

CONFIRMATION OF RESPONSIBLE PERSONS

8 April 2015

Following the Rules on Preparation And Submission Of Periodic And Additional Information of the Bank of Lithuania and the Law on Securities (article 21) of the Republic of Lithuania, management of INVL Technology, AB hereby confirms that, to the best of our knowledge, the attached Company's Financial Statements for 2014 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss of INVL Technology. Presented Annual Report includes a fair review of the development and performance of the business and position of the company and the group in relation to the description of the main risks and contingencies faced thereby.

ENCLOSURE:

1. Audited annual information (Company's Financial Statements for 2014, Annual Report for 2014).

Director



Kazimieras Tonkūnas

Finance Director



Ramutė Ribinskienė

AB INVL TECHNOLOGY

ANNUAL REPORT, COMPANY'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 PREPARED IN ACCORDANCE TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN
UNION PRESENTED TOGETHER WITH INDEPENDENT AUDITORS' REPORT

Translation note:

This version of the accompanying documents is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the accompanying documents takes precedence over this translation.

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Independent Auditor's Report

To the shareholders of AB INVIL Technology

Report on the financial statements

We have audited the accompanying financial statements of AB INVIL Technology ("the Company") set out on pages 5 to 28, which comprise the statement of financial position as of 31 December 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.



Report on other legal and regulatory requirements

Furthermore, we have read the annual report for the year ended 31 December 2014 set out on pages 29 to 90 and have not noted any material inconsistencies between the financial information included in it and the audited financial statements for the year ended 31 December 2014.

On behalf of PricewaterhouseCoopers UAB

A large, stylized blue ink signature of Rimvydas Jogėla, consisting of several loops and a long horizontal stroke extending to the right.

Rimvydas Jogėla
Partner
Auditor's Certificate No.000457

Vilnius, Republic of Lithuania
8 April 2015

A blue ink signature of Rasa Radzevičienė, written in a cursive style with a prominent initial 'R'.

Rasa Radzevičienė
Auditor's Certificate No.000377

GENERAL INFORMATION

Board of Directors (operated till 9th February 2015)

Mr. Alvydas Banys (chairman of the Board)
Ms. Indrė Mišeikytė
Mr. Darius Šulnis

Management (operated till 9th February 2015)

Mr. Darius Šulnis (director)

Principal place of business and company code

Registration address
Kalvarijų Str. 11A-20,
Vilnius,
Lithuania

Office address
Šeimyniškių Str. 1A,
Vilnius,
Lithuania

Company code 303299817

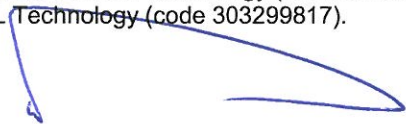
Banks

AB DNB Bankas
AB Šiaulių Bankas


Auditor

UAB PricewaterhouseCoopers
J. Jasinskio Str. 16B,
Vilnius, Lithuania

On 8th April 2015 the financial statements were signed and approved for release by the Management and the Board of Directors of AB INVL Technology (code 300893533) which after reorganization took over all rights and obligations of AB INVL Technology (code 303299817).



Mr. Kazimieras Tonkūnas
AB INVL Technology
(company's code 300893533)
director



Ms. Ramutė Ribinskienė
AB INVL Technology
(company's code 300893533),
finance director

Statement of comprehensive income

	Notes	<u>2014</u>
Income		
Net changes in fair value of financial assets	6	<u>10,081</u>
Total net income		10,081
Expenses		
Exchange's, depository's and brokers' fees for securities		(51)
Employee benefits expenses		(11)
Taxes		(10)
Other expenses		<u>(23)</u>
Total operating expenses		(95)
Operating profit		9,986
Finance costs		-
Profit before income tax		9,986
Income tax expenses		-
PROFIT FOR THE YEAR		9,986
Other comprehensive income for the year, net of tax		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,986
Basic and diluted earnings (deficit) per share (in LTL)		16.84

