April 2014), Director (from April 2014 till June 2015);  
 Invalda INVL Investments UAB – member of the Board (from February 2014 till June 2016), Director (from February 2014 till June 2016);  
 Invalda INVL AB – member of the Board (since February 2006), President (since May 2013);  
 Litagra UAB – member of the Board (since December 2011);  
 INVL Technology AB – member of the Board (from April 2014 till February 2015), Director (from April 2014 till February 2015);  
 INVL Baltic Real Estate – member of the Board (from April 2014 till December 2014), Director (from April 2014 till December 2014);  
 BAIP grupė UAB – Chairman of the Board (from June 2013 till December 2014);  
 Invaldos neklinojamo turto fondas AB – member of the Board (from June 2007 till December 2014), Chairman of the Board (from May 2013 till December 2014);  
 Cedus Invest UAB – member of the Board (from May 2013 till June 2014);  
 Vilniaus baldai AB – member of the Board (from April 2007 till June 2014);  
 Kelio ženklai UAB – member of the Board (from October 2013 till June 2014);  
 Įmonių grupė Inservis UAB – member of the Board (from July 2013 till May 2014);  
 Inservis UAB – member of the Board (from May 2013 till May 2014);  
 Burusala SIA – Chairman of the Supervisory Council (from May 2006 till May 2014);

DOMMO SIA – Chairman of the Supervisory Council (from May 2006 till May 2014);  
Invalda INVL AB – Advisor (from January 2012 till April 2013);  
Umega UAB – member of the Board (from April 2007 till February 2012);  
Sanitas AB – member of the Board (from May 2009 till August 2011);  
Tiltra Group AB – member of the Supervisory Council (from June 2008 till May 2011).

Darius Šulnis holds no Shares in the Company. However, he controls 100% shares in Lucrum investicija UAB, which holds 2.69% of Shares and 3.35% of votes in the Company. Darius Šulnis is also a CEO and Board member of Invalda INVL AB, which holds 15.65% of Shares in the Company.

**Vytautas Plunksnis.** Vytautas Plunksnis (36 years) acquired university bachelor's education by graduating from Kaunas Technology University, gained Bachelor's degree in Business Management. He holds a financial broker's licence (General) No. G091. Places of his employment for the last 5 years (except for the positions, held in the Company):

NRD CS UAB – member of the Board (since May 2016);  
INVL Finasta UAB – member of the Board (since March 2016);  
Algoritimų sistemos UAB – Chairman of the Board (since March 2016);  
INVL Asset Management UAB – Head of Private Equity Department (since February 2016);  
Inventio UAB – Director (since December 2015);  
INVL Farmland Management – Chairman of the Board (since November 2015);  
INVL Asset Management (Latvia) IPAS – Deputy Chairman of the Supervisory Council (since August 2015);  
INVL atklatais pensiju fondas (Latvia) AS – Deputy Chairman of the Supervisory Council (since August 2015);  
INVL Asset Management UAB – member of the Board (since January 2015);  
MP Pension Funds Baltic UAB – member of the Board (from September 2014 till October 2015);  
Finasta Bank AB – member of the Supervisory Council (from January 2015 till September 2015);  
Consult Invalda UAB – Director (since June 2014);  
NRD UAB – member of the Board (since May 2012);  
Vernitas AB – member of the Supervisory Council (since April 2012);  
Norway Registers Development AS (Norway) – member of the Board (since December 2011);  
Inservis UAB – Chairman of the Board (from November 2011 till April 2015);  
Kelio ženklai UAB – member of the Board (from May 2013 to April 2015);  
Invalda Nekilnojamo Turto Fondas AB – member of the Board (from May 2013 in April 2015);  
Įmonių grupė Inservis UAB – Chairman of the Board (from November 2011 till April 2015);  
Jurita UAB – Chairman of the Board (from August 2011 to May 2015);  
Invalda INVL AB – Investment Manager (from September 2009 till January 2016);  
Investors' Association – Chairman of the Board (since June 2009);  
Vilkaviškio Ekotra UAB – Director (in August 2013);  
Duonis UAB – Director (in August 2013);  
Vilkaviškio Žemynėlė UAB – Director (in August 2013);  
Pušaitis UAB – Director (in August 2013);  
Avižėlė UAB – Director (in August 2013);  
Žalvė UAB – Director (in August 2013);  
Sėja UAB – Director (in August 2013);  
Dirvolika UAB – Director (in August 2013);  
Linažiedė UAB – Director (in August 2013);  
Beržytė UAB – Director (in August 2013);  
Panevėžio Vasarojus UAB – Director (in August 2013);  
Marijampolės Puškaitis UAB – Director (in August 2013);  
Kupiškio Žemgalė UAB – Director (in August 2013);  
Pakruojo Laukaitis UAB – Director (in August 2013);  
Pakruojo Kvietukas UAB – Director (in August 2013);  
Pasvalio Lauknesys UAB – Director (in August 2013);  
Pasvalio Žiemkentys UAB – Director (in August 2013);  
Ente UAB – Director (from December 2010 till May 2013).

Vytautas Plunksnis holds 0.04% of Shares in the Company.

**Nerijus Drobavičius.** Nerijus Drobavičius (39 years) acquired university education by graduating from Vytautas Magnus University. He gained Master's degree in Business Administration. Places of his employment for the last 5 years (except for the positions, held in the Company):

Andmevara AS – Chairman of the Supervisory Council (since May 2016);  
Etronika UAB – member of the Board (since July 2015);  
INVL Asset Management UAB – Head of Finance and IT Departments (since February 2015);  
INVL Asset Management (Latvia) IPAS – member of the Supervisory Council (since February 2015);  
INVL atklatais pensiju fondas (Latvia) AS – member of the Supervisory Council (since February 2015);  
INVL Asset Management UAB – member of the Board (since January 2015), CFO (since February 2015);  
INVL Fondai UAB – Director (since June 2014);  
Inservis UAB – member of the Board (since June 2014), Chairman of the Board (since April 2015);  
Įmonių grupė Inservis UAB – member of the Board (since June 2014), Chairman of the Board (since April 2015);  
Jurita UAB – Chairman of the Board (since May 2015);  
Invalda INVL Investments UAB – Finance Director (from March 2014 till May 2016);

Finasta Bank AB – Chairman of the Supervisory Council (from January 2015 till September 2015);  
 MP Pension Funds Baltic UAB – member of the Board (from September 2014 till October 2015);  
 Invalda INVL AB – Project manager (from February 2014 till January 2015);  
 Freelance consultant (from January 2012 till February 2014);  
 Uomega AB – member of the Board (from January 2012 till January 2014);  
 Sanitas AB – Finance Director (from July 2007 till December 2011);  
 Jelfa S.A. – member of the Board (from July 2007 till June 2011).

Nerijus Drobavičius holds 0.04% of Shares in the Company.

### Key Executives

Taking into consideration the specifics of management of the closed-ended type investment companies, the Issuer considers that members of the Board and General Manager of the Management Company (described in Section above) should be attributed to the Key Executives of the Company.

In addition to that, the Issuer also considers as Key Executives the members of the Investment Committee of the Company.

Furthermore, if the Advisory Committee will be formed in the Company, its members will also be considered as the Key Executives. Currently this body is not intended to be formed in the Company.

The following persons were elected to the Investment Committee of the Company by the decision of the Management Company: Kazimieras Tonkūnas, Nerijus Drobavičius, Vytautas Plunksnis and Vida Juozapavičienė.

**Table 18. Key Executives**

Name	Position
Kazimieras Tonkūnas	Member of the Investment Committee
Vida Juozapavičienė	Member of the Investment Committee
Nerijus Drobavičius	Member of the Investment Committee and member of the Board of the Management Company
Vytautas Plunksnis	Member of the Investment Committee and member of the Board of the Management Company
Darius Šulnis	Chairman of the Board and General Manager of the Management Company

Source: the Company

**Kazimieras Tonkūnas.** Kazimieras Tonkūnas (45 years) acquired university education by graduating from Vilnius University's Economics Faculty. He gained the specialty of Economics' Systematic Analysis and the degree in Economics – Mathematics. Places of his employment for the last 5 years (except for the positions, held in the Company):

NRD CS UAB – Chairman of the Board (since June 2016);  
 Acena UAB – member of the Board (since June 2016);  
 BAIP UAB – Chairman of the Board (since June 2016);  
 Andmevara AS – member of the Supervisory Council (since May 2016);  
 Vitma UAB – Director (since September 2013);  
 NRD UAB – Chairman of the Board (from May 2012 till April 2016);  
 Norway Registers Development AS – Chairman of the Board (since December 2011);  
 BAIP UAB – Director of Business Development (from September 2013 till July 2015);  
 BAIP UAB – General Director (from February 2008 till September 2013).

Kazimieras Tonkūnas holds 5.55% of Shares in the Company. His spouse (Vida Juozapavičienė) holds 1.53% of Shares in the Company.

**Vida Juozapavičienė.** Vida Juozapavičienė (39 years) acquired university education by graduating from Kaunas University of Technology. She gained the specialty of Business Administration bachelor degree. Places of her employment for the last 5 years (except for the positions, held in the Company):

Acena UAB – Chairman of the Board (since June 2016);  
 Andmevara AS – member of the Supervisory Council (since May 2016);  
 Algoritimų sistemos UAB – member of the Board (since March, 2016);  
 Etronika UAB – Chairman of the Board (since July 2015);  
 INVL Asset Management UAB – Head of HR and General Affairs (since May 2015);  
 NRD UAB – member of the Board (since May 2012);  
 Norway Registers Development AS – member of the Board (since December 2011);  
 BAIP UAB – COO (since January 2008).

Vida Juozapavičienė holds 1.53% of Shares in the Company. Her spouse (Kazimieras Tonkūnas) holds 5.55% of Shares in the Company.

Information on other Key Executives of the Company is indicated in Section 4.8.2 *Members of the Administrative, Management Bodies and Key Executives* above.

#### 4.8.3 Declarations

To the best knowledge of the Company, for the last five years neither member of the Management of the Company (i) was convicted for any fraud offences, (ii) was associated with any bankruptcies, receiverships or liquidations in their capacity as members of the administrative, management or supervisory bodies, partners with unlimited liability, founders or senior managers, or (iii) was subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company or from acting in the management or conduct of the affairs of any entity.

#### 4.8.4 Conflicts of Interest of the Management

Currently 2 (two) members of the Board of the Management Company – Vytautas Plunksnis and Nerijus Drobavičius – are the direct shareholders of the Company, holding 0.04% of Shares each. In addition, the third member of the Board of the Management Company – Darius Šulnis through his 100% controlled entity Lucrum investicija UAB controls 2.69% of Shares and 3.35% of votes in the Company. Darius Šulnis is also a CEO and Board member of Invalda INVL AB, which holds 15.65% of Shares in the Company.

Furthermore, members of the Investment Committee Vida Juozapavičienė and Kazimieras Tonkūnas, who are spouses hold 1.53% and 5.55% of Shares in the Company respectively.

It is possible that the direct and indirect shareholders of the Company (three of which are members of the Board of the Management Company and two Key Executives) may favour their own interests rather than those of the Company.

It should be also noted that the Management Company (INVL Asset Management UAB) is 100% owned by Invalda INVL AB, which is also a shareholder of the Company. Shareholders of the Company LJB Investments UAB, Irena Ona Mišeikienė, Alvydas Banys, Lucrum investicija UAB and Indrė Mišeikytė have 91.59% of votes in Invalda INVL AB. It is possible that the above mentioned persons may favour their own interests or interests of Invalda INVL AB, rather than those of the Company.

Apart from the above, the Company is not aware of any potential conflict of interests between any duties to the Company of the members of the Board of the Management Company or the Key Executives.

Furthermore, none of the members of the Board of the Management Company is related to any other member of this body as well as to any Key Executives by blood or marriage, except for the members of Investment Committee – Kazimieras Tonkūnas and Vida Juozapavičienė, who are spouses.

There are no arrangements with the major shareholders of the Issuer, customers, suppliers or others, pursuant to which any member of the Board of the Management Company and/or the Key Executive was selected as a member of the administrative, management or member of senior management.

There are no restrictions on transferring the Issuer's Shares for the members of the Board of the Management Company and/or the Key Executives except the restrictions, foreseen in the Law on Markets in Financial Instruments, which forbids trading in securities during certain time periods.

#### 4.9 Remuneration and Benefits

During the year 2014 the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the management (being the management at that time) by the Issuer and its Portfolio Companies (before the transfer of the management of the Company to the Management Company) for services in all capacities to the Issuer and its Portfolio Companies amounted to EUR 286,424. The information on such amounts is provided in the table below.

**Table 19. Remuneration and benefits provided to members of the Board of the Company and its Key Executives, who held these positions during the year 2014**

Name	Former position in the Company before transfer of the management to the Management Company	Amount, EUR
Kazimieras Tonkūnas	Director, Chairman of the Board of the Company	123,223
Vytautas Plunksnis	Member of the Board of the Company	-
Gytis Umantas	Member of the Board of the Company	88,160
Alvydas Banys	Member of the Board of the Company	-
Nerijus Drobavičius	Member of the Board of the Company	-
Ramutė Ribinskienė*	Chief Financial Officer of the Company	56,648
Vida Juozapavičienė	Head of Marketing and Operations of the Company	18,393

Source: the Company

\* Employment Contract with Ramutė Ribinskienė was terminated on 29 May 2015. She was replaced by Kristupas Barauskas in the position of CFO of the Company.

During the year 2015 the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the current Management (the management of the Management Company and Key Executives, who



worked in the Company until the transfer of the management of the Company to the Management Company) by the Issuer and its Portfolio Companies for services in all capacities to the Issuer and its Portfolio Companies amounted to EUR 124,077. The information on such amounts is provided in the table below.

**Table 20. Remuneration and benefits provided to the Key Executives, who worked in the Company until transfer of the management of the Issuer to the Management Company, during the year 2015**

Name	Former position in the Company before the transfer of the management to the Management Company	Current position in the Company after the transfer of the management to the Management Company	Amount, EUR
Darius Šulnis	-	Chairman of the Board and General Manager of the Management Company	-
Vytautas Plunksnis	Member of the Board of the Company	Member of the Investment Committee and member of the Board of the Management Company	-
Nerijus Drobavičius	Member of the Board of the Company	Member of the Investment Committee and member of the Board of the Management Company	-
Kazimieras Tonkūnas	Director, Chairman of the Board of the Company	Member of the Investment Committee	120,497
Vida Juozapavičienė	Head of Marketing and Operations	Member of the Investment Committee	3,580

Source: the Company

Neither the Issuer nor any Portfolio Company has set aside or accrued any amounts to provide pension, retirement or similar benefits to any member of the Management.

There are no loans granted by the Issuer or any Portfolio Company to members of the Management. Furthermore, there are no guarantees or warranties provided, according to which execution of their obligations is ensured, also there were no paid or counted amounts or transfer of assets.

#### 4.10 Board Practices

##### Term of office

The management of the Company is transferred to the Management Company, as indicated in Section 4.8 *Administrative, Management and Supervisory Bodies and Senior Management*. Therefore, the Company provides information about the Management of the Company hereof.

The term of office of the Board of the Management Board and the Key Executives of the Company as well as the period, during which respective persons hold positions are provided herein below.