Statement of financial position

	Notes	As at 31 December 2014
ASSETS		
Non-current assets		
Financial assets at fair value through profit or loss	6	27,028
Total non-current assets		27,028
Current assets		
Cash and cash equivalents		86
Total current assets		86
Total assets		27,114
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent		
Share capital	5	593
Share premium	5	862
Reserves	5	1,999
Retained earnings		23,639
Total equity		27,093
Liabilities		
Non-current liabilities		-
Current liabilities		
Trade payables		10
Other current liabilities		11
Total current liabilities		21
Total liabilities		21
Total equity and liabilities		27,114

Statement of changes in equity

Company	Notes	Reserves					Total
		Share capital	Share premium	Legal reserve	Reserve for purchase of own shares	Retained earnings	
The Company's share capital formed on 29 April 2014 under split-off conditions	5	593	862	81	1,918	719	4,173
Impact of applying the accounting principles of investment entity on the date of split-off	5	-	-	-	-	12,934	12,934
Total transactions with owners of the Company, recognised directly in equity		593	862	81	1,918	13,653	17,107
Net profit for the year		-	-	-	-	9,986	9,986
Total comprehensive income for the year		-	-	-	-	9,986	9,986
Balance as at 31 December 2014		593	862	81	1,918	23,639	27,093

Statement of cash flows

	Notes	<u>2014</u>
Cash flows from (to) operating activities		
Net profit for the year		9,986
Adjustments for non-cash items and non-operating activities:		
Net changes in fair value of financial assets	6	<u>(10,081)</u>
		(95)
Changes in working capital:		
(Decrease) increase in trade payables		10
(Decrease) increase in other current liabilities		<u>11</u>
Cash flows from (to) operating activities		(74)
Income tax paid		<u>-</u>
Net cash flows from (to) operating activities		(74)
 Cash flows from (to) investing activities		
Loans granted		-
Repayment of granted loans		<u>414</u>
Net cash flows from (to) investing activities		414
 Cash flows from (to) financing activities		
Cash flows related to owners		
Cash received according to split-off terms	5	<u>154</u>
		154
Cash flows related to other sources of financing		
Proceeds from loans		-
Repayment of loans	5	<u>(408)</u>
		(408)
Net cash flows from (to) financial activities		(254)
 Impact of currency exchange on cash and cash equivalents		<u>-</u>
Net increase (decrease) in cash and cash equivalents		86
 Cash and cash equivalents at the beginning of the period		<u>-</u>
Cash and cash equivalents at the end of the period		86

Notes to the financial statements

1 General information

AB INVL Technology (company code 303299817, hereinafter the Company) is a joint stock company registered in the Republic of Lithuania. It was established on 29 April 2014, following the split-off of 2.60 % assets, equity and liabilities from AB Invalda LT (code 121304349). A group of specialized information technologies (IT) entities was transferred to the Company (hereinafter the split-off). More details about the split-off are disclosed in Note 5.

The registration address is as follows:

Kalvarijų str. 11A-20,
Vilnius,
Lithuania.

These financial statements cover the financial period of the Company, starting from the Company's establishment date 29 April 2014 and ending on 31 December 2014.

On 29 April 2014 the Company had a stake of 68,73% (as adjusted by potential shares) in UAB BAIP grupė, which invests into IT companies, and a stake of 100% in dormant UAB Inventio. After the increase in share capital of UAB BAIP grupė in December 2014 in which only non-controlling shareholders had participated, the company owns 65.65 percent of shares. On 31 December 2014 UAB BAIP Grupė was reorganized to AB BAIP Grupė and is a group of specialized entities, working in the field of IT and legal informatics, and specialises in the field of business climate improvement reforms, integrated national information system design, critical IT infrastructure resilience, national cyber security and cyber defence (hereinafter BAIP group). Currently BAIP group has companies in Lithuania, Norway and Tanzania and has implemented projects in more than 50 countries around the world.

On 9 February 2015 reorganization of the Company and AB BAIP Grupė was completed. The Company was merged into AB BAIP Grupė. AB BAIP Grupė has taken over all the rights and responsibilities including the title of INVL Technology, and continues operations under the new name of the public joint-stock company INVL Technology. From 12 March 2015 the shares of new AB INVL Technology (company code 300893533, previously AB BAIP grupė) are traded on the Baltic Secondary List of NASDAQ Vilnius.

AB INVL Technology (company code 300893533, previously AB BAIP grupė) has convened the General Shareholder Meeting on 10 April 2015, on which it is planned to pass the decision to increase share capital. If all new issued shares are subscribed, EUR 21.7 million of additional funds could be raised by the entity.

The Company is a strategic-financial investor and, together with the managers of IT companies, seeks the growth of investments value through mergers, development and sale of businesses. The management measures and evaluates its investments and makes investment decisions based on fair value as a key criterion. The Company has intention to apply for closed end investment company license issued by the Bank of Lithuania. After the merger in 2015 this action is to be taken by AB INVL Technology (company code 300893533, previously AB BAIP grupė). Therefore, the Company is an investment entity from activities' start date. More details about the definition of the investment entity are disclosed in Note 2.2.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts are in LTL thousand unless otherwise stated)

1 General information (cont'd)

The Company's share capital is divided into 592,730 ordinary registered shares with the nominal value of LTL 1 each. All the shares of the Company were fully paid. Unconsolidated subsidiaries did not hold any shares of the Company. As at 31 December 2014 the shareholders of the Company were (by votes)*:

	Number of votes held	Percentage
UAB LJB Investments	180,419	30.44
Mrs. Irena Ona Mišeikiene	171,307	28.90
AB Invalda LT	74,343	12.54
UAB Lucrum Investicija	60,159	10.15
Mr. Alvydas Banys	45,500	7.68
Ms. Indrė Mišeikytė	11,832	2.00
Other minor shareholders	49,170	8.29
Total	592,730	100.00

* Some shareholders have sold part of their shares under repo agreement (so did not hold the legal ownership title of shares), but they retained the voting rights of transferred shares.

The Company's shares were traded on the Baltic Secondary List of NASDAQ Vilnius from 4 June 2014 till 28 January 2015.

As at 31 December 2014 the number of employees of the Company was 1.

According to the Law on Companies of Republic of Lithuania, the annual financial statements prepared by the Management are authorised by the General Shareholders' meeting. The shareholders hold the power not to approve the annual financial statements and the right to request new financial statements to be prepared.

2 Summary of significant accounting policies

The principal accounting policies applied in preparing the Company's financial statements for the year ended 31 December 2014 are as follows:

2.1. Basis of preparation

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter the EU).

The Company has been deemed to meet the definition of an investment entity as per IFRS 10. The Company neither consolidates its subsidiaries, nor prepares the consolidated financial statements.

These financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss that have been measured at fair value. The financial statements are presented in thousands of Litas (LTL) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. Although these estimates are based on management's best knowledge of current circumstances, events or actions, actual results may ultimately differ from these estimates.

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Standards adopted by the EU but not yet effective and have not been early adopted

IFRIC 21 *Levies* (effective for annual periods beginning on or after 17 June 2014)

The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional. The Company is not currently subjected to significant levies so the impact on the Company would be not material.

The following amendments to existing standards are adopted by the EU, but not yet effective, have not been early adopted and are not expected to have a material impact on the Company:

- *Annual Improvements* to IFRSs 2012 (effective for annual periods beginning on or after 1 February 2015);
- *Annual Improvements* to IFRSs 2013 (effective for annual periods beginning on or after 1 January 2015);
- Amendments to IAS 19 – *Defined benefit plans: Employee contributions* (effective for annual periods beginning on or after 1 February 2015).

2.2. Investment entity and consolidated financial statements

Investment entity

The Company has multiple unrelated investors. The Company has two investments, one of which is dormant. But the Company has an intention to acquire in future new controlled subsidiary investments. The main Company's investments meet the investment entity definition at 31 December 2014. After the merger with AB INVL Technology (company code 300893533, previously AB BAIP grupė), the entity has multiple investments. Ownership interests in the Company are in the form of equity securities issued by the Company – ordinary registered shares. In the management's opinion, the Company meets the definition of an investment entity as the following conditions exist:

- (i) The Company obtains funds from investors for the purpose of providing them with investment management services.
- (ii) The Company commits to investors that its business purpose is to invest funds solely for capital appreciation, investment income, or both. And
- (iii) The management measures and evaluates its investments and makes investment decisions on a fair value as a key criterion.