**Table 21. Tenure of the Management of the Company**

Name	Position in the Company	In the position	
		Since	Until
Kazimieras Tonkūnas	Member of the Investment Committee	Issuance of the Licence by the LB and formation of the Investment Committee on 14 July 2016	Revocation from the Investment Committee
Vida Juozapavičienė	Member of the Investment Committee	Issuance of the Licence by the LB and formation of the Investment Committee on 14 July 2016	Revocation from the Investment Committee
Nerijus Drobavičius	Member of the Investment Committee	Issuance of the Licence by the LB and formation of the Investment Committee on 14 July 2016	Revocation from the Investment Committee
	Member of the Board of the Management Company	19 January 2015	The annual General Meeting of the Management Company, to be held in 2019 (unless revoked earlier)
Vytautas Plunksnis	Member of the Investment Committee	Issuance of the Licence by the LB and formation of the Investment Committee on 14 July 2016	Revocation from the Investment Committee
	Member of the Board of the Management Company	19 January 2015	The annual General Meeting of the Management Company, to be held in 2019 (unless revoked earlier)
Darius Šulnis	Chairman of the Board of the Management Company	19 January 2015	The annual General Meeting of the

		Management Company, to be held in 2019 (unless revoked earlier)
General Manager of the Management Company	21 July 2003	Revocation from the position of General Manager of the Management Company

Source: the Company

According to the Law on Companies, the tenure of the Board may not last longer than until the annual General Meeting convened in the last year of the tenure of the Board. Thus, the current members of the Board of the Management Company are elected until the annual general meeting of the Management Company in the year 2019 (unless revoked earlier). There is no limitation on the number of terms of office a member of the Board may serve.

The Key Executives have employment/service relations with the Management Company (not with the Company) which are of unlimited duration, thus, the Company may not incur any expenses, related to termination of employment/service provision to any of Key Executives and all of them would be incurred by the Management Company.

#### **Information about members of the administrative or management bodies' service contracts with the Issuer or any of its Portfolio Companies providing for benefits upon termination of employment**

The management of the Company is transferred to the Management Company based on the Management Agreement concluded by the Company with the Management Company on 27 June 2016, which came into force as from 14 July 2016. Under the Management Agreement the Management Company is entitled to receive certain payments for its services, including after termination of the agreement (for more information on the please see *Section 4.20 The Issuer's Service Providers*).

Apart from this agreement there are no other direct services contracts with separate members of the administrative or management bodies concluded by the Issuer.

#### **Audit Committee and Nomination and Remuneration Committee**

The Regulations of the formation and activity of the Audit Committee were approved and its members were elected according to the decision of the General Meeting, dated 27 June 2016.

According to the Regulations of the formation and activity of the Audit Committee the main functions of this committee are as follows:

- to provide recommendations to the Management Company regarding selection, appointment, reappointment and removal of an external audit company of the Company as well as the terms and conditions of engagement with the audit company;
- to monitor the process of external audit of the Company;
- to monitor how the external auditor and audit company follow the principles of independence and objectivity;
- to observe the process of preparation of financial reports of the Company;
- to monitor the efficiency of the internal control and risk management systems of the Management Company directly related to the management of the Company. Once a year review the need of the dedicated internal audit function for the Company within the Management Company;
- to monitor if the Management Company gives due consideration to the recommendations or comments provided by the audit company regarding management of the Company.

Members of the Audit Committee shall be appointed by the General Meeting. The Audit Committee consists of 2 members. One member of the Audit Committee has to be the independent member having at least 3 years of work experience in the field of finances, accounting or law. The criteria of independency are determined in the Regulations of the formation and activity of the Audit Committee. The General Meeting has the right to withdraw the entire Audit Committee *in corpore* or its individual member and to appoint a new committee or individual members of the committee.

Members of the Audit Committee may receive remuneration for their work in the Audit Committee. Remuneration shall be approved by the General Meeting fixing the maximum hourly rate.

The Audit Committee may take decisions and its meeting should be considered valid, when both members of the committee participate in it. The decision is passed when both members of the Audit Committee vote for it.

Current members of the Audit Committee are the following: Danutė Kadanaitė and Tomas Bubinas (independent member).

The Issuer has not formed the Nomination and Remuneration Committee.

#### **Compliance with the Corporate Governance Regime**

Information on Company's compliance with Corporate Governance regime is provided in Appendix 2 of the Annual Report of the Company for the year 2015.

Following the issuance of the Licence, the Company as a Nasdaq listed issuer will continue acting in compliance with the Corporate Governance regime to the widest possible extent.

#### 4.11 Employees

##### Shareholdings and stock options

Information on the Shares of the Company, held by the members of the Management is provided in Section 4.8.4 *Conflicts of Interest of Members of the Management*.

##### Arrangements for involving the employees in the capital of the Issuer

There are no such arrangements.

#### 4.12 Major Shareholders

On the day of this Prospectus the authorised capital of the Company is EUR 3,530,843.09 and is divided into 12,175,321 ordinary registered Shares with a nominal value of EUR 0.29 each. All the Shares issued by the Company entitle to equal voting rights to their holders.

In the table below the information is provided on shareholders of the Company having more than 5% of authorised capital of the Company on the date of this Prospectus.

**Table 22. Shareholders of the Company, holding more than 5% of the authorised capital of the Company**

No.	Shareholder	Number of owned shares and votes directly	Percentage owned directly, %	Indirectly held votes, %	Total, %
1.	LJB Investments UAB	2,424,152	19.91	0	19.91
2.	Invalda INVL AB	1,910,812	15.69	0	15.69
3.	Irena Ona Mišeikienė	1,466,421	12.04	0	12.04
4.	Lietuvos draudimas AB	909,090	7.47	0	7.47
5.	Kazimieras Tonkūnas	675,452	5.55	1.53 <sup>(*)</sup>	7.08
6.	Alvydas Banys	618,745	5.08	19.91 <sup>(**)</sup>	24.99

Source: the Company

\* According to Part 10 of Paragraph 1 of Article 26 of the Law on Securities, it is considered that Kazimieras Tonkūnas has votes of his spouse (Vida Juozapavičienė).

\*\* According to Part 6 of Paragraph 1 of Article 26 of the Law on Securities, it is considered that Alvydas Banys has votes of LJB Investments UAB, a company controlled by him.

The following shareholders of the Company have signed the Shareholders' Agreement, dated 26 November 2014 (which was amended on 27 May 2015): LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė, Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus. On 31 December 2015 the parties of the Shareholders' Agreement owned 68.97% of the Company Shares.

Following the indicated agreement LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis and Indrė Mišeikytė for 12 months from the last increase of the share capital of the Company (which was registered with the Register of Legal Entities on 8 July 2015) obliged not to sell more than 50 percent of Shares held by them at that time.

Furthermore, Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus have also obliged not to sell any of Shares held by them at that time for 12 months from the last increase of the share capital of the Company (8 July 2015).

Shareholders' Agreement also foreseen that the Company will apply for the closed-ended type investment company Licence (this was done in the beginning of September 2015). The Licence was issued by the LB on 14 July 2016. Thus, this obligation as well as all other main obligations under the agreement were duly executed by the parties thereto.

Taking into consideration that the above indicated 12 months lock-up period adjourned on 8 July 2016 as well as that all the main obligations of the parties to the Shareholders' Agreement were duly fulfilled, the Company has no information about any control over the Issuer.

##### Voting rights of major shareholders of the Issuer

All the Shares of the Issuer entitle equal voting rights to its shareholders.

## Arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer

The issuer is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Issuer.

### 4.13 Related Party Transactions

#### General overview

Transactions within Related Parties fall under 4 categories:

- Loans granted/received;
- Sale/ purchase of non-current assets;
- Sale of goods and services;
- Purchase of goods and services (including (sub)contracting, legal, HR, internal audit, IT, etc.).

The Management of the Company believes that all arrangements between the Related Parties are entered on the arm's length basis. The Management of the Company believes that there are no arrangements between Related Parties influencing main business of the Company either directly or indirectly.

The related parties of the Company on 31 December 2015 and in 2014 and 2013 were the Portfolio Companies, the shareholders of the Company, who have significant influence, key management personnel of the Company and group companies of Invalida INVL AB.

Transactions of the Company with related parties during 2015, 2014 and 2013 and balances as at 31 December 2015, 2014 and 2013 are disclosed in the IFRS Financial Statements (Note 16 of the IFRS Financial Statements for year year ended 31 December 2015), incorporated by reference in this Prospectus.

**Table 23. Related Party Transactions as at 31 December 2015, EUR thousand**

Related party	Revenue and income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
<i>The Company's management</i>				
Lease of assets	-	3	-	-
	-	<b>3</b>	-	-
<i>Portfolio Companies</i>				
Dividends	598	-	113	-
Disposal of financial assets	412	-	-	-
Management and accounting services	235	-	131	-
Tax losses transferred	65	-	65	-
Other activities	23	52	-	28
	<b>1,333</b>	<b>52</b>	<b>309</b>	<b>28</b>
<i>Other related parties</i>				
Operating expenses	1	123	-	-
	<b>1</b>	<b>123</b>	-	-

Source: IFRS Financial Statements

Changes in loans granted to Portfolio Companies during the year 2015 are provided in table below:

**Table 24. Changes in loans during 2015, EUR thousand**

At 1 January 2015	-
Loans granted to Portfolio Companies that were taken over on merger (Note 4 of the IFRS Financial Statements for 2015)	240
Additional loans granted during the year	597
<i>Etronika UAB</i>	216
<i>NRD AS</i>	200
<i>NRD CS UAB</i>	181
Interest charged	30
Loan repayments received	(731)
Interest received	(58)
Foreign exchange effect on the balance of loans	5
<b>At 31 December 2015</b>	<b>83</b>

Source: IFRS Financial Statements, the Company

The repayment date for loans granted to Portfolio Companies is between 31 January 2016 and 31 December 2016, and the interest rate ranges from 11% to 18%, which approximates the interest rate available in the market. One loan is denominated in USD, and the other loan is denominated in EUR. The loans granted are not subordinated for the benefit of the bank, however, they are not secured with any collateral.

Changes in borrowings from Portfolio Companies during the year 2015 are provided in table below:

**Table 25. Changes in borrowings during 2015, EUR thousand**

At 1 January 2015	-
Borrowings from Portfolio Companies that were taken over on merger (Note 4 of the IFRS Financial Statements for 2015)	1,668
Interest charged	79
Repayments of borrowings	(1,650)
Interest paid	(97)
<b>At 31 December 2015</b>	<b>-</b>

Source: IFRS Financial Statements

Changes in borrowings from Invalda INVL AB during the year 2015 are provided in table below:

**Table 26. Changes in borrowings from Invalda INVL AB during 2015, EUR thousand**

At 1 January 2015	-
Borrowings from Invalda INVL AB that were taken over on merger (Note 4 of the IFRS Financial Statements for 2015)	1,855
Additional borrowings during the year	166
Interest charged	89
Payable amount offset against the contribution for newly issued shares of the Company (Note 4)	(1,403)
Repayments of borrowings	(675)
Interest paid	(32)
<b>At 31 December 2015</b>	<b>-</b>

Source: IFRS Financial Statements

The Company's transactions with other related parties during the period from 29 April till 31 December 2014 and outstanding balances as at 31 December 2014 were as follows:

**Table 27. Related Party Transactions as at 31 December 2014, EUR thousand**

29 April – 31 December 2014	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Invalda INVL AB (accounting services)	-	2	-	-
Cedus Invest UAB (loan)	-	-	-	1
	-	2	-	1

Source: IFRS Financial Statements

During the split-off, the loan of Cedus Invest UAB was transferred to the Former Parent Company (EUR 112 thousand). The loan was repaid in full in May 2014.

Compensation to key management consists of current employee benefits. As at the end of the year 2015 key management of the Company included the members of the Management Board and the Managing Director of the Company.

**Table 28. Compensation to key management, EUR thousand**

	2015	2014
Salaries, bonuses and other benefits	80	2
Social security contributions	25	1
<b>Total compensation to management</b>	<b>105</b>	<b>3</b>

Source: IFRS Financial Statements

#### 4.14 Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses

##### 4.14.1 Unaudited Interim Financial Information

Not applicable, as this Prospectus contains only annual audited IFRS Financial Statements, incorporated by reference to the Prospectus.

#### 4.14.2 Audited Financial Information

INVL Technology AB was established on 29 April 2014 by spinning-off from Invalda INVL AB with investments into BAIP grupē AB. On 9 February 2015 INVL Technology AB was merged to BAIP grupē AB (currently the Company). As a result of the merger INVL Technology AB ceased to exist and BAIP grupē AB changed its name to INVL Technology AB. Financial information that is and will be prepared by the Company for the periods after 9 February 2015 (including the IFRS Financial Statements for the year ended 31 December 2015) will include financial results of the merged entities. The Management of the Company believes that presenting, for the purposes of this Prospectus, historical financial information of INVL Technology AB (that ceased to exist after the merger) and of BAIP grupē AB (currently the Company) is deemed to be appropriate in order to understand activities of the Company and its Portfolio Companies.

Historical financial information of the Company (Former parent company) is indicated in IFRS Financial Statements, incorporated by reference to this Prospectus.

#### Summary of Independent Auditors' Reports

The financial statements of the Company for the year ended 31 December 2015 as well as separate and consolidated financial statements of the Company (formerly, BAIP grupē AB) for the year ended 31 December 2014 and the financial statements of the Former parent company for the year ended 31 December 2014, incorporated by reference in this Prospectus, have been audited by PricewaterhouseCoopers UAB ("PwC"), independent auditors, who issued unqualified auditor's reports on the above-mentioned financial statements. The independent auditor's report on the financial statements for the year ended 31 December 2014 contains additional explanation: "The comparative information in the stand-alone financial statements of the Company as at, and for the period ended 31 December 2013 has not been audited". Complete statements of Auditors' Opinions are provided in IFRS Financial Statements incorporated by reference in this Prospectus.

#### 4.14.3 Dividend Policy

The Company does not have an approved policy on dividend distributions and any restrictions thereon. Decision on distribution of dividends to shareholders is adopted by the General Meeting.

The Company's and the Portfolio Companies' current priority was to use profits for the development, rather than for the distribution of dividends and it has not paid out dividends in the last two full financial years.

The Articles of Association (Part X thereof), which are incorporated by reference to this Prospectus, foresee the following rules of dividend payment:

Decision on payment of dividend shall be taken by the General Meeting taking into account the recommendations of the Management Company.

Not later than 30 days before making a decision to distribute an interim dividends audited financial accounts of the Company must be prepared.

The Company shall pay the distributed dividend within one month after the date of the decision of the General Meeting to pay dividend, except for those cases when the Management Company decides to postpone payment of dividend following the Articles of Association.

The Management Company can, by its reasoned decision, postpone payment of dividend if payment of dividend:

- would result in violation of the requirements for diversification of investments of the Company;
- would pose a threat for sustainable finances of the Company; or
- would pose a risk for proper fulfilment of obligations assumed by the Company or would pose a risk that the Company would be unable to complete the transactions of acquisition of Operational Companies or of additional investments into Operational Companies that started to be implemented (implementation of a transaction in this case is understood as a process from commencing negotiations with a counterparty until closing (fulfilment) of the transaction).

The Management Company must take a relevant decision and resume payment of dividend, ensuring that dividend would be paid to shareholders no later than within one month after the moment of disappearance of the grounds for suspension of payment of dividend, but in any case payment of dividend cannot be postponed for more than one year after the date of taking a relevant decision of the General Meeting to pay dividend.

Dividend payable to shareholders shall be transferred to the bank accounts indicated by the shareholders or (if a shareholder's data is unknown) to a deposit account under the procedure set by legal acts.

The Company shall pay dividend in Euros. The right to receive dividend shall be vested in persons who were shareholders of the Company or had the right to dividend on any other lawful grounds at the end of the record date of the General Meeting.

#### 4.14.4 Legal and Arbitration Proceedings

Neither the Company nor any of its Portfolio Companies have, during the 12 months preceding the date of this Prospectus, been or are currently involved in any material governmental, legal or arbitral proceedings (including any such proceedings which are pending or threaten of which the Company is aware) or material disputes which may have or have had a significant adverse effect on the business, results of operations or financial position or profitability of the Company and/or the Group as a whole.

#### 4.14.5 Significant Changes in the Issuer's Financial or Trading Position

There were no significant changes in the Issuer's financial or trading position, which has occurred since the end of 31 December 2015. However, as it was indicated in the notification on material event of 22 December 2015 a Portfolio Company Inventio UAB has signed an agreement for acquisition of 100 per cent of shares in Algoritmų sistemos UAB, information system development company. The transaction was completed in March 2016. The total acquisition price equals to EUR 2.385 million.

Furthermore, on 14 July 2016 the Company was issued by the LB the Licence of the closed-ended type investment company. Upon issuance of this Licence the Company became similar and started acting as an investment fund.

The Company also informs that as it was indicated in the notification on material event, dated 23 December 2015, following the changed legal requirements, the Company decided that instead of interim financial statements it will publish preliminary operating results and factsheet. On 16 May 2016 the Company has announced its preliminary operating results and factsheet for 3 months of the year 2016.

#### 4.15 Additional Information

##### 4.15.1 Share Capital

Table 29.

Name of securities	Number of securities	Nominal value, EUR	Total nominal value, EUR	Part in the share capital, %
Ordinary registered shares	12,175,321	0.29	3,530,843.09	100

Source: the Company

All the Shares of the Company currently are freely floated and the Company is not aware on any lock-ups thereon.

##### Amendments to share capital of the Issuer within 5 last years

Table 30.

Registration of the amended share capital	Amount of share capital prior to amendment	Amendment	Reason	Share capital after the amendment
18-12-2014	LTL 5,000,000	+ LTL 1,092,685	Increase of the share capital by additional contributions	LTL 6,092,685 (approx. EUR 1,766,878.65, divided into 6,092,685 Shares)
09-02-2015	LTL 6,092,685	+ EUR 6,388.41	Conversion of the authorised capital and nominal value of Shares from LTL to EUR, reorganisation of the Company	EUR 1,773,267.06, divided into 6,114,714 Shares par value of EUR 0.29 each
08-07-2015	EUR 1,773,267.06	+ EUR 1,757,576.03	Increase of the share capital by additional contributions	EUR 3,530,843.09

Source: the Company

##### Information on shares, not representing capital

The Issuer has not issued shares, not representing its capital.

##### The number, book value and face value of shares in the Issuer held by or on behalf of the Issuer itself or by its Portfolio Companies

The Issuer has no shares of its own, held by itself or which are held on Issuer's behalf or which are held by the Portfolio Companies.

##### The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription

The Issuer has not issued any convertible securities, exchangeable securities or securities with warrants.

## **Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital**

The Issuer has not issued any acquisition rights and has no obligations over authorised but unissued capital or an undertaking to increase the capital.

## **Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate**

None of the aforementioned transactions are signed either by the Company or by Portfolio Companies.

### **4.15.2 Articles of Association**

#### **Issuer's objects and purposes**

The purposes and the object of activities of the Company are provided for in Part III of the Articles of Association, pursuant to which the aim of the Company is to accumulate shareholders' funds by public offering of Shares under the procedure set in the Articles of Association and, diversifying the risk, to invest them collectively into assets indicated in the Articles of Association in compliance with investment requirements indicated in legal acts. For this purpose, the Company shall rationalise the structure of the investment portfolio, shall perform investment and reinvestment activity, shall perform supervision over economic – financial activities of controlled companies.

Management of the Issuer shall be assigned to the Management Company, whereas assets of the Company shall be transferred to the Depository for keeping. The Company shall transfer equity securities of Operational Companies acquired by it directly and assets acquired by SPV directly to be kept in the Depository. Assets possessed and/or managed by Operational Companies shall not be considered assets of the Company and the Depository shall not perform keeping, supervision or control functions in respect of such assets.

#### **Bodies of the Company**

The Issuer's management is described in Part VIII of the Articles of Association.

Following this Part, no management bodies shall be formed in the Company. Management of the Company shall be transferred to the Management Company, therefore, following the Law on Collective Investment Undertakings, the rights and duties of the Board and the head of the Company, as set in the Law on Companies, shall be transferred to the Management Company. For more information please see below.

#### **The General Meeting**

The competence of the General Meeting, the procedure of its convocation and taking of decisions thereat does not differ from the competence and procedures of the general meeting of shareholders as provided in the Law on Companies to the extent the Articles of Association or the Law on Collective Investment Undertakings do not indicate otherwise. The competence, procedure of convocation of the General Meeting is described in Part IX of the Articles of Association.

Part IX of Articles of Association foresees the following different rules, related to General Meetings from the ones, established under the Law on Companies.

The right to initiate convocation of the meeting shall be vested in the Management Company and shareholders, Shares owned by which carry at least 1/10 of all the votes in the General Meeting.

The convocation of a General Meeting shall be organised by the Management Company.

All decisions of the General Meeting shall be taken by a 3/4 majority of votes carried by Shares of the shareholders present in the meeting, except for the decisions indicated below, which shall be taken by a 2/3 majority of votes carried by Shares of the shareholders present in the meeting, i.e. decisions:

- to elect and remove a certified auditor or audit firm and establish terms of payment for audit services;
- to approve sets of annual and interim financial statements;
- on extension of the Term of Activities of the Company and making related amendments to the Articles of Association.

The below-indicated decisions of the General Meeting can be taken only after taking into account the recommendations given by the Management Company and with regard to consequences of a relevant decision indicated by the Management Company, i.e. decisions regarding:

- amending the Articles of Association of the Company;
- distribution of the profit (loss) of the Company;
- formation, use, reduction and cancellation of reserves;
- increase or reduction of the authorised capital;
- reorganisation, spin-off or transformation of the Company;
- merger of the Company with other collective investment undertakings;



- approval of the agreement with the Depository, appointment of the person authorised to sign the approved agreement with the Depository on behalf of the Company, change of the Depository;
- liquidation of the Company or extension of the Term of Activities of the Company;
- restructuring of the Company.

The Management Company must present its recommendations on draft decisions on issues indicated above together with the announced draft decisions proposed by the Management Company. In case draft decisions are proposed not by the Management Company but by the shareholders, the Management Company must, no later than within 5 (five) business days after presentation of such a draft decision to the Company, prepare a relevant recommendation and announce it in the manner in which draft decisions are announced. In any case recommendations of the Management Company regarding all draft decisions on relevant issues of the agenda must be announced no later than 3 (three) business days until the date of the General Meeting.

In case the General Meeting takes a decision not following the recommendations given by the Management Company, the Management Company shall not be responsible if such decisions violate requirements for management of the Company or there are other negative consequences.

An annual General Meeting must take place no later than by 30 April of the each financial year.

Authorised representatives of the Management Company shall have the right to take part in the General Meetings with the advisory right.

An extraordinary General Meeting must be convened if:

- that is requested by shareholders having the right to initiate convocation of the General Meeting or by the Management Company;
- the auditor or audit firm terminates its agreement with the Company or for any other reasons cannot audit the set of annual financial statements of the Company;
- the Management Company seeks to terminate the management agreement with the Company or there are reasons why the agreement between the Company and the Management Company cannot be performed;
- in other cases set in legal acts of the Republic of Lithuania and in the Articles of Association.

The General Meeting can take decisions and shall be deemed quorate irrespective of the number of votes carried by Shares held by the shareholders present thereat.

The General Meeting shall not have the right to take decisions, which are assigned to the competence of the Management Company by the Articles of Association or which are management decisions by their essence.

### **The Management Company**

There are no management bodies formed in the Issuer and management of the Company is transferred to the Management Company, as indicated in Part VIII of the Articles of Association, incorporated by reference to this Prospectus.

As management of the Company is transferred to the Management Company, therefore, following the Law on Collective Investment Undertakings, the rights and duties of the Board and the head of the Company, as set in the Law on Companies, are transferred to the Management Company.

The Management Company shall be responsible for convocation and organisation of the General Meeting, giving notices about material events under the procedure set by legal acts, organisation of activities of the Company, proper management of information about activities of the Company and performance of other functions assigned to the Management Company.

The Management Company shall have the right:

- to perform all actions of management bodies of the Company and other actions assigned to the competence of the Management Company according to effective legal acts and/or the Articles of Association;
- to get the Management Fee and the Performance Fee, as they are defined in the Articles of Association;
- to conduct and perform transactions in connection with management of the assets of the Company at the expense and in the interests of the Company;
- to make deductions from assets of the Company provided for in the Articles of Association;
- subject to approval of the General Meeting, to instruct a company, having the right to provide relevant services, to perform some of its management functions;
- other rights established in the Articles of Association and legal acts of the Republic of Lithuania.

The Management Company must:

- act in a fair, correct and professional manner on the terms best for the Company and its shareholders and in their interests and ensure integrity of the market;
- act carefully, professionally and prudently;
- have and use means and procedures necessary for its activities;

- have reliable administration and accounting procedures, electronic data processing control and security measures and a proper mechanism of internal control, including the rules on personal transactions in financial instruments conducted by employees of the Management Company and transactions in financial instruments conducted at the expense of the Management Company;
- ensure that documents of and information about taken investment decisions, conducted transactions would be kept for at least 10 years after the date of taking an investment decision, conduction of a transaction or performance of an operation, unless legal acts set a longer term of keeping documents;
- have such an organisational structure that would help to avoid conflicts of interest. When it will be impossible to avoid conflicts of interest, the Management Company must ensure that shareholders are treated fairly;
- ensure that persons taking decisions on management of the Company would have qualification and experience established by the LB, be of sufficiently good repute;
- ensure that assets of the Company would be invested according to the investment strategy set in the Articles of Association and requirements set in legal acts of the Republic of Lithuania;
- prepare the prospectus, the document of main information for investors, annual and semi-annual reports under the procedure set by legal acts;
- perform other duties set in the Articles of Association and legal acts of the Republic of Lithuania.

The Management Agreement of the Company with the Management Company was approved by the General Meeting, dated 27 June 2016 and signed by the parties on the same day. The Management Agreement came into force as from issuance of the Licence by the LB on 14 July 2016. A copy of the Management Agreement was also presented to the LB and the Depository.

The Management Company can be replaced by a reasoned decision of the General Meeting. The Management Company can be replaced by a decision of the General Meeting in cases when:

- the Management Company is being liquidated;
- the Management Company undergoes restructuring;
- bankruptcy proceedings are initiated against the Management Company;
- the LB takes a decision to restrict or cancel the rights provided for in the license of the Management Company related to management of investment companies;
- the Management Company commits a material breach of the respective management agreement, the Articles of Association or legal acts.

The Management Company shall be replaced after receipt of a prior permission of the LB.

### **The Manager**

There are no management bodies (including the Manager) in the Issuer and management of the Company is transferred to the Management Company. For more information please see Section above.

### **Rights conferred by the Shares of the Company**

All the Shares confer equal rights to all the shareholders.

The Issuer's Articles of Association foresee the following different rules related to shareholders rights, from the ones, established under the Law on Companies (they described in Part VI of the Articles of Association).

The value of the Shares of the Company will change depending on the Net Asset Value of the Company.

The shareholders shall have the following property rights:

- to receive a share of profit (dividend) of the Company if the General Meeting decides to distribute it to shareholders during the Term of Activities of the Company;
- to sell or otherwise transfer all or some of their Shares to the ownership of other persons on the secondary market (Nasdaq);
- under the procedure set in legal acts of the Republic of Lithuania and in the Articles of Association, to receive a part of funds of the Company, disburseable in case of winding up of the Company (i.e. liquidation of the Company);
- other property rights provided for in legal acts and the Articles of Association of the Company.

Shares of the Company shall give the shareholders the following personal non-property rights:

- to take part in the General Meetings;
- to vote at the General Meetings according to rights carried by the Shares. One Share shall give one vote in the General Meeting;
- to obtain information about the Company under the procedure set by legal acts of the Republic of Lithuania;
- to give questions to the Management Company in advance, related to issues on the agenda of the General Meetings;
- other non-property rights provided for in legal acts of the Republic of Lithuania and in the Articles of Association.

New Shares of the Company can be issued by increasing the authorised capital of the Company by a decision of the General Meeting upon a proposal of the Management Company. The proposal of the Management Company regarding increase of the authorised capital must discuss *inter alia* in detail the procedure of issue of new Shares of the Company

and terms of payment for them, as well as the reason why it is proposed to increase the authorised capital of the Company.

Current shareholders of the Company will have the pre-emptive right to acquire newly issued Shares pro rata to the number of Shares held by them on the record date of the rights. A shareholder shall not have the right to assign the pre-emptive right to acquire newly issued Shares to any other persons.

Newly issued Shares can be offered to persons other than the shareholders of the Company only in case the current shareholders of the Company did not subscribe for all the Shares of the Company planned to be issued within a period set by a decision of the Management Company, which cannot be shorter than 10 calendar days and longer than 30 calendar days.

Shares of a new Share issue must be paid within the term set in the Share subscription agreement, which cannot be longer than 30 business days.

New Shares shall be issued only after the money is credited to the bank account of the Company. Shares of the Company shall be paid only in cash. Shares shall be purchased in Euros.

Newly issued Shares of the Company can be publicly offered only after the Company has announced the prospectus approved by the LB under the procedure set by legal acts of the Republic of Lithuania. The Company shall announce the approved prospectus without delay, no later than by the start of the public offering of the Shares or their admission to trading on the regulated market. After public announcement of the prospectus, the Company must put it into the Central Base of Regulated Information under the procedure set by the Law on Securities.

### **Procedure of amending the Articles of Association of the Company**

Under Part XVII of the Articles of Association the Articles of Association may be amended pursuant to the following procedure:

- the Articles of Association shall be changed under the decision of the General Meeting;
- the adopted amendments to the Articles of Association shall come into effect when they are registered with the Register of Legal Entities under the procedure set by laws;
- amendments and additions to the Articles of Association shall be registered with the Register of Legal Entities under the procedure set by laws after they are approved by the LB.

### **Procedures of the General Meeting**

Generally the procedure of the General Meeting does not differ from the procedure set in the Law on Companies, subject to certain exceptions, indicated in the Articles of Association.

The main rules of convocation of and attending the General Meeting are as follows:

The right of initiative to convene the General Meeting is vested in the Management Company and the shareholders who have at least 1/10 of all votes. The convocation of the General Meeting shall be organised by the Management Company.

General Meetings are annual and extraordinary. An annual General Meeting must be held not later than until 30 April of the current year. The extraordinary General Meeting must be convened if: (i) that is requested by shareholders having the right to initiate convocation of the General Meeting or by the Management Company; (ii) the auditor or audit firm terminates its agreement with the Company or for any other reasons cannot audit the set of annual financial statements of the Company; (iii) the Management Company seeks to terminate the management agreement with the Company or there are reasons why the agreement between the Company and the Management Company cannot be performed; (iv) in other cases set in legal acts of the Republic of Lithuania and in the Articles of Association.

A notice of convocation of the General Meeting is to be made public no later than 21 days before the date of the General Meeting through Nasdaq distribution system as a material event, and is also to be published on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt).

Subject to certain additional rules, indicated in the Articles of Association, additional matters to be included into the agenda of the General Meeting may be proposed by the Management Company and one or several shareholders holding shares that carry at least 1/20 of all votes no later than 14 days prior to the meeting. In addition, they may propose new draft decisions on the matters in the agenda prior to and during the General Meeting.

The General Meeting can take decisions and shall be deemed quorate irrespective of the number of votes carried by Shares held by the shareholders present thereat.

The persons who were shareholders of the Company at the close of the record date of the General Meeting (i. e. the fifth business day prior the date of the General Meeting) have the right to attend and vote at the General Meeting. The shareholder's right to attend the General Meeting also includes the right to speak and to ask questions regarding the items on the agenda of the meeting. The questions given to the Company by the shareholder regarding the items on the agenda of the General Meeting must be answered before the General Meeting, if such questions were received not later than 3 business days before the General Meeting.

Shareholders or persons authorised by them or persons with whom an agreement on assignment of voting rights is concluded may attend and vote at the General Meeting.

A person attending the General Meeting and entitled to vote must present a document which is a proof of his identity. A person who is not a shareholder must additionally present a document attesting to his right to vote at the General Meeting.

A shareholder or his proxy has the right to vote in advance in writing, by filling in a general ballot paper. If the shareholder requests so, the Company, no later than 10 days before the General Meeting, must dispatch a general ballot paper by registered mail free of charge or delivered by hand. The general ballot paper shall also be available on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt) no later than 21 days before the General Meeting. The filled-in general ballot paper and the document attesting to the right to vote must be submitted to the Company prior to the General Meeting (it may be delivered by sending to the Company at the address Gynėjų str. 16, Vilnius, the Republic of Lithuania, by registered mail, or delivered by hand). If the general ballot paper is signed by a person, who is not a shareholder of the Company, a document attesting to his right to vote at the General Meeting must be additionally presented.