Subsidiaries

The Company has no subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value through profit or loss and not consolidated, in accordance with IFRS 10. The fair value of controlled subsidiary investments is determined on a consistent basis to all other investments measured at fair value through profit or loss, and as described in the Note 2.4.

Where the Company is deemed to control an underlying portfolio company, whereby the control is exercised via voting rights or indirectly through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying portfolio company and its results are also not consolidated and are instead reflected at fair value through profit or loss.

Investments in subsidiaries in stand-alone financial statements of AB Invalda LT, from which the Company was split-off, were carried at cost, less impairment. Although the Company has elected to apply the predecessor values method for business combinations under common control, it is an investment entity from activities' start date, and therefore, has measured investments at fair value through profit or loss on initial recognition.

2 Summary of significant accounting policies (cont'd)

2.3. Functional and presentation currency

The financial statements are prepared in Litas (LTL), which was local currency of the Republic of Lithuania, till 31st December of 2014, and presented in LTL thousand. Litas is the Company's functional and presentation currency. Starting from 2 February 2002 until 31 December 2014 Lithuanian Litas is pegged to euro at the rate of 3.4528 Litas for 1 euro. The exchange rates in relation to other currencies are set daily by the Bank of Lithuania.

As these financial statements are presented in LTL thousand, individual amounts were rounded. Due to the rounding, totals in the tables may not add up.

2.4. Fair value estimation

The fair value of investments traded in active markets is based on quoted market prices at the close of trading, which is the date closest to the reporting date. The fair value of investments that are not traded in active markets is determined by using valuation techniques. Such valuation techniques may include the most recent transactions in the market, the market price for similar transactions, discounted cash flow analysis or any other valuation models.

2.5. Business combinations under common control

IFRS provides no guidance on the accounting for common control transactions, but requires that entities develop an accounting policy for them [IAS 8.10]. The two methods most commonly chosen for accounting for business combinations between entities under common control are (1) the acquisition method and (2) the predecessor values method. Once a method has been adopted it should be applied consistently as a matter of accounting policy. Neither IFRS 3 nor any other IFRS require or prohibit the application of either method to business combinations involving entities under common control.

The Company elected to apply predecessor values method for transactions under common control. The principle of predecessor accounting is that the acquirer incorporates predecessor carrying values.

2 Summary of significant accounting policies (cont'd)

2.6. Financial assets

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the purpose for which the financial assets were acquired. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs.

The Company determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the settlement date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

The Company classifies its investments in debt and equity securities, as financial assets or financial liabilities at fair value through profit or loss.

This category has two sub-categories: financial assets or financial liabilities held for trading and those designated at fair value through profit or loss at inception.

- (i) Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separable embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.
- (ii) Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy requires the Management Board to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information. This sub-category includes unconsolidated subsidiaries that are part of the Company's investment portfolio.

Gains or losses on financial assets at fair value through profit or loss are recognized in profit and loss within "Net changes in fair value of financial assets". Interest on debt securities at fair value through profit or loss is recognized within "interest income" based on the effective interest rate. Dividends earned on investments are recognised in the statement of comprehensive income as "dividend income" when the right of payment has been established. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through amortisation process. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'cash and cash equivalents' in the statement of financial position.

2 Summary of significant accounting policies (cont'd)

2.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.8. Impairment of financial assets

Assets carried at amortised cost

The Company assesses at each reporting date whether is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company assesses whether objective evidence of impairment exists individually for financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. When financial asset is assessed as uncollectible the impaired asset is derecognised.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.9. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and in current bank account as well as deposit in bank with an original maturity of three months or less.

2 Summary of significant accounting policies (cont'd)

2.10. Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The measurement of financial liabilities depends on their classification as follows:

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.11. Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

The following specific recognition criteria must also be met before revenue is recognised.

Disposal of investments

Gain (loss) from sale of investment is recognised when the significant risk and rewards of ownership of the investment have passed to the buyer.

Interest income

Income is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends income

Income is recognised when the Company's right to receive the payment is established.

2 Summary of significant accounting policies (cont'd)

2.12. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from the proceeds.