The Company does not provide a possibility to attend the General Meeting and to vote by means of electronic communications.

**A description of any provision of the Articles of Association, statutes, charter or bylaw that would have an effect of delaying, deferring or preventing a change in control of the Issuer**

There are no such provisions.

**An indication of the Articles of Association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed**

There are no such provisions.

**A description of the conditions imposed by the memorandum and Articles of Association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law**

There are no more stringent provisions.

#### **4.16 Material Contracts**

For 2 years preceding the date of this Prospectus neither the Issuer nor any Portfolio Company has entered into material contract, other than contracts entered into in the ordinary course of business, except for the contracts, indicated below. Furthermore, there are no other agreements entered by the Issuer or any Portfolio Company (except being entered into in the ordinary course of business), which contains any provision under which any of these companies has any obligation or entitlement which is material to the Issuer or any Portfolio Company as at the date of the Prospectus.

The following shareholders of the Company have signed the Shareholders' Agreement, dated 26 November 2014 (which was amended on 27 May 2015): LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė, Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus. On 31 December 2015 the parties to the Shareholders' Agreement owned 68.97% of the Shares.

Following the indicated agreement LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis and Indrė Mišeikytė for 12 months from the last increase of the share capital of the Company (which was registered with the Register of Legal Entities on 8 July 2015) obliged not to sell more than 50 percent of Shares held by them at that time.

Furthermore, Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus have also obliged not to sell any of Shares held by them at that time for 12 months from the last increase of the share capital of the Company (8 July 2015).

Apart from the above lock-up obligations, the only remaining material undertaking under the Shareholders' Agreement was that the Company had to apply for the closed-ended type investment company Licence (this was done in the beginning of September 2015). The Licence was issued by the LB on 14 July 2016.

Thus, taking into consideration the above as well as that the indicated 12 months lock-up period adjourned on 8 July 2016, as on the day of this Prospectus, all the main obligations of the parties to the Shareholders' Agreement were duly fulfilled.

#### **4.17 Information on Holdings**

There are no undertakings in which the Issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

## 4.18 Investment Objective and Policy

### Description of the Investment Objective and Policy

The purpose of the Company is to accumulate and invest the shareholders' funds in order to rationalise the structure of the investment portfolio (including improvement of management of Operational Companies, encouraging mutual cooperation among Operational Companies, etc.); to perform the activity of investment and reinvestment into Operational Companies; to perform supervision over economic – financial activities of controlled companies. Investment objective and policy of the Issuer, including the investment restrictions are disclosed in Part IV of the Articles of Association, which are incorporated by reference to this Prospectus, in detail.

Diversifying investments and managing the risk, the Management Company shall seek to reduce the risk and to prevent possible reduction of investments value and to create value by selecting investment objects and making use of other market participants' experience.

The aim of the Company is to earn return for shareholders' benefit from investments into Operational Companies, which are registered or perform activities in a Member State of the European Union (the European Economic Area), Member States of the Organisation for Economic Co-operation and Development (OECD) and in Israel. For avoidance of doubt, Operational Companies can control/acquire companies in countries other than those indicated in this paragraph, but that shall not be regarded as performance of activities of an Operational Company beyond the limits of the States indicated in this paragraph.

The Management Company shall invest at least 70 percent of the Net Asset Value of the Company directly or by use of SPVs into shareholdings in Operational Companies indicated in paragraph above, enabling it to control Operational Companies or exercise decisive influence on them (after conclusion of the shareholders agreement or acting in concert with other investors or management of such companies).

Investing directly or by use of SPVs, the Management Company (on behalf of the Company) shall contribute to development of the companies and creation of value, i.e. will seek development of the business of such companies, more effective management of them and distribution of available resources and optimal processes of activities of such companies, enabling to expect successful development, increase of the market share, increase in profitability and other actions pertaining to long-term activities of such companies, implementation of goals. The Management Company will invest assets of the Company into Operational Companies for a definite period, seeking to sell their securities at a profit (due to increase in the value of companies) during the effective Term of Activities of the Company. The Management Company can take a decision for 2 additional years after the end of the Investment Period to invest funds of the Company into Operational Companies it already owns.

Seeking to increase return from investments and ensure supervision over investments, the Management Company shall seek to participate in the management of Operational Companies as a member of the advisory body, management body of the company or in another form depending on specifics and geography of activities of a specific company. The Management Company, involving its human resources, experience in the market and network of professional contacts, if necessary, will delegate professionals in a relevant field, who are of sufficiently good repute, to management bodies of Operational Companies, in order to ensure implementation of strategic goals and exploiting the potential of Operational Companies.

For the sake of efficiency of the Company's activities and control over its investments, an Investment Committee shall be formed by a decision of the Board of the Management Company. The Investment Committee shall consist of 4 (four) members, representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company) shall be appointed to their positions.

Members of the Investment Committee shall be appointed and removed from office by the decision of Board of the Management Company. An approval of the Investment Committee must be obtained for all investments of the Company (directly to an Operational Company or through an SPV) and for their sale.

The procedure of formation, responsibilities, functions of the Investment Committee, decision-making procedure and other procedures of the Investment Committee shall be set in the regulations of the Investment Committee. The regulations of the Investment Committee shall be made public on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt).

For the sake of efficiency of activities of the Company, an Advisory Committee may also be formed by a decision of the Board of the Management Company. The purpose of such committee is to ensure having knowledge about and knowing the specifics of various fields, into which the Company's assets may be invested (directly to an Operational Companies or through an SPV). The Advisory Committee shall present its opinion and conclusions to the Investment Committee regarding investments of the Company.

The procedure of formation, responsibilities, functions of the Advisory Committee, decision-making procedure and other procedures of the Advisory Committee shall be set in the regulations of the Advisory Committee, which shall be made public on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt).

The strategy of investment of the Company's assets provided for in the Articles of Association, incorporated by reference to this Prospectus, can be changed by making relevant amendments to the Articles of Association by a decision of the General Meeting.

In case of an essential change in the Company's investment strategy, all the shareholders must be informed about that in writing at least 3 months in advance. In such cases, the shareholders must be given a possibility to demand redemption of the Shares owned by them without any additional deductions within a sufficient period of time, which cannot be shorter than 2 months after properly informing the shareholders about the planned change of the investment strategy of the Company (redemption of the Shares shall be performed following Article 90 of the Articles of Association). Shareholders must be informed about this right by submitting a notification about the planned change of the investment strategy of the Company.

An investment object(s) of the Company (both managed directly or by use of an SPV) can be transferred only subject to prior consent of the Depository. Consents of the Depository indicated in this paragraph are not required if assets of the Operational Company, equity securities of which are kept with the Depository, are transferred.

The Company may own investment objects directly and it may own securities of SPVs. When investing through an SPV, the Depository is to be provided with all documents in connection with investments into the SPV in order that the Depository could perform its functions provided for in legal acts.

The Company shall not use a benchmark.

#### **The borrowing and/or leverage limits of the Issuer**

If necessary, funds may be borrowed (with or without pledge of the assets) in the name of the Company in order to additionally finance investment objects acquired by the Company (or companies controlled by use of an SPV) and in this way seek higher investment return. The Management Company can take a decision to borrow in the name of the Company up to 80 percent of the Net Asset Value as on the date of entry into the loan agreement (taking into account Net Asset Value calculated and published as described in the Articles of Association). Loan agreements of the Company must expire no later than 3 months until the end of the term or extended Term of Activities of the Company.

On the day of this Prospectus the Company has not borrowed any funds.

#### **Regulatory status of the Issuer**

The Issuer operates its activities as a special closed-ended type private capital investment company, which is subject to the same requirements as a private capital investment company with variable capital, unless the Law on Collective Investment Undertakings indicates otherwise. The activities of the Issuer are supervised by the LB.

#### **Profile of a typical investor for whom the Issuer as a collective investment undertaking is designed**

Investment into the Company is connected with higher than average, long term risk. According to the Key Investor Information Document (KIID), Company's Shares are in the highest (7th) risk bracket. Therefore, Shares of the Company are suitable only for investors, who seek higher long term returns but could afford to take higher than average risk, including loss of principal.

#### **4.19 Investment Restrictions**

The Management Company shall manage the portfolio of investment instruments of the Company following these main principles of diversification (the conformity of the portfolio of investment instruments of the Company to the following principles shall be achieved within four years the LB issued a permission to certify Company's incorporation documents and to choose the Depository):

1. No more than 30% of the Net Asset Value of the Company can be invested:

1.1. into transferrable securities or money market instruments of any (single) newly established company and/or into transferrable securities or money market instruments issued by an existing company, that are not entered onto the trade list of the market, which according to the Law on Markets in Financial Instruments is considered regulated and operating in the Republic of Lithuania or in another Member State of the European Union;

1.2. into transferrable securities or money market instruments of any newly established company and/or into transferrable securities or money market instruments issued by an existing company, which are not admitted to trading on the market operating, recognised, supervised and available to the public according to rules set in another Member State of the European Union or State with appropriate supervision standards.

2. No more than 30% of the Net Asset Value of the Company can be invested:

2.1. into deposits issued by one person for a term no longer than 12 months, which, upon demand, can be withdrawn in a credit institution, the registered office of which is in a Member State of the European Union or another State, where risk-limiting supervision is no less strict than in the European Union;

2.2. into financial derivatives, which are admitted to trading on the multilateral trading facility, but which are not admitted to trading in the markets indicated in paragraphs 1.1 – 1.2 above and where the other party to the transactions, conducted outside the markets indicated in paragraphs 1.1 – 1.2 above, meets criteria established by the LB and is

subject to risk-limiting supervision and which can be checked, assessed reliably and accurately every day and sold or otherwise realised in return for a consideration at their fair value at any time;

2.3. into investment objects provided for in paragraph 4 of Article 141 of the Law on Collective Investment Undertakings and issued by one person, including investment units and/or shares of closed-ended type collective investment undertakings, if the investment strategy of such collective investment undertakings, requirements for diversification of their investments and the period of their activities are in line with the Company's investment strategy, requirements for diversification of investments and the period of activities or the Company has a possibility to get back its investments at any time;

2.4. into investment units and/or shares of collective investment undertakings issued by one person if these collective investment undertakings are as follows:

2.4.1. the sole purpose of such undertakings is to accumulate persons' funds by public offering of investment units or shares and by splitting them to collectively invest them into transferrable securities and/or the planned liquid assets and investments units or shares of which must be redeemed at any time upon request of their holder, these undertakings are licensed in the Republic of Lithuania and their supervision is no less strict than in the European Union or licensed in such a State, where supervision is no less strict than in the European Union, and the LB cooperates with the relevant supervisory authority of another Member State or third country;

2.4.2. protection of rights of participants in the undertakings, including regulation of separation of assets, borrowing, lending and gratuitous transfer of assets, is no less strict that established for harmonised collective investment undertakings according to the Law on Collective Investment Undertakings;

2.4.3. the undertakings present semi-annual and annual reports on their activities, enabling to assess their assets and liabilities, profit and activities during a reporting period;

2.4.4. no more than 10 percent of their net assets, according to their documents of incorporation, can be invested into investment units or shares of other collective investment undertakings.

For avoidance of doubt, the total amount of the investments indicated in paragraphs 1 and 2 above into transferrable securities, money market instruments, deposits issued by one person and liabilities arising out of transactions on financial derivatives with that person, cannot be more than 30 percent of the Net Asset Value of the Company.

Assets of the Company will not be invested into transferrable securities or money market instruments of companies, that are entered onto the trade list of the market, which according to the Law on Markets in Financial Instruments is considered regulated and operating in the Republic of Lithuania or in another Member State of the European Union (European Economic Area), or into transferrable securities or money market instruments of companies, which are admitted to trading on the market operating, recognised, supervised and available to the public according to rules set in another Member State or another state.

The investment portfolio of the Company can fail to meet the set diversification requirements for 4 years after the date when the LB issued a permit to approve documents of its incorporation and choose a Depository (the permit was issued by the LB on 14 July 2016).

As of the date of the Prospectus, investment into BAIP UAB (via SPV Vitma UAB) exceeds 30 per cent of the Net Asset Value of the Company, as indicated in Table 31. Apart from that the Company is not aware of any other non-compliance to the above requirements.

In all cases, the right not to meet the set diversification requirements does not cancel the duty of the Management Company to invest assets of the Company in compliance with the requirements of Sections 4.18 and 4.19.

If after the end of the term set above investment requirements are violated for reasons that the Management Company cannot control, any non-conformity must be eliminated as soon as possible, but in any case no later than within one year. This term can be longer only in exceptional cases, when the Management Company cannot correct the situation due to reasons beyond its control. In such a case, after the end of the one-year term, the Management Company must immediately inform the LB in writing about the situation and reasons for it. The notification must also indicate the expected date of fulfilment of the requirement.

The split of Company's assets as at 31 December 2015 was as stated in the table below:

**Table 31. Fair value of the net assets of the Company**

<b>31 December 2015</b>	<b>EUR, thousand</b>	<b>% of Total Assets</b>
<b>Financial assets measured at fair value:</b>	<b>16,955</b>	<b>69.64%</b>
<i>Vitma UAB Group</i>	11,474	47.13%
<i>NRD Group</i>	3,708	15.23%
<i>NRD CS UAB</i>	1,773	7.28%
Short term loans	83	0.34%

Cash and cash equivalents	6,994	28.73%
Other current assets	310	1.27%
Other Non-current assets	6	0.02%
<b>Total Assets</b>	<b>24,348</b>	<b>100.00%</b>
Total Liabilities	(105)	0.43%
<b>Total Net Assets</b>	<b>24,243</b>	<b>99.57%</b>

Source: IFRS Financial Statements

The only Portfolio Company exceeding 20 percent threshold is BAIP UAB (controlled via SPV Vitma UAB). This Portfolio Company comprised more than 40 percent of the Company's assets on 31 December 2015.

**BAIP UAB** – critical IT infrastructure company providing information systems' resilience and mobility services for the largest corporate IT users and public sector organisations. BAIP holds certifications and competencies with worldwide recognized technological partners in the fields of critical IT infrastructure, printing solutions and solutions for users. Company is acknowledged as a strategic IT infrastructure architect, specialised in large scope local and international projects and helping organisations to ensure their business continuity processes. BAIP has expertise in designing high performance computing systems, cloud computing and open architecture data centres' virtualisation as well as implementation of long-term high-capacity multidimensional data storage solutions. BAIP provides unique technological and user-friendly solutions improving its clients' business processes with fully managed services delivered according to Service level agreements. Company has a wide network of authorised IT service providers in the Baltics and East Africa.

Key financial information on the Portfolio Companies including BAIP UAB is indicated Section 4.5.2 *Operating Results*. Description of Portfolio Companies including BAIP UAB can be found in Section 4.25 *Financial Information*.

### Physical Commodities and Real Property

The Issuer does not invest directly in physical commodities. Furthermore, it does not invest into real property.

### Derivatives Financial Instruments/Money Market Instruments/Currencies

As it is indicated in Section 4.19 *Investment Restrictions*, the Issuer invests (with certain limitations) to the derivatives financial instruments and money market instruments. However, this is done solely for the purposes of efficient portfolio management.