The Company's share capital and equity were formed in accordance with the procedure set forth in the terms of split-off on 29 April 2014, whereas assets received and liabilities assumed were estimated at predecessor carrying values at the date of split-off, except for investments in unconsolidated subsidiaries. They were measured at fair value at the date of split-off, because the Company is an investment entity from activities' start date (Note 5). The difference between the fair value and the carrying value of investments in unconsolidated subsidiaries was credited to retained earnings.

2.13. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. All financial information, including the measure of profit, total assets and total liabilities, is analysed as single reporting segment – investments into information technology entities - segment, therefore is not further disclosed in these financial statements.

2.14. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. The standard income tax rate in Lithuania was 15 % in 2014.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Following the provisions of Law on Corporate Income Tax the sale of shares of an entity, registered or otherwise organised in a state of the European Economic Area or in a state with which a treaty for the avoidance of double taxation has been concluded and brought into effect and which is a payer of corporate income tax or an equivalent tax, to another entity or a natural person shall not be taxed where the entity transferring the shares held more than 25% of voting shares in that entity for an uninterrupted period of at least two years. If mentioned condition is met or is expected to be met by the management of the Company, no deferred tax liabilities or assets are recognised in respect of temporary differences associated with carrying amounts of these investments.

Tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Company changes its activities due to which these losses incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. From 1 January 2014 current year taxable profit could be decreased by previous year tax losses only up to 70%.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

2 Summary of significant accounting policies (cont'd)

2.15. Employee benefits

Social security contributions

The Company pay social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Company pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognised as expenses on an accrual basis and included in payroll expenses.

Bonus plans

The Company recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16. Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow or economic benefits is probable.

2.17. Events after the reporting period

Events after the reporting period that provide additional information about the Company's position as at the end of the reporting period (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3 Critical accounting estimates and judgements

The preparation of financial statements requires management of the Company to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Company accounting policies, management has made the following judgement, which has most significant effect on the amounts recognised in these financial statements:

Initial accounting of the assets received and liabilities assumed during split-off

AB Invalda LT management has made a judgement that the split-off completed in 2014 as a result of which the Company was established was not in scope of IFRIC 17 „Distribution of Non-cash Assets to Owners“. IFRIC 17 includes an exemption that the Interpretation does not apply to a distribution of a non-cash asset that is ultimately controlled by the same party or parties before and after the distribution. During the split-off shares were allocated proportionally to all shareholders of AB Invalda LT and in the newly established entities, AB Invalda LT was controlled according to the agreement by the same shareholders' group before and after the Split-off, therefore this exemption could be applied. As a result the Company elected to apply predecessor values method for transactions under common control. More details are described in Note 2.5.

Investment entity status

The management periodically reviews whether the Company meets all the defining criteria of an investment entity referred to in Note 2.2. In addition, the management assesses the Company's operation objective (Note 1), investment strategy, origin of income and fair value models. According to the management, the Company met all the defining criteria of an investment entity throughout the period from its establishment to the financial reporting date.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant areas of estimation used in the preparation of these financial statements are discussed below.

Fair value of financial assets at fair value through profit or loss

The fair values of financial assets at fair value through profit or loss are determined by using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The models used to determine fair values are periodically reviewed and compared against historical results to ensure their reliability. Details of the inputs and valuation models used to determine Level 3 fair value are provided in Note 6.

The fair value of financial assets at fair value through profit or loss as at 31 December 2014 was LTL 27,028 thousand.

Deferred income tax liabilities

As described in Note 2.14, the gains from sale of unconsolidated subsidiary could be taxable only if the investment is sold before the end of uninterrupted period of two years of holding the shares. Until the merger the shares owned by the Company were not sold. After merger (Note 1) the shares of AB BAIP grupė owned by the Company were cancelled. Therefore temporary differences associated with changes in fair value of investments would never become taxable income and therefore no deferred tax liability was recognised.

4 Financial risk management

4.1. Financial risk factors

The objective of the Company is to achieve medium to long-term capital growth through investing in a careful selection of listed and unlisted private companies operating in information technology sector.

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has cash which arises directly from its operations. The Company has not used any of derivative instruments and borrowings so far, as management considered that there is no necessity for them.