## 4.20 The Issuer's Service Providers

### Fees, payable by the Issuer

The expenses incurred by the Company, which might be covered with assets of the Company, consist of (detailed information thereof is provided in Part XII of the Articles of Association, incorporated by reference to this Prospectus):

- the management fee payable to the Management Company (the "Management Fee");
- expenses related to services provided by the Depository;
- remuneration to property and business appraisers;
- expenses of incorporation (restructuring of activities) of the Company;
- accounting expenses of the Company, expenses of services of determining the value of Shares;
- remuneration for audit services and consultations;
- remuneration to consultants for legal consultations, legal assistance and representation;
- expenses of litigation and judicial processes;
- remuneration to financial institutions for their services (opening and management of accounts, execution of cash and securities operations, fulfilment of orders, currency exchange, etc.) and expenses related to such services (commission and other fees);
- expenses incurred by the Investment Committee;
- expenses incurred by the Advisory Committee;
- expenses incurred by the Audit Committee;
- state and municipal fees, levies and charges;
- expenses of preparation and translation of information about the Company (including documents and agreements of the Company) and its presentation to shareholders;
- expenses related to acquisition, management and sale of investment objects;
- consultancy expenses;
- expenses of preparing and amending prospectuses and the Articles of Association;
- expenses related to obtaining and modifying licences and permits;
- expenses related to Admission of Shares of the Company to trading on a regulated market and remuneration to the operator of the regulated market for its services;
- expenses related to services provided by the CSDL;
- expenses for notaries public and registers;
- expenses related to loans obtained in the name of the Company;
- currency exchange rate and interest rate change hedging expenses;
- expenses related to change in value of non-EUR denominated financial obligation or financial assets;
- expenses of maintaining assets owned by the Company;
- expenses related to the development of the Company;



- expenses of documentation, registration and deregistration of securities for performance of obligations;
- enforcement debt recovery expenses;
- expenses of insuring persons responsible for activities of the Company (i.e. insurance against damage and/or liability);
- expenses of presentation of the Company (entertainment, advertising, etc.) and marketing expenses;
- remuneration to the operator of the regulated market, financial intermediaries related to offering of or subscription for new Shares;
- discounting expenses of Management Fee and Performance Fee (including corrections in accounting mandatory according to the IFRS, accounting policy or Net Assets Value calculation rules).

The Performance Fee shall be additionally paid to the Management Company under the procedure set in the Articles of Association, incorporated by reference to this Prospectus. The Performance Fee and discounting expenses of the Management Fee shall not be included in the maximum amount of expenses indicated in paragraph below.

The total amount of expenses paid from the assets of the Company and related to the activities of the Company shall not exceed 4 percent of the average annual Net Asset Value of the Company. In case the average annual Net Asset Value of the Company decreases down to EUR 2.5 million and less, the total amount of expenses paid from the assets of the Company and related to the activities of the Company shall not exceed EUR 100,000.

### **Management Fee**

The Management Fee is the remuneration paid to the Management Company for management of the assets of the Company, which shall be payable for each quarter of a calendar year. The Management Fee during Investment Period for a full quarter shall be 0.625 percent while after its end it shall be 0.5 percent of the weighted average capitalisation of the Company, calculated according to the following formula:

$$VM_{ketv} = VSK_{ketv} * A$$

where:

$VM_{ketv}$  – the amount of the Management Fee;

$A$  – the quarterly Management Fee in percent terms, used for the calculation of the quarterly Management Fee;

$VSK_{ketv}$  – quarterly weighted average capitalization of the Company' calculated according to the following formula:

$$VSK_{ketv} = \frac{T_{ketv}}{Q_{ketv}} * \sum_{i=1}^{n_{ketv}} \frac{Vnt_i}{n_{ketv}}$$

where:

$Vnt_i$  – number of Shares at the end of the business day  $i$ ;

$Q_{ketv}$  – number of Shares transferred in regulated market during the respective quarter;

$n_{ketv}$  – number the business days per quarter, irrespective of the number of trading days (except when Management Fee is calculated not for a full quarter; for this quarter proportionally lower number of business days shall be used in the calculation);

$T_{ketv}$  – turnover of the Shares during the respective quarter according to market data, calculated according to the formula:

$$T_{ketv} = \sum_{j=0}^k (P_j * Q_j)$$

where:

$k$  – the number of transactions on the regulated market during the respective quarter;

$P_j$  – Share price of the transaction  $j$  on the regulated market;

$Q_j$  – the number of Shares traded in transaction  $j$  on the regulated market.

If the Management Fee is calculated only for a part of a calendar quarter of the year – the Management Fee in percentage terms should be divided by the number of business days in the respective quarter and multiplied by the number of business days for the period for which the Management Fee is calculated (part of the respective quarter) in respective quarter.

If there was no trading in Shares throughout the entire calendar quarter, the Management Fee for the quarter of a calendar year during Investment Period shall be equal to 0.625 percent and equal to 0.5 percent after its end, of the average Net Asset Value of the Company in the quarter, which shall be calculated as the arithmetic average of the values at the beginning and at the end of the quarter.

The Management Fee for the Investment Period shall be paid out according to the following rules:

- 80 percent of the Management Fee shall be paid out not later than 5<sup>th</sup> business day after the last day of the quarter of a calendar year;
- 20 percent of the Management Fee (which shall not exceed EUR 750,000 during the whole Investment Period; after such limit is reached further part of the Management Fee is not accumulated and respective amount will be assigned to the equity) shall be paid out at the same time as the Performance Fee is paid out (corresponding

amount until the day it is being distributed to the Management Company shall be accumulated and reflected in financial statements as a liability to the Management Company. Should Management Company not be granted a Performance Fee, aforementioned liability is being annulled and respective amount shall be returned to the shareholders' equity).

The Management Fee after the end of the Investment Period shall be paid out not later than 5<sup>th</sup> business day after the last day of the quarter of a calendar year.

Management Fee is calculated and added to the Net Asset Value subject to accounting policy and internal regulations for establishing Net Asset Value of the Management Company.

### ***Depository Fee***

According to the agreement signed with the Depository, the Company will have to pay the annual fee for services of the Depository not exceeding 0.2% of the average annual Net Asset Value of the Company, however not less than EUR 5,000 per quarter.

The services of the Depository shall be paid for according to the invoice issued by the Depository to the Management Company or directly to the Company.

### ***Performance Fee***

The share of profit of the Company assigned to the Management Company, i.e. the Performance Fee, directly depends on the return earned by the Company, which shall be calculated for the whole Company but not for an individual shareholder. Microsoft Excel function XIRR shall be used for determining the return earned by the Company, which shall regard days (i.e. account shall be taken of periods) when positive and negative flows occurred and the amount of such flows.

The profit of the Company shall be the amount of positive and negative flows in respect of shareholders (during whole period of the Company's activities), where:

- the initial negative flow – Net Asset Value of the Company on the last day before the Company is being granted a License to carry out activities of the special closed-ended type private capital investment company;
- a positive flow is dividend paid to shareholders, if any was paid when distributing the net profit of the Company;
- a positive flow is funds disbursed to shareholders by the Company when purchasing its own Shares;
- a positive flow is funds disbursed to shareholders by the Company when mandatorily redeeming Shares;
- a positive flow is funds disbursed to shareholders by the Company when reducing the authorised capital;
- a positive flow is the Net Asset Value (before the Performance Fee) on the date of calculation of the Performance Fee;
- a positive flow is the Performance Fee paid to the Management Company;
- a positive flow is any other payments to shareholders;
- a negative flow is the size of each new Share issue.

Money that constitute Net Asset Value of the Company will be paid out to the shareholders pro rata until the shareholders will receive their initial investments equal to amount of negative flows provided in Article 153 of the Articles of Association.

Profit of the Company will be distributed in following way:

- after distribution provided in Article 154 of the Articles of Association, profit of the Company will be distributed to the shareholders until distributed amount equals to the average annual return of 8 percent calculated from annual return provided in Article 153 of the Articles of Association as negative flows;
- after distributions provided in Articles 154 or 155.1 of the Articles of Association, profit of the Company will be distributed solely to the Management Company until profit of the Company distributed between the shareholders and the Management Company would be distributed according to the proportion of 80/20;
- after distribution of profit described in Articles 155.1 – 155.2 of the Articles of Association, 80% of all remaining funds are distributed to the shareholders and 20% to the Management Company as the Performance Fee.

The correctness of the calculation of the Performance Fee shall be checked by the Depository.

The Performance Fee shall be disbursed to the Management Company only after the shareholders are paid their initial investment (indicated in Article 153 of the Articles of Association as negative flows) with average annual return of 8 percent. Until then, the Performance Fee shall be accumulated and reflected in financial statements as a liability to the Management Company according to the requirements of the IFRS and accounting policy.

The Performance Fee shall be disbursed to the Management Company each time when funds are disbursed to shareholders, if the condition, indicated in Article 157 of the Articles of Association is fulfilled.

The Performance Fee commitment shall be recalculated on each Net Asset Value calculation day, taking into account the return of the Company from the date indicated in Article 153.1 until the relevant Net Asset Value Calculation day.

Performance Fee is calculated and added to the Net Asset Value subject to accounting policy and internal regulations for establishing Net Asset Value of the Management Company.

There are no service providers to the Issuer which are in receipt of any benefits from third parties (other than the Issuer) by virtue of providing any services to the Issuer, and those benefits may not accrue to the Issuer.

#### **Service provider, which shall determine and calculate the Net Asset Value**

Net asset value is determined and calculated by the Management Company (INVL Asset Management UAB) and verified by the Depository (custodian) – SEB bankas AB.

#### **Potential conflicts of interest**

Currently the Company is aware of the potential conflicts of interest, as indicated in Section 4.8.4 *Conflicts of Interest of the Management*. Apart from that the Issuer currently is not aware of any other material conflicts of interest, which any of the service providers to the Issuer may have as between their duty to the Issuer and duties owed by them to third parties and their other interests.

Disregarding the above, the Management Company, which manages the assets of the Issuer has implemented appropriate measures for avoiding conflicts of interest, which enable to perform the activities of managing the risk of conflicts of interest and managing conflicts of interest independently, in order to avoid/reduce the risk of conflicts of interest or properly manage a conflict of interest when it occurs.

#### **4.21 Investment Manager/Advisers**

Data about the investment manager (Management Company), which manages the assets of the Issuer is provided in table below:

Legal and commercial name of the Management Company	INVL Asset Management UAB
Place of registration of the Management Company (registered office)	Gynėjų str. 14, Vilnius, Lithuania
Corporate ID code of the Management Company	126263073
Legal form of the Management Company	private limited liability company
Legislation under which the Management Company operates	Lithuanian
Country of incorporation of the Management Company	Republic of Lithuania
Date of incorporation of the Management Company	21 July 2003
Telephone number	+370 700 55 959
Fax number	+370 5 279 06 02
Email	<a href="mailto:info@invl.com">info@invl.com</a>
Internet address	<a href="http://www.invl.com">www.invl.com</a>

The Management Company holds the licence of management company No. VJK-005, issued by the LB.

INVL Asset Management UAB provides asset management services for private and institutional investors. Entity manages pension funds, mutual funds, private equity and private portfolios. In the future it is planned that the entity will become the manager of private equity funds investing in IT and Real Estate. Entity is consulting on formation of individual portfolios. In the end of 2015 the assets under management thereof was around EUR 250 million while the number of clients was around 120 thousand.

The entity was established on 21 July 2003. INVL Asset Management received asset management company licence on 15 January 2004 and started its operations accordingly. Sole shareholder of the company is Invalda INVL AB.

On 29 December 2006 Medicinos banko investicijų valdymas UAB was merged to INVL Asset Management, increasing the assets under management by EUR 0.5 million. In December 2007 the entity acquired four pension funds from a competitor PZU Lietuva gyvybės draudimas UAB for EUR 1.7 million, increasing the number of clients by 26 thousand or 1.4 times.

On 16 September 2009 Invalda INVL AB sold Finasta Asset Management UAB to Snoras investicijų valdymas UAB. The same year the entity acquired 100 percent of shares in SNORAS Asset Management UAB.

On 16 November 2011 Lithuanian government nationalized bank SNORAS AB – at that time the owner of INVL Asset Management and on 7 December 2011 bank SNORAS AB was officially bankrupt.

On 2 December 2014 Invalda INVL AB again acquired INVL Asset Management UAB from the bankruptcy administrator.

On 23 September 2014 Invalda INVL AB acquired MP Pension Funds Baltic managing pension fund portfolio of EUR 90 million.

On 29 September 2015 the LB approved a decision to terminate the licence of MP Pension Funds Baltic leading to the merger of INVL Asset Management and MP Pension Funds Baltic.

Information on the members of the Management Board, Manager (General Manager) of the Management Company as well as members of the Investment Committee of the Company is provided in Section 4.8.2 *Members of the Administrative, Management Bodies and Key Executives*.

The main obligations of the Management Company towards the Issuer are indicated in Section 4.15.2 *Articles of Association* and in the Management Agreement, approved by the General Meeting, dated 27 June 2016.

#### 4.22 Custody (Depository)

Data about the custody (Depository), which keeps the assets of the Issuer is provided in table below:

Legal and commercial name of the Depository	SEB bankas AB
Place of registration of the Depository (registered office)	Gedimino ave. 12, Vilnius, Lithuania
Corporate ID code of the Depository	112021238
Legal form of the Depository	public limited liability company
Legislation under which the Depository operates	Lithuanian
Country of incorporation of the Depository	Republic of Lithuania
Date of incorporation of the Depository	29 November 1990
Telephone number	+370 5 268 2800
Fax number	+370 5 268 2333
Email	<a href="mailto:info@seb.lt">info@seb.lt</a>
Internet address	<a href="http://www.seb.lt">www.seb.lt</a>

The Depository holds the licence of a bank No. 2, issued by the LB.

Under the Depository Services Agreement, approved by the General Meeting, dated 7 March 2016, the Depository is obligated:

- referring to documents and information presented by the Company, to keep records of assets of the Company, which cannot be entered in cash and securities accounts of the Company opened with SEB bankas AB. The Depository's duty to keep records of such assets of the Company appears only at the moment when the Depository is provided with documents, confirming which assets make the Company's assets;
- to accept the Company's assets (cash and securities, which can be entered in cash and securities accounts of the Company opened with SEB bankas AB) for keeping and to keep their records separately from other assets of the Management Company and the Depository. Taking into account that the securities account according to the Securities Account Management Agreement and the bank account according to the Bank Account Agreement are opened in the name of the Company, it means that in this way the Depository separates the Company's cash and securities from assets of the Depository, other clients of the Depository and from assets of the Management Company;
- to credit cash and securities owned by the Company (which can be kept in the securities account opened in the name of the Company) to the cash and securities accounts opened in the name of the Company;
- to keep securities, kept in the securities account opened in the name of the Company, as a custodian according to the Securities Account Management Agreement, the general rules for service provision approved by the Depository and other internal legal acts of the Depository regulating keeping of securities in the Depository;
- to keep the Company's cash in the bank account opened in the name of the Company according to the Bank Account Agreement and the general rules for service provision approved by the Depository and other internal legal acts of the Depository regulating recording of cash and cash transactions. The Depository would like to note that the Company's cash in the bank account opened according to the Bank Account Agreement, deposits made on behalf of the Company and other cash of the Company kept with the Depository (if any) are not covered with insurance of deposits by Indėlių ir Investicijų Draudimas VĮ according to the Law on Insurance of Deposits and Liabilities to Investors;
- to fulfil instructions of the Management Company if they are not in conflict with requirements of legal acts of the Republic of Lithuania and the Articles of Association;
- to make payments and non-payment transfers of securities from the Company's cash account and securities account no later than on the next business day after receipt of a relevant instruction of the Company, unless the Management Company indicates another date and time for fulfilment of the instruction;
- to ensure that the payment for transferred assets of the Company would be assigned to the Company within the time set by legal acts of the Republic of Lithuania and the Articles of Association. In case of transfer of the Company's assets other than those kept in the Company's cash and securities accounts opened with SEB bankas AB, the Depository's duty to ensure that the proceeds for such transferred assets of the Company would

- be assigned to Company appears only from the moment when money is transferred to the Company's cash account opened with SEB bankas AB;
- to check whether the Company's income (money) is used according to requirements of legal acts of the Republic of Lithuania and the Articles of Association. When assets (money) of the Company are invested into equity or non-equity securities or other financial instruments of SPVs and/or Operational Companies, this duty of the Depository shall be performed referring to documents and information received from the Management Company;
  - immediately, but in any case no later than within 5 (five) business days, to notify the Management Company by e-mail about all noticed violations of legal acts of the Republic of Lithuania or documents of the Company;
  - after informing the Management Company, to notify the LB about all noticed violations of legal acts or the Articles of Association;
  - to ensure that the value of Shares would be calculated according to the requirements of legal acts of the Republic of Lithuania and the Articles of Association;
  - to ensure that sale, issue, redemption and cancellation of Shares would be performed according to the requirements of legal acts of the Republic of Lithuania and the Articles of Association;
  - no later than the date of calculation of the net assets, referring to information presented on that working day until 10:00, to check the net asset value and the value of Shares of the Company and to inform the Management Company about that by 14:00;
  - upon request of the Management Company or upon receipt of important information, which is necessary in order that the Management Company could fulfil its duties, to immediately transfer such information to the Management Company, as well as to give the Management Company reports about the Company's assets, their change and accounts.