The main risks arising from the financial instruments are market risk (including currency risk, cash flow and fair value interest rate risk and price risk), liquidity risk and credit risk. The risks are identified and disclosed below.

Credit risk

Credit risk arises from cash and cash equivalents.

With respect to credit risk arising from cash and cash equivalents the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. For banks and financial institutions, only independently rated parties with high credit ratings are accepted.

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings of the banks:

	2014
Moody's ratings	
Prime-1	85
Prime-2	-
Not Prime	1
	<u>86</u>

Market risk

Cash flow and fair value interest rate risk

The Company has not any borrowings and loans granted. Therefore, the Company is not exposed to cash flow and fair value interest risk.

Foreign exchange risk

The Company holds assets and liabilities denominated only in the Litas and the Euro. In Lithuania the Euro was pegged to the Litas, therefore, there are no fluctuations between these currencies. Therefore, the Company are not exposed to foreign exchange risk. From 1 January 2015 the Euro became local currency of the Republic of Lithuania.

4 Financial risk management (cont'd)

4.1 Financial risk factors (cont'd)

Market risk (cont'd)

Price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the instruments. To manage the market price risk, the Company's board together with the Company's management reviews the performance of the portfolio companies at least on a quarterly basis and is in regular contact with the management of the portfolio companies at least on a quarterly basis and is in regular contact with the management of the portfolio companies for business and operational matters.

As at 31 December 2014, the fair values of the Company's investments not quoted in an active market exposed to price risk were LTL 27,028 thousand.

Liquidity risk

The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet their commitments at a given date in accordance with strategic plans.

The Company invests in financial instruments that are illiquid. As a result, the Company may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet significant unplanned liquidity requirements.

The Company has not been facing any liquidity issue so far. Cash balances are sufficient to settle all liabilities.

The Company's liquidity ratio (total current assets / total current liabilities) as at 31 December 2014 was approximately 4.1.

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2014 based on contractual undiscounted payments.

	On demand	Less than 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
The Company						
Trade and other payables	-	10	-	-	-	10
Other liabilities	-	11	-	-	-	11
Balance as at 31 December 2014		21	-	-	-	21

4.2. Capital management

The Company's capital comprises share capital, share premium, reserves and retained earnings. The primary objective of the capital management is to safeguard the ability to continue as a going concern in order to provide sufficient returns for shareholders, maintain a strong capital base to support the development of the investment activities of the Company. The Company's management supervises the investments so that they are in compliance with requirements applied to the capital, specified in the appropriate legal acts, as well as provide the management with necessary information.

The Company manages their capital structure and makes adjustments to it, in light of changes in economic conditions and specific risks of their activity. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year 2014.

The Company is obliged to keep its equity ratio at not less than 50 % of its share capital, as imposed by the Law on Companies of Republic of Lithuania. The Company complies with this requirement.

5 Split-off

On 21 March 2014 the split-off terms of AB Invalda LT (code 121304349) were announced. The General Shareholders Meeting approved the terms of the Company's split-off on 28 April 2014. The Split-off was completed on 29 April 2014. According to the terms, three entities AB INVL Baltic Farmland, AB INVL Baltic Real Estate and AB INVL Technology, comprising 47.95% of AB Invalda LT assets calculated at carrying amounts, were split-off from AB Invalda LT. Following the split-off, 2.60% of the assets, equity and liabilities were transferred to the Company.

The Company's share capital and equity were formed in accordance with the procedure set forth in the terms of split-off on 29 April 2014, whereas assets received and liabilities assumed were estimated at predecessor carrying values at the date of split-off, except for investments in unconsolidated subsidiaries, which were measured at fair value in accordance with accounting principles of investment entity at the date of split-off. The difference between the fair value and the carrying value of investments in unconsolidated subsidiaries is included in retained earnings. More details about principles and methods, under which the fair value of unconsolidated subsidiaries was determined, are disclosed in Note 6.

Transferred net assets to the Company during split-off were as follows:

	<u>As at 29 April 2014</u>
Investments into subsidiaries*	4,013
Loans granted	414
Cash and cash equivalents	154
Total assets	4,581
Borrowings	(408)
<i>Total liabilities</i>	<i>(408)</i>
Total net assets	4,173
Share capital	593
Share premium	862
Reserves	1,999
Retained earnings	719
<i>Total equity</i>	<i>4,173</i>

* Investments in subsidiaries in stand-alone financial statements of AB Invalda LT, from which the Company was split-off, were carried at cost, less impairment. Although the Company has elected to apply the predecessor values method for business combinations under common control, it is an investment entity from activities' start date, and therefore, has measured its investments at fair value through profit or loss. The fair value of unconsolidated subsidiaries was LTL 16,947 thousand on the date of split-off, and the impact of the change of LTL 12,934 thousand was recorded directly within retained earnings. The amount in the table above represents the carrying value of investments in Invalda LT financial statements as of the date of split-off.

During the split-off part of liability rising from credit agreement with Šiaulių bankas was transferred to the Company. The credit was fully repaid in the beginning of May 2014.

6 Financial assets at fair value through profit or loss

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Company's financial assets at fair value through profit or loss comprised unconsolidated subsidiaries AB BAIP Grupė and UAB Inventio. These assets are non-current assets and are Level 3 instruments by valuation technique. The Company has no Level 1 or Level 2 instruments.

The main assets of UAB Inventio is cash at the bank, therefore the entity is measured based on its net assets value. AB BAIP Grupė owns specialized information technology entities. The list of unconsolidated subsidiaries and associates, which are owned by the Company directly or indirectly through AB BAIP grupė, is presented below:

Name	Country of incorporation	Proportion of shares (voting rights) directly/indirectly held by the Company (%)	Nature of business
AB BAIP Grupė	Lithuania	65.65	Investment entity
UAB Informatikos Pasaulis*	Lithuania	65.65	Information technology solutions
UAB Vitma*	Lithuania	65.65	Information technology solutions
UAB BAIP*	Lithuania	65.65	Information technology solutions
UAB Acena*	Lithuania	65.65	Information technology solutions
Norway Registers Development AS*	Norway	65.65	Information technology solutions
UAB NRD*	Lithuania	50.22	Information technology solutions
Norway Registers Development East Africa Ltd*	Tanzania	45.96	Information technology solutions
Infobank Uganda Ltd*.	Uganda	19.70	Information technology solutions
UAB NRD CS*	Lithuania	65.65	Information technology solutions
UAB Inventio	Lithuania	100.00	Dormant

*These entities are owned indirectly by the Company as at 31 December 2014.

The country of incorporation and principal place of business for all entities mentioned above is the same, except Norway Registers Development AS, which principal place of business is Mauritius. There are no significant restrictions on the ability of unconsolidated subsidiaries or associates to transfer funds to the Company. The Company has no commitments to provide financial support to unconsolidated subsidiaries. The Company has not provided any financial support to unconsolidated subsidiaries in 2014.

Valuation at the date of spin-off

As at 29 April 2014 consolidated group financials were used for the valuation of AB BAIP Grupė, which was performed using EBITDA (earnings before interest, taxes, depreciation and amortization) multiple technique. 12 months trailing EBITDA was used and value after multiplication was corrected by:

- deducting difference between total liabilities and short-term assets increased by the amount of 4 months moving average of working capital;
- deducting non-controlling interest value, measured as its book value.

Performing the valuation, possible obligation to issue new shares of AB BAIP Grupė was taken into account. Model was built in a way assuming that newly issued shares (potential shares) reduce the proportion of AB BAIP Grupė shares owned by the Company.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts are in LTL thousand unless otherwise stated)

6 Financial assets at fair value through profit or loss (cont'd)

EBITDA multiple used in calculations as at 29 April 2014 is 7.6 representing average Central and Eastern Europe IT sector companies' EV/EBITDA ratio (Equity Value-to-EBITDA) according to these entities (source Bloomberg; 30 June 2014):

Name of the entity	EBITDA multiple
ACTION S.A.	8.9
ATEA ASA	9.0
SYGNITY S.A.	4.0
ASSECO POLAND S.A.	6.3
ERICSSON NIKOLA TESLA d.d.	12.5
COMARCH S.A.	6.2
AB S.A.	6.6

If EBITDA multiple changes by 1 to either direction, correspondingly the value of shares of AB BAIP grupė would change in the same direction by LTL 3,067 thousand as at 29 April 2014.