#### 4.23 Valuation

The calculation of the Net Asset Value shall be performed as on the last day of a calendar quarter and shall be announced no later than (i) within one month after the end of the first quarter of respective year; (ii) within two months after the end of two quarters of respective year (semi-annual announcement); (iii) within four month after the end of respective year via the stock exchange Nasdaq information system, also made available on the Company's and Management Company's websites.

The currency in which the Net Asset Value shall be calculated is Euro. The Net Asset Value shall be calculated by deducting liabilities, including the Management Fee commitments and the Performance Fee commitments, from the assets of the Company.

The calculation of the Net Asset Value must be based on the fair value of the assets, which must reflect the Net Asset Value, for which it is possible to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Calculations of the Net Asset Value shall be performed according to the valuation of Operational Companies (directly or including SPVs) presented by an independent business valuator, having the right to engage in such an activity. The business valuator must meet the qualification, transparency and experience requirements provided for in the accounting policy of the Management Company and the rules for calculation of the Net Asset Value and in legal acts.

At least once a year the Company's assets must be valued by the independent appraiser. In the following quarters, if there will be no significant changes in Portfolio Companies business prospects and results, the value of the Portfolio Companies will be adjusted by adding earned profit (or subtracting a loss) and subtracting any distributions to the Company.

The calculation of the Net Asset Value is discussed in detail in the accounting policy of the Management Company and the rules for calculation of the Net Asset Value.

The Company is not allowed to invest into assets, listed on the regulated markets, therefore majority of the assets is unlisted level 3 assets. Listed securities shall be used mainly for liquidity management reasons and valued by the regulations of the LB.

#### 4.24 Cross Liabilities

Not applicable as the Issuer acts as a special collective investment undertaking, and not as an umbrella collective investment undertaking.

#### 4.25 Financial Information

Selected financial information of the Issuer is provided in Section 4.2 *Selected Financial Information* and in IFRS Financial Statements, which are incorporated by reference to this Prospectus and discussed in Section 4.14.5 *Significant Changes in the Issuer's Financial or Trading Position*.

Below is certain additional information regarding the Company and its Portfolio Companies.

**INVL Technology AB (the Company)** – acts as an investment subject and seeks to invest funds solely for capital appreciation and investment income. The Company actively looks for new acquisitions and seeks to improve structure of its investment portfolio. The Company takes an active role in setting the Portfolio Companies' strategic goals, forming and supervising management teams, business development, acquisition strategy and budgeting process. Furthermore, the Company constantly monitors capital structure, value of its Portfolio Companies and takes decisions on value

maximizing exit routes, payment of dividends. The Company also seeks to supervise economic and financial activities of Portfolio Companies and sets management reporting and corporate governance standards.

The largest and key investments of the Company currently are investments into companies operating in Lithuania, Norway, Tanzania and Uganda:

- **BAIP UAB** – critical IT infrastructure company providing information systems’ resilience and mobility services for the largest corporate IT users and public sector organisations. BAIP holds certifications and competencies with worldwide recognized technological partners in the fields of critical IT infrastructure, printing solutions and solutions for users. This company is acknowledged as a strategic IT infrastructure architect, specialised in large scope local and international projects and helping organisations to ensure their business continuity processes. BAIP has expertise in designing high performance computing systems, cloud computing and open architecture data centres’ virtualisation as well as implementation of long-term high-capacity multidimensional data storage solutions. BAIP provides unique technological and user-friendly solutions improving its clients’ business processes with fully managed services delivered according to Service level agreements. This company has a wide network of authorised IT service providers in the Baltics and East Africa.
- **Acena UAB** – specialized Microsoft solutions company, providing Windows Azure cloud platform and Office 365 business productivity solutions as well as professional and managed services to deliver and improve cloud based solutions to customers. Acena’s specialists help customers to achieve better results by optimizing their IT infrastructure to save time and money and increase their competitive advantage by altering business processes and making people more productive and effective. In addition, by utilizing its experience in the market and long-term approach to its clients, Acena delivers cost-effective solutions and services, meaning that customers get a return on their investment in the shortest term perspective.
- **Norway Registers Development AS** – development, consulting, IT services and sales company, specializing in the development of national registers and other e-governance solutions. NRD brings together competences needed to promote and execute successful business environment improvement reforms in the developing countries and deliver tangible results, recognizable by local and international community. This company consolidates understanding of policy making and its dynamics, tested best practices, experienced legal team, IT skills and engineering capacity for building vital economy facilitating infrastructure. The majority of NRD AS projects are funded by multilateral development organizations such as the World Bank, the United Nations as well as Norwegian government organisations and other international donors. NRD was established in Norway in 1995 and is a part of portfolio of the Issuer since 2011. Operational offices of this company (NRD AS daughter companies) are in Lithuania, Tanzania and Uganda. NRD implements projects in more than 50 countries worldwide and supports business development of other Portfolio Companies in frontier markets.
- **NRD UAB** – subsidiary and information system design and development centre of excellence of Norway Registers Development AS. Over the last 16 years NRD has been specializing in business, state, property, mortgage, licenses, citizen’s and other registries’ and tax information systems’ design and development. Integrated services provided by NRD include full development cycle of state of art registry systems, organization capacity building and critical operations support. NRD UAB was incorporated in October 1998.
- **NRD CS UAB** – cyber security technology consulting, incident response and applied research company. This company focuses on the services to specialized organisations. NRD CS is also a facilitator of Norway Registers Development AS mission of creating a secure digital environment for states, governments, corporations and citizens. As a separate company, NRD CS was established in 2013 and launched its activities in January 2014, however, the roots of the company go back to 2008 when Baltic Amadeus Infrastructure Services (currently – BAIP) started developing cyber security discipline.
- **Norway Registers Development East Africa Ltd.** – works in the field of security for digital environment as a daughter company of Norway Registers Development AS since April 2013. NRD EA provides on-site delivery of NRD services, supports Tanzanian companies in the delivery of information security technologies as a value added distributor and assists other organizations investing in East Africa in the creation, development, maintenance and security of their information technology infrastructure. Together with NRD CS, NRD EA is responsible for cyber-defence strategy design and implementation services for Government and corporate institutions.
- **Infobank Uganda Ltd.** – Ugandan – Norwegian capital company providing reliable information on particulars of Ugandan businesses. This company is registered and operates in Kampala and specializes in serving financial sector. Infobank is setting up efficient processes with various registries in order to be able to access information stored there quickly and reliably. The company provides information on business entities in Uganda based on the data from Uganda Registration Service Bureau, Registry of Lands, and other registries. Though the registries in Uganda currently are paper based, the company provides information to users based on technological platforms giving them a modern digital experience. Infobank provides the state-of-art web interface that allows searching the company name in their complete Ugandan business names database and offers a possibility to choose their services conveniently, wherever customers are, as well as provides options to integrate information services to existing customers’ systems. Norway Registers Development AS holds 30% shares in Infobank Uganda Ltd., and is a strategic partner providing technologies and know-how of data distribution operations.
- **Etronika UAB** – a company, held by Norway Registers Development AS, specialising in e-banking and m-signature solutions. Etronika develops complex and innovative solutions for finance and online business,

integrating advanced and secure technologies across various electronic channels. Etronika was one of the first in the world to implement the commercial mobile electronic signature solution, which is used by Lithuanian Centre of Registers and mobile operators. Company develops and implements modern electronic banking solutions, which have received several international awards. Etronika for two years in a row has been selected as one of the most innovative European companies in the financial technology sector by FinTech50. Founded in 2000, the company headquarters in Lithuania and employs more than 50 people.

- **NRD Rwanda Ltd.** – an entity held by Norway Registers Development AS, which plans to consolidate the group companies' experience and knowledge in business climate improvement & e-governance, IT infrastructure, cyber security, e-solutions, finance and other business segments and develop these competences in Rwanda where Norway Registers Development AS successfully works on various projects for ten years already.
- **Algoritmj sistemas UAB** – 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, transport management and education. The largest clients of this company in Lithuania are the Central Election Commission, State Tax Inspectorate, the State Labour Inspectorate, the National Health Insurance Fund, the LB, Vilnius University, Western Shipyard group of companies, and many others.
- **FINtime UAB** – provides business process outsourcing (accounting) services.
- **Andmevara AS** – 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, this 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.
- **Andmevara Srl** – is a subsidiary of Andmevara AS providing IT services in Moldova.

Valuation of all the investments of the Company (fair value of investments) is as presented below:

**Table 32. Fair value of all the investments of the Company**

Entity, EUR thousand*	At 31 December 2015	At 9 February 2015**	At 31 December 2014
BAIP Grupė UAB	-	-	7,826
Vitma UAB Group***	11,474	12,800	-
Acena UAB	-	400	-
NRD Group****	3,708	700	-
NRD CS UAB	1,773	1,000	-
Informatikos Pasaulis UAB	0	0	0
Inventio UAB	0	2	2
<b>Total</b>	<b>16,955</b>	<b>14,902</b>	<b>7,828</b>

Source: IFRS Financial Statements

\* Where the value of the Portfolio Company rounds to zero it is stated as "0", while where the investment is not existant for the reporting date, it is stated as "-".

\*\* Investment value at the date of the merger.

\*\*\* As at 31 December 2015 Vitma UAB group consisted of Vitma UAB together with the entities controlled by it – BAIP UAB and Acena UAB; as at 9 February 2015 Acena UAB was controlled directly by the Company.

\*\*\*\* As at 31 December 2015 NRD Group consisted of Norway Registers Development AS together with the entities controlled by it – NRD UAB Etronika UAB and Norway Registers Development East Africa Ltd, and its associate Infobank Uganda Ltd.

Breakdown of the Company's assets is presented below:

**Table 33. Fair value of the net assets of the Company**

31 December 2015	EUR, thousand	% of Total Assets
<b>Financial assets measured at fair value:</b>	<b>16,955</b>	<b>69.64%</b>
<i>Vitma UAB Group</i>	11,474	47.13%
<i>NRD Group</i>	3,708	15.23%
<i>NRD CS UAB</i>	1,773	7.28%
Short term loans	83	0.34%
Cash and cash equivalents	6,994	28.73%
Other current assets	310	1.27%
Other Non-current assets	6	0.02%

<b>Total Assets</b>	<b>24,348</b>	<b>100.00%</b>
Total Liabilities	(105)	0.43%
<b>Total Net Assets</b>	<b>24,243</b>	<b>99.57%</b>

*Source: IFRS Financial Statements*

As of 31 December 2015 the number of Shares issued was 12,175,321, net asset value of the Company was EUR 24,243 thousand, net asset value per Share was EUR 1.99.



## V SHARE SECURITIES NOTE

### 5.1 Working Capital Statement

During the secondary public offering, finalised on 8 July 2015, when the Company has issued 6,060,607 new Shares with the final offer price of EUR 1.65 each, the Company has raised over EUR 10 million. After successful completion of the above-mentioned offering, the Company's working capital is sufficient to meet its present requirements for at least the next 12 months following the date of the Prospectus and the Company does not anticipate having shortage of working capital in the nearest future.

### 5.2 Capitalisation and Indebtedness

The tables below present a statement of capitalisation and indebtedness as at 1 May 2016:

**Table 34. Capitalisation**

Item, EUR thousand	1 May 2016
<b>Total Current Debt</b>	<b>70</b>
Guaranteed	-
Secured	-
Unguaranteed/ Unsecured	70
<b>Total Non-Current Debt (excluding current portion of long – term debt)</b>	<b>-</b>
Guaranteed	-
Secured	-
Unguaranteed/ Unsecured	-
<b>Shareholder's Equity:</b>	<b>24,201</b>
Share Capital, including Share premium	11,799
Legal Reserve	354
Other Reserves and Retained Earnings	12,048
<b>Total</b>	<b>24,271</b>

Source: the Company, unaudited

**Table 35. Indebtedness**

Item, EUR thousand	1 May 2016
<b>A. Cash</b>	<b>3,496</b>
<b>B. Cash Equivalent (Detail)</b>	<b>-</b>
C. Trading Securities	-
<b>D. Liquidity (A) + (B) + (C)</b>	<b>3,496</b>
<b>E. Current Financial Receivable</b>	<b>367</b>
F. Current Bank Debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
<b>I. Current Financial Debt (F) + (G) + (H)</b>	<b>-</b>
<b>J. Net Current Financial Indebtedness (I) – (E) – (D)</b>	<b>(3,863)</b>
K. Non-current Bank Loans	-
L. Bonds Issued	-
M. Other non-current Loans	-
<b>N. Non-current Financial Indebtedness (K) + (L) + (M)</b>	<b>-</b>
<b>O. Net Financial Indebtedness (J) + (N)</b>	<b>(3,863)</b>

Source: the Company, unaudited

### 5.3 Interest of Natural and Legal Persons Involved in the Issue/Offer

Not applicable. Taking into consideration that this Prospectus was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq as well as that there is no public issue/offer of the Shares (or any part thereof), there are no interests, including conflicting ones related to the Admission of the Shares to trading on Nasdaq.

### 5.4 Reasons for the Offering and Use of Proceeds

Not applicable, as this Prospectus was prepared solely for the purpose of the Admission of the Shares of the Company to trading on Nasdaq, aiming that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq.

There is no public issue/offer of the Shares (or any part thereof). Furthermore, no proceeds will be received by the Company as a result of the Admission.

## 5.5 Information Concerning the Securities to be Admitted to Trading and Continuously Traded

### Description of the Shares of the Company

<b>Type of the Shares:</b>	ordinary registered Shares, with a nominal value of EUR 0.29
<b>ISIN number:</b>	LT0000128860. Following approval of this Prospectus and announcement hereof (including its summary translation into Lithuanian language) ISIN number of the Shares will be the same – LT0000128860. Based on the documents, provided by the Issuer, the CSDL will make the respective entries in its system regarding becoming by the Issuer of the special closed-ended type investment Company and the Shares of the Company will be continuously traded on Nasdaq
<b>Currency of Shares:</b>	EUR
<b>Form of Shares:</b>	Registered dematerialised shares in book-entry form. Entity currently in charge of keeping the records is Šiaulių bankas AB, code 112025254, registered at the address Tilžės str. 149, Šiauliai, Lithuania

Legislation, under which the Shares have been created, includes the Civil Code of the Republic of Lithuania, the Law on Companies, the Law on Securities and other related legal acts.

### Decision by which the Shares are issued

The Shares have been issued and admitted to trading on Nasdaq on the basis of the reorganization terms of the Former parent company (that ceased to exist after the merger) and of BAIP grupė AB (currently the Company), dated 23 December 2014, which were approved by the General Meeting of 2 February 2015. The Shares placed during the secondary public offering (6,060,607 Shares with a nominal value of EUR 0.29 each) have been issued and admitted to trading on Nasdaq on the basis of the resolution of the General Meeting of 10 April 2015.

### Transfer restrictions

There are no restrictions on transfer of Shares as they are described in the applicable Lithuanian laws.

### Rights and obligations granted by securities

All the Shares are *pari passu* (at an equal pace without preference) with regard to property and non-property rights they grant to shareholders.

Exercise of rights granted by Shares of the Company may be limited only on the grounds and under the procedure prescribed by laws. The Articles of Association do not provide for any exceptions to this rule.

The record date of the property rights of shareholders is the tenth business day after the General Meeting that took a relevant decision, i.e. the property rights determined by a decision of the General Meeting are held by the persons who were shareholders of the Company at the close of the tenth business day after the General Meeting that took a relevant decision.

The list of the shareholders' rights indicated in the Articles of Association is provided in Section 4.15.2 *Articles of Association*. Below is the brief description of certain material rights of the Company's shareholders.

### Dividend and other distributions

Pursuant to the Law on Companies, the Issuer may distribute its profits or assets to shareholders only (i) by paying dividend; (ii) in case of liquidation of the Issuer; or (iii) in case of reduction of the authorised capital of the Issuer. The persons, who were shareholders of the Company at the close of the tenth business day (the record date) after the General Meeting that took a relevant decision, shall have a right to receive the respective amounts.

#### **Dividend**

A dividend is a share of profit allocated to a shareholder in proportion to the nominal value of shares owned by him/her/it. If a share is not fully paid-up and the time limit for the payment has not yet expired, a dividend will be reduced in proportion to the unpaid amount of the share price. If the share is not fully paid-up and the time limit for the payment has expired, no dividend is paid.

Dividend can be declared by a decision of the General Meeting, following the terms and conditions, indicated in Articles of Association, incorporated by reference to this Prospectus. The Issuer can declare dividend from the profit available for appropriation, which consists of the new profit of the accounting year, plus or minus, respectively, the profit (loss) brought forward from the previous year and reserves that the shareholders, following the procedure established by laws, decide to distribute, and minus any sums that the General Meeting decides to allocate for other purposes pursuant to the requirements of the Law on Companies and the provisions of Articles of Association.

Dividend is paid to shareholders pro rata to the aggregate nominal value of shares held by them. Dividend is not cumulative as the Issuer has not issued any preference shares with cumulative dividend, owners of which would be guaranteed the right to dividend in the amount indicated in such shares.

The General Meeting may not adopt a decision to allocate and pay dividend if: (i) the Issuer has outstanding obligations which became due before the decision of the General Meeting; (ii) the Issuer's result of the reporting financial year available for distribution is negative (i. e. losses have been incurred); (iii) the equity of the Issuer is lower or upon payment of dividend would become lower than the aggregate amount of the authorised capital, the mandatory reserve, the revaluation reserve and the reserve for redemption of own shares.

The Issuer must pay the allocated dividend within one month from the day of adoption of a decision by the General Meeting on allocation and payment of dividend, except for cases when the Management Company decides to postpone payment of dividend following the provisions of the Articles of Association.

The term of limitations with respect to filing a dividend payment claim with the court expires 10 years after the date the dividend had to be paid, in which case the unpaid dividend amount goes to the Issuer.

Both residents and non-residents of Lithuania are subject to the same dividend payment rules, except for the taxation matters described in the Section *Taxation*.

For more information on dividends as well as on peculiarities related to payment of dividends please see Section 4.14.3 *Dividend Policy*.

#### ***Distribution of the Issuer's assets in case of liquidation***

Under Part XVI of the Articles of Association, the Company can be liquidated:

- when there is a decision of court or creditors to liquidate the bankrupt Company;
- at the end of the Term of Activities of the Company;
- in other cases set by laws.

After it is decided to liquidate the Company, the Management Company shall automatically become the liquidator of the Company, which shall perform all the liquidator's functions.

In the case provided for in Article 178.2 of the Articles of Association, decisions on liquidation of the Company shall be taken and other actions shall be performed under the procedure set in Articles 186-187 thereof. When the decision to liquidate the Company comes into effect, the liquidator must immediately provide the LB with a set of financial statements of such Company as on the date of taking the liquidation decision of the Company, the auditor's report and the audit report on such a set.

Assets of the Company in liquidation must be sold at best conditions for and in the best interests of the shareholders of the Company. The General Meeting shall not have the right to take decisions, which would obligate the liquidator to act not at best conditions for and not in the best interests of the shareholders of the Company, including, without limitation, to set terms of completion of the liquidation procedure, the procedure and conditions of sale of the Company's assets. Payments to shareholders shall be effected in cash. The detailed procedure of sale of assets of the Company in liquidation shall be determined by the LB.

The procedure of sale of assets is set in legal acts adopted by the LB.

#### ***Taking a decision on extension of the Term of Activities of the Company***

The Company shall operate for 10 years after obtaining a License for the Company. The Term of Activities of the Company can be additionally extended for no more than 2 years.

A decision on extension of the Term of Activities of the Company can be taken in the General Meeting no later than 6 months before the end of the Term of Activities of the Company or the end of the extended Term of Activities of the Company (in case the Term of Activities of the Company was extended for less than 2 years).

#### ***Taking a decision on liquidation of the Company before expiry of the Term of Activities of the Company***

The General Meeting must take a decision on liquidation of the Company no later than 3 months before the end of the Term of Activities of the Company. In case of liquidation of the Company, accounts with shareholders of the Company shall be settled in accordance with provisions of Articles 86-89 of the Articles of Association.

#### ***Other cases of distribution of the Issuer's capital***

The Issuer may distribute funds to its shareholders by reducing its authorised capital in accordance with the procedure set by the Law on Companies. The authorised capital may be reduced by way of annulment of shares or reduction of the nominal value of shares, but the reduced authorised capital of the Issuer may not be less than the minimum amount of the authorised capital provided for in the Law on Companies (i.e. EUR 40,000), unless the Law on Collective Investment Undertakings or other laws, applicable to the Issuer, provide otherwise.

Only the annual General Meeting may adopt the decision to reduce the share capital with the purpose of paying funds to the shareholders, provided that all of the following conditions are met: (i) the set of annual financial statements and the profit distribution account have been approved; (ii) following the reduction of the share capital the legal reserve of the

Company will not be lower than 1/10 of the Company's share capital; and (iii) no undistributed loss and long-term liabilities are recorded in the set of annual financial statements of the Company.

The decision to reduce the share capital with the purpose of paying out the funds to its shareholders may not be adopted if on the date of the decision the Company is insolvent or after the payment of funds would become insolvent. The funds must be paid within one month from the registration of the amended Articles of Association with the Register of Legal Entities. The funds are paid pro rata to the nominal value of shares held by each shareholder and may only be paid in cash.

### **Further Capital Calls by the Company**

If the Company's distributable result, as approved by the annual General Meeting, is negative and the meeting adopts a decision to cover the Company's losses or part thereof by additional contributions of the shareholders, according to the Law on Companies, the shareholders who voted in favour of such decision are obliged to pay the contributions to the Company. The shareholders who did not participate at the General Meeting or voted against such decision are entitled not to pay any additional contributions to the Company.

### **Modification of Shareholders' Rights**

The Articles of Association do not provide for any specific conditions regarding modification of shareholders' rights. Shareholders' rights may be modified only pursuant to the provisions of Lithuanian laws.

### **Conditions of Conversion**

Currently the Issuer has not issued any convertible securities.

### **Conditions of Redemption**

The redemption of Company's own shares is limited (this issue is discussed in Part VII of the Articles of Association in detail).

### ***Redemption of Shares before the end of the Term of Activities of the Company***

Redemption of Shares shall be limited. Shares of the Company shall not be redeemed by the shareholders' request during the Term of Activities of the Company. If a shareholder of the Company wants to sell Shares, he will be able to do that in the secondary market (on the stock exchange or by conducting over-the-counter transactions), except for redemption of own Shares when the documents of incorporation of the Company are amended (please see below).

### ***Settlement of accounts with the shareholders after the end of the Term of Activities of the Company***

In accordance with the procedure and terms set in the Law on Companies and the Law on Collective Investment Undertakings, the shareholders of the Company must take a decision on liquidation of the Company after the end of the Term of Activities of the Company or on the extension of the Term of Activities of the Company. In case of liquidation of the Company, the assets of the Company shall be sold and money remaining after fulfilment of debt obligations shall be distributed to shareholders of the Company pro rata to the number of Shares held by them.

In case of liquidation of the Company, accounts with the shareholders shall be settled by transferring the amounts payable to the shareholders to the bank accounts indicated by the shareholders or (if a shareholder's data are unknown) to a deposit account under the procedure set by legal acts. Accounts with the shareholders shall be settled in Euros.

If the Management Company decides so, settlement of accounts with shareholders of the Company in liquidation can be suspended or accounts can be settled only in part until the Company receives a confirmation of the tax administrator about settlement of accounts with state treasuries and funds.

### ***Redemption of Shares when documents of incorporation of the Company and/or the prospectus are amended and in other cases provided for in legal acts***

If the General Meeting takes a decision on making essential amendments to the documents of incorporation of the Company, which have an effect on shareholders' interests, or other decisions, taking of which gives the right to shareholders, referring to the Law on Collective Investment Undertakings, to demand that Shares held by them would be redeemed, the Company must ensure proper implementation of the shareholders' right to demand that Shares held by them would be redeemed without any deductions. In cases when, according to the Law on Collective Investment Undertakings, shareholders are given the right to demand redemption of the Shares held by them and implementation of this right is ensured by the Company itself, Shares acquired by the Company from the shareholders must be immediately annulled, whereas the decision on annulment of a relevant number of Shares must be taken together with the decision of the General Meeting, which results in the duty to ensure the right for shareholders to demand redemption of the Shares held by them.

The Management Company shall inform each shareholder in writing about decisions of the General Meeting, provided above, no later than 1 month before the effective date of an amendment to relevant documents by sending respective notification, save for exceptions indicated in the Articles of Association and described below.

The Management Company shall inform each shareholder in writing about amendments to essential documents, related to changing the investment strategy of the Company, no later than 2 months before the effective date of amendments to relevant documents by sending respective notification.

The Management Company shall inform shareholders about the decision to merge the Company with another collective investment undertaking after the LB gives a permission to merge the collective investment undertakings, but in any case no later than 30 days before the last day of the term, within which shareholders of the Company have the right to demand that their Shares would be redeemed without any deductions. The shareholder's right to make use of the right indicated in this paragraph shall expire 5 business days before the planned merger completion date. The notification shall provide shareholders with information, which must be provided according to applicable legal acts and other information important for shareholders in the opinion of the Management Company.

The above-mentioned notification to shareholders must contain the following:

- the essence and content of the planned amendments;
- explanation of the influence that the planned amendments to documents will have on interests and investments of the shareholders;
- information about the shareholders' right to make an objection against the essential amendments to the documents indicated in the notification and to demand redemption of their Shares without any deductions and the procedure and terms of exercising this right;
- other information, which, in the opinion of the Management Company, is important for shareholders.

The shareholders shall have the right to make an objection and demand redemption of their Shares within 1 month before the effective date of amendments to relevant documents, except for cases when the investment strategy of the Company is being changed. When the investment strategy of the Company is being changed, the shareholders can make an objection and demand redemption of their Shares within 2 months before the effective date of amendments to relevant documents. The Management Company can set longer terms than set in this paragraph, within which the shareholders can make use of their right to redemption of Shares.

Essential amendments to documents of incorporation of the Company and/or prospectuses shall be made only if no shareholder of the Company objects to this. It is considered that no shareholder of the Company objected if, following requirements of the Articles of Association and legal acts, the shareholders, who objected to essential amendments to documents and demanded redemption of their Shares without any deductions, were ensured exercise of this shareholder's right.

If the General Meeting takes a decision on essential amendments to documents of incorporation of the Company and/or the prospectus, having an effect on the shareholders' interests, or another decision, taking of which, following the Law on Collective Investment Undertakings, gives the right to shareholders to demand redemption of the Shares held by them, the Management Company shall take a decision, where it shall be indicated, under what conditions essential amendments to documents of the Company will be made, including, without limitation, the decision on the number of Shares that can be redeemed, in case of exceeding of which the Company shall not perform the mandatory redemption of Shares from the shareholders that demanded it and, accordingly, essential amendments to documents of the Company shall not be made.

The price of the redeemed Shares shall be calculated according to latest published Net Asset Value.

Amendments are deemed essential if:

- such amendments can have a negative effect on the financial situation of the Company or shareholders (the set fees, charges or deductions are increased or new fees, charges or deductions are introduced, etc.);
- these amendments restrict or cancel rights granted to the shareholders of the Company or make other influence on the possibilities of the shareholders of the Company to make use of their rights in connection with their investments;
- these amendments establish new duties of the shareholders of the Company.

The Board of the Management Company, taking into account the content, type, scope of the amendments to the documents of incorporation and/or the prospectus and the impact of such amendments on shareholders' interests, shall decide in each case, which is not indicated in paragraph above, whether amendments to the documents are deemed essential or not; only such amendments, which can have a negative impact on interests of the Company or shareholders can be deemed essential amendments.

Information on whether initiated amendments to the documents of incorporation and/or the prospectus are deemed essential is indicated in the agenda of the General Meeting.

The Management Company ensures that conditions of redemption of Shares would be indicated separately in the draft decisions of the organised General Meeting.

A notification about redemption of Shares performed by the Company is deemed a material event and must be announced under the procedure set by legal acts of the Republic of Lithuania.

Decisions taken by the General Meeting regarding essential amendments to the documents of incorporation of the Company and/or the prospectus shall come into effect after the receipt of the approval of the LB of amendments to the

Articles of Association according to decisions of the General Meeting and after implementation of redemption of its own Shares by the Company.

For the sake of clarity, any changes of this Prospectus during the validity hereof shall be communicated through a supplement to the Prospectus (if any). The supplement would have to be approved by the LB and published in the same manner as the Prospectus.

The Management Company does not have to inform shareholders of the Company about essential amendments to documents if such amendments are made due to changes in provisions of legal acts of the Republic of Lithuania.

### **Voting rights**

Pursuant to the Law on Companies and the Articles of Association, each Share of the Company confers one vote in the General Meeting. Only shareholders who have fully paid-up their shares are entitled to vote at the General Meeting. Persons, who were shareholders of the Company at the end of the record date of the General Meeting, are entitled to attend and vote at the General Meeting. The record date of the General Meeting of the Company is the fifth business day before the General Meeting.

The shareholders may vote personally or through their proxies or persons with whom a voting rights transfer agreement is concluded. The shareholders may also vote in writing (by filling in the general ballot paper).

### **Pre-emptive rights**

The exercise of the pre-emptive rights of shareholders of the Company is executed in the order, described in Section *Rights conferred by the Shares of the Company* in detail.

### **Right to receive information**

According to Part XV of the Articles of Association, incorporated by reference to this Prospectus, upon a shareholder's written request, no later than within 7 days after the receipt of the request, documents of the Company, other than publically announced (indicated in this Section below), which are not related to commercial secret and confidential information of the Company, shall be provided for information of the shareholder during the business hours of the Management Company in its registered office or another place indicated by the Management Company, where such documents are kept. Copies of such documents can be sent to the shareholder by registered mail or delivered against signature.

A shareholder or a group of shareholders, holding or managing at least 1/2 of the Shares, having presented a written undertaking not to disclose commercial secrets and confidential information in the form set by the Company to the Company, shall have the right to get access to all documents of the Company. The form of the undertaking shall set by the Management Company.

Notices, notifications about material events of the Company shall be made public under the procedure set by the Law on Securities, the Law on Markets in Financial Instruments and other legal acts, which set forth rules for public announcement of the information.

In addition to that the Management Company shall prepare and publish the following on its website at [www.invltechnology.lt](http://www.invltechnology.lt):

- the prospectus;
- the document of main information for investors;
- a report for each financial year;
- a report for the first six months of each financial year;
- information on overall amount of voting rights granted by the Shares, amount of authorized capital, number of Shares and their nominal value.

### **An indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities**

The issued securities of the Company are subject to all mandatory takeover bids and squeeze-out and sell-out rules specified in the Law on Securities.

Following the Law on Securities, where a person, acting independently or in concert with other persons, acquires shares that in connection with the holding held by him or by other persons acting in concert entitles him to more than 1/3 of votes at the general meeting of shareholders of the issuer, he must either transfer shares exceeding this threshold, or announce a mandatory takeover bid to buy up the remaining shares of the Company granting the voting rights and the securities confirming the right to acquire shares granting the voting rights.

A person, when acting independently or in concert with other persons and having acquired not less than 95 percent of the capital carrying voting rights and not less than 95 percent of the total votes at the General Meeting of the Issuer shall have a right to require that all the remaining shareholders of the Issuer sell the voting shares owned by them, and the shareholders shall be obligated to sell the shares. A person can exercise this right within three months after the

implementation of the mandatory takeover bid or the voluntary takeover bid to buy up the remaining shares of the Issuer granting the voting rights.

The price of shares during these procedures must be fair. Usually, the price of squeeze-out shares is equal to (i) with regard to certain conditions, the price paid for the Issuer's shares bought according to the mandatory or voluntary takeover bid in accordance with the provisions of the Law on Securities, or (ii) the fair price, determined by the person buying up the shares in other way, subject to a relevant approval of the LB. The minority shareholders have the right to challenge the squeeze-out price in court if, in their opinion, the price breaches the principle of fairness.

Besides, any minority shareholder shall have a right to require that a person, who, when acting independently or in concert with other persons, has acquired the shares comprising not less than 95 percent of the capital carrying the voting rights and not less than 95 percent of the total votes at the General Meeting, would buy the shares belonging to the minority shareholder and granting the voting rights, while the said person shall be obligated to purchase those shares. The duration of validity of this right and the price of sell-out shares are determined according to the above-mentioned rules.

Following the decision of the General Meeting to delist the shares of the Issuer from the trading on the regulated market (such a decision is taken by the majority of  $\frac{3}{4}$  of all votes attaching to shares of the shareholders attending the General Meeting), a takeover bid must be submitted and implemented to buy-up the shares of the Issuer admitted to the regulated market. The takeover bid must be submitted by the shareholders who voted for the decision to delist the shares of the Issuer from the trading on the regulated market. One or several shareholders have the right to implement this duty for other shareholders. The shareholders who voted "against" or did not vote when the decision was taken to delist the shares of the Issuer from the trading on the regulated market operating in the Republic of Lithuania have the right to sell their shares during the effective term of the mandatory takeover bid.

#### **An indication of public takeover bids by third parties in respect of the Issuer's equity, which have occurred during the last financial year and the current financial year**

Within the indicated period no takeover bids were submitted by third parties in respect of the Issuer's equity.

Disregarding the above, as indicated in the notification on material event of the Company, dated 10 April 2015 the General Meeting of 10 April 2015 decided *inter alia*:

- (i) To apply for the Company to the LB for obtaining the Licence of the closed-ended type investment company.
- (ii) To prepare the draft of the Articles of Association of the Company (closed-ended type investment company) and other required documents in order to obtain the licence.
- (iii) To prepare the draft of the Management Agreement with INVL Asset Management UAB (company code 126263073) for transfer of management of the closed-ended type investment company.
- (iv) To negotiate with the potential custodians (depositories) of the closed-ended type investment company and prepare the draft of the contract with the depository. The key condition of the agreement is that the expenses for custody should not exceed 0.1 percent of the annual net asset value of the closed-ended type investment company.
- (v) Seeking to ensure the right of the Company's shareholders, who did not vote or voted "against" the aforementioned decisions to sell their Shares, shareholders, who voted "for" these resolutions within one month from the General Meeting will have to announce a voluntary tender offer to purchase the rest of the Shares (one or several shareholders will have the right to fulfil this duty for the other shareholders). Only the shareholders who did not vote or voted "against" this item of the agenda will have the right to sell their Shares during the tender offer.

After the indicated General Meeting it became clear that the shareholders of the Company who own 5,700,680 Shares, which constitute 93.23% of Company's authorised capital gave approval to apply for the closed-ended type investment company licence.

Following the arrangement of the shareholders, who voted "for" the indicated decision, Invalda INVL AB fulfilled this duty on behalf of the shareholders and the circular of the voluntary tender offer was approved by the LB on 18 May 2015. Voluntary tender offer price amounted to EUR 1.61 per Share. Only the shareholders who did not vote or voted "against" had the right to sell their Shares during the tender offer. Voluntary tender offer applied for 414,034 Shares of the Company, constituting 6.77 percent of Company's capital. The tender offer was implemented from 22 May till 4 June 2015. During the implementation period of the voluntary tender offer Invalda INVL AB bought-up 47 Shares of the Company, which represent 0.0008 percent of voting rights at the General Meeting.

#### **Taxation in Lithuania**

The following is a summary of certain Lithuanian tax implications of ownership and disposition of the Shares. The summary is based on the tax laws of Lithuania as in effect on the date of this Prospectus, and is subject to changes in such laws, including changes that could have a retroactive effect. The summary does not purport to be a comprehensive description of all the tax implications that may be relevant for making a decision to purchase, own or dispose of the Shares. You are advised to consult your own professional tax advisors as to the Lithuania and other tax implications of the purchase, ownership and disposition of the Shares. Prospective investors who may be affected by the tax laws of other jurisdictions should consult their own tax advisors with respect to the tax implications applicable to their particular circumstances.

## **Taxation on Dividends**

### *Legal persons*

Dividends received by Lithuanian or foreign legal persons are subject to the corporate income tax at a rate of 15%. Dividends are not subject to the corporate income tax when a recipient (a Lithuanian or foreign legal person) has been or intends to be in control of not less than 10% of voting shares of a Lithuanian company distributing dividends for an uninterrupted period of at least 12 months (including the moment of distribution of dividends). This participation exemption does not apply if dividends are paid to foreign legal persons registered or otherwise organized in a tax haven jurisdiction.

If dividends are paid out to the legal persons that are residents of a foreign country with which Lithuania has concluded a treaty for the avoidance of double taxation and such a treaty limits the rights of Lithuania to tax dividends, the rules set in that treaty will be applied.

The obligation to calculate, withhold and pay the withholding tax on dividends arises for the Lithuanian legal person (the payer of dividends).

### *Individuals*

Dividends received by Lithuanian and foreign individuals are subject to the personal income tax at a rate of 15%.

If dividends are paid out to the residents of a foreign country with which Lithuania has concluded a treaty for the avoidance of double taxation and such treaty limits the rights of Lithuania to tax dividends, the rules set in that treaty will be applied.

The obligation to calculate, withhold and pay the withholding tax on dividends arises for the Lithuanian legal entity (the payer of dividends).

## **Taxation on Capital Gains**

### *Legal persons*

No specific capital gains tax is established under the Lithuanian tax legislation. Therefore, capital gains received by a Lithuanian legal person or by a foreign legal person through its permanent establishment in Lithuania from the sale of shares are included in the taxable income for the corporate income tax purposes. The standard rate of the corporate income tax is 15%.

An exemption is available, and capital gains are not subject to the corporate income tax if the following conditions are met: 1) an entity the shares of which are being transferred is registered in the EEA Member State or a country with which Lithuania has concluded a treaty for the avoidance of double taxation, and this entity is a payer of corporate income or equivalent tax; and 2) an entity transferring shares has been in control of more than 25% of voting shares for an uninterrupted period of at least two years. The exemption is not applied if shares are transferred to the issuer.

The Company's investment income is not subject to the corporate income tax, except for dividends paid by the Company or its profits available for distribution.

Lithuanian entities and permanent establishments of foreign entities have the right to carry forward losses due to the disposal of securities and/or derivative financial instruments for five consecutive years for the purpose of the Lithuanian corporate income tax. The said losses can be covered only with income generated from disposals of securities and/or derivative financial instruments. Please also note that a restriction may be applicable – in assessment of the corporate income tax for 2014 and subsequent years, the amount of tax loss carried forward cannot exceed 70% of the taxable profit amount of the relevant tax period.

Capital gains received by the foreign legal persons from the disposal of shares of Lithuanian companies are not subject to the Lithuanian corporate income tax.

### *Individuals*

Capital gains received from the sale of shares by the Lithuanian residents are subject to 15% personal income tax. Please also note that the capital gains, received from sale of securities shall not be taxed, if its amount does not exceed EUR 500 per year. This relief does not apply in case a shareholder sells the shares or transfers the title to the shares to the entity that issued those shares.

The personal income tax on capital gains received by individuals should be calculated, paid and declared by individuals by the 1st of May of the calendar year following the taxable year.

Capital gains received from the disposal of shares of Lithuanian companies by the individuals who are not considered to be Lithuanian residents for tax purposes are not taxed in Lithuania.



## **Taxation on Gifts and Inheritance**

If the Issuer's shares are given as a gift to a natural person, generally the acquisition of shares is subject to personal income tax at a rate of 15%, charged on income received at the transfer of the shares as a gift. The tax is not applicable where a spouse, children (adopted children), parents (adoptive parents), brothers, sisters, grandchildren or grandparents give shares as a gift or where shares are given as a gift to a non-Lithuanian resident. Furthermore, donation incomes received from other persons are not subject to taxation, unless such incomes exceed EUR 2,500 in a calendar year.

Inherited Issuer's shares are subject to inheritance tax as follows: if the taxable value of the inherited property does not exceed EUR 150,000, the tax rate is 5%; if the taxable value of the inherited property exceeds that amount, the tax rate is 10%. The property is exempted from the tax where the property is inherited by a spouse upon the death of the other spouse, by parents (adoptive parents), children (adopted children), grandparents, grandchildren, brothers, sisters, guardians (custodians), wards (foster children), or where the shares are inherited by a non-Lithuanian resident or the value of the inherited property does not exceed EUR 3,000.

## **Value added tax**

Generally, under effective laws, share acquisition or transfer transactions are not subject to value added tax (VAT) in Lithuania.

## **5.6 Share Offer**

This Prospectus was not prepared for the public offering of the Shares (or any part thereof) and was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq, aiming that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq, after the issuance of the Licence by the LB on 14 July 2016.

Following the requirements of the applicable Lithuanian laws, the Shares of the Company cannot be offered publically and introduced to trading in other Member States (other than in the Republic of Lithuania).

Following the Articles of Association of the Company, incorporated by reference to this Prospectus, it is established that the Shares of the Company are being traded on Nasdaq. Taking into consideration that all the Shares of the Company are already listed on Nasdaq, as well as that licensing of the Issuer as a closed-ended type investment company did not result in issuance of new Shares, apart from approval and announcement of the Prospectus, generally there will be no other steps for Admission (except that the CSDL based on the request of the Company will make the respective entries in its system regarding becoming by the Issuer of the closed-ended type investment Company), unless Nasdaq or the CSDL will decide otherwise.

Taking into consideration that following registration of the new wording of Articles of Association (on 27 June 2016) and issuance of the Licence by the LB (on 14 July 2016) the activities of the Company are continued, without creating a new legal person (just that the Issuer became a special closed-ended type investment Company) and the ISIN code of the Shares will not be changed and will stay the same (LT0000128860), as well as aiming to safeguard the rights and legitimate interests of the Company and its shareholders as much as possible and the continuity of presence of the Company's Shares on the regulated market (Nasdaq), providing the possibility to shareholders to continuously realize the rights conferred by their owned shares, there should be no need to suspend trading in Company's Shares on Nasdaq for making the above entries in CSDL systems regarding becoming by the Issuer of the special closed-ended type investment Company as indicated above.

Thus, the Company considers that all the orders for acquisition or transfer of Shares of the Company provided until and after making the entries as indicated above shall be executed following the procedure and terms of the applicable legal acts.

If Nasdaq and/or CSDL will consider the above stages otherwise, the Company will execute all actions, requested by these subjects, so that the Shares of the special closed-ended type investment Company are introduced to trading on Nasdaq as soon as practicably possible.

The Issuer has not granted and will not grant any over-allotment option or the green shoe type option and therefore no over-allotment is foreseen. Furthermore, no entity has a commitment of any kind to act in secondary trading in the Shares or provide liquidity through bid and offer rates. No stabilisation will be undertaken.

The Issuer has not appointed any intermediary with respect to the Shares, as there will be no public offering thereof.

## **5.7 Admission of the Shares to trading on the regulated market**

As of the date of this Prospectus, all the existing Shares of the Issuer (12,175,321 Shares) are listed on the Secondary List of Nasdaq. As it was indicated in Section above, the Issuer aims that the Shares of the Issuer would be eligible to be continuously traded on Nasdaq, following the issuance of the Licence by the LB on 14 July 2016. Thus, this Prospectus was prepared solely for the purpose of the Admission of the Shares of the Issuer to trading on Nasdaq.

This Prospectus was not prepared for a public offering of the Shares (or part thereof), as none of the Shares will be offered publically.

The Admission of the Shares to trading on Nasdaq is subject to the approval of the Prospectus by the LB and execution of other actions (most of which have already been performed), as indicated below:

- registration of the new wording of Articles of Association of the special closed-ended type investment Company with the Register of Legal Entities (this was done on 27 June 2016);
- issuance of the Licence by the LB (this was done on 14 July 2016);
- receipt of other necessary approvals from the LB indicated in the Law on Collective Investment Undertakings (approvals regarding the Management Company, Depository, the Articles of Association, etc. (they were received on 14 July 2016);
- approval and public announcement of this Prospectus and Summary translation into Lithuanian language hereof (this will be done on the same day as approval hereof);
- making of the respective entries by the CSDL in its system regarding becoming by the Issuer of the special closed-ended type investment Company (the Company will provide the respective request to the CSDL as soon as possible after approval and announcement of the Prospectus).

The Issuer will not be seeking to apply for listing of temporary share receipts, such as “rights to shares”.

### **5.8 Expenses of the Admission**

Following the preliminary calculations, the Issuer’s fixed expenses, related to the Admission, shall comprise of approximately EUR 20 (twenty) thousand (including, without limitation, the fixed fees (if any) for the Lithuanian legal counsel, state fee for approval of the Prospectus, fees to the CSDL and Nasdaq, fees for preparation of the Prospectus).

The Issuer does not intend to charge any expenses to the investors, related to the Admission.

### **5.9 Lock-up Agreements**

As far as it known to the Company, there are no lock-up agreements regarding the Shares, related to the Admission.

Following the Shareholders’ Agreement, dated 26 November 2014: LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banyš, Darius Šulnis, Indrė Mišeikytė (the shareholders of INVL Technology AB (the Former parent company) who together managed 89.68% of this company at that time), and Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus, shareholders of BAIP grupė AB (currently – the Company), who together managed 20% of BAIP grupė AB at that time (INVL Technology AB owned the rest 80% at that time), have *inter alia* agreed that LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banyš, Darius Šulnis and Indrė Mišeikytė will not transfer more than 50 percent of their Shares of the Company held at the end of placement (8 July 2015) for 12 months to third persons (not being a party to the agreement), while Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus will not transfer any of their Shares of the Company held at the end of placement (8 July 2015) for 12 months to third persons (not being a party to the agreement). This limitation was not applicable to the Shares, acquired by Invalda INVL AB when executing the advanced trade plan, as well as to other Shares of the Company, freely traded on the regulated market and acquired by the parties to the agreement after conclusion thereof. These Shares could be traded without any limitations.

Furthermore, on 27 May 2015 parties to Shareholders’ Agreement agreed that after registration of the increased share capital of the Company with the Register of Legal Entities, based on the decisions of the General Meeting, dated 10 April 2015, and subject to the condition that during this secondary public offering the Company will raise not less than EUR 10,000,000, Invalda INVL AB will acquire for the final offer price in total 551,523 Shares of the Company from Kazimieras Tonkūnas (165,000 Shares), Gytis Umantas (85,000 Shares), Artūras Milašauskas (50,000 Shares), Vida Juozapavičienė (50,000 Shares), Marius Leščinskas (55,000 Shares), Rokas Ralys (95,893 Shares) and Tomas Šeikus (50,630 Shares).

However, taking into consideration that the above indicated 12 months lock-up period adjourned on 8 July 2016 as well as that all the main obligations of the parties to the Shareholders’ Agreement were duly fulfilled, as far as it known to the Company, there are no lock-up agreements regarding the Shares.

### **5.10 Dilution**

Not applicable, as there is no public offering of the Shares (or any part thereof) and the Prospectus was prepared solely for the purpose of the Admission of the Shares to trading on Nasdaq, aiming that the Shares would be eligible to be continuously traded on Nasdaq, after the issuance of the Licence by the LB on 14 July 2016.