Valuation as at 31 December 2014

As at 31 December 2014 AB BAIP Grupė became investment entity. Therefore, the valuation method was changed and investment was measured based on its net assets fair value.

The main assets of AB BAIP Grupė are unconsolidated subsidiaries and an associate. They are valued using income and market approaches by accredited valuer UAB Deloitte Verslo Konsultacijos. Management concluded that the fair value of investments was measured properly, using reasonable and appropriate for the investments assumptions and ratios. Fair value of investments was estimated in compliance with the International Valuation Standards set out by the International Valuation Standards Council. For income approach discounted cash flow method was used. It was based on free cash flow projections provided by the management of BAIP Group covering a 5-year period. Free cash flows were calculated as net operating profit after tax, add-back depreciation less change in working capital and capital expenditure. For market approach guidelines public company method and transaction method were used. Guidelines public company method quantifies the value by reference to the capital market activities of the stock of comparable firms. It requires the appraisers to select a sample comparable to the subject firm from companies whose shares are publicly traded on international markets and who are engaged in similar lines of business. Using transaction method the value is determined by comparing the entity to comparable company that have been purchased, sold or merged during a recent period of time. EBITDA multiple of comparable companies was used in the market approach.

The following table represents inputs and fair value valuation techniques of investments of AB BAIP Grupė and sensitivity analysis of fair value of AB BAIP Grupė based on changes in assumptions used in the valuation of its investments:

Valuation technique	Unobservable inputs	Range	Reasonable possible shift +/-	Change in Valuation +/-
Discounted cash flow	Weighted average capital cost	11.7% - 15.7%	-/+0.5 %	898/ (816)
	Long-term growth rate	2%	-/+0.5 %	(537)/ 589
	Free cash flow	-	-/+10 %	(1,714)/ 1,714
Market approach	EV/ EBITDA multiple	4.7x – 6.0x	-/+1.0x	(1,056)/ 1,056
	EV/ EBIT multiple	4.7x – 6.0x	--/+1.0x	(914)/ 914
	Control premium	20%	-	-
Both valuation technique	Discount for lack of marketability	9.3%	+3.2%/ -1.8%	698/ (1,224)

The main liabilities of AB BAIP Grupė are loans granted by the related party, which are measured using an income approach, such as a present value technique. The Company used 11% discount rate to measure the fair value of borrowings of AB BAIP Grupė at 31 December 2014. If the discount rate would be by 50 basis points lower with all other

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts are in LTL thousand unless otherwise stated)

variables remaining constant, the negative change in the fair value of AB BAIP Grupė would amount approximately LTL 71 thousand. If the discount rate would be by 50 basis points higher with all other variables remaining constant, the positive change in the fair value of AB BAIP Grupė would amount approximately LTL 70 thousand.

6 Financial assets at fair value through profit or loss (cont'd)

The following table presents the changes in Level 3 instruments for the twelve months ended 31 December 2014.

Fair value of unconsolidated subsidiaries at split-off	16,947
Gains and losses recognised in profit or loss	11,034
Deemed disposal of AB BAIP Grupė shares – dilution of proportion of held shares as consequence of increase of share capital (Note 1)	(953)
Fair value as at 31 December 2014	27,028
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	10,081

7 Segment information

Management of the Company has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. All financial information, including the measure of profit, total assets and total liabilities, is analysed as a single reporting segment – investments into information technology entities segment, therefore is not further disclosed in these financial statements. The Company is domiciled in Lithuania. There are no transactions of the Company that occur outside Lithuania. Therefore, the management has neither analysed revenue, nor other financial indicators by geographical areas. The Company has no revenue, therefore, has not disclosed any breakdown of revenue by product and services type, by geographical areas or concentration from single customer or its group.

8 Financial instruments by category

Company	Loans and receivables	Assets at fair value through the profit and loss	Total
31 December 2014			
Assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	27,028	27,028
Cash and cash equivalents	86	-	86
Total	86	27,028	27,114

Company	Financial liabilities at amortised cost
31 December 2014	
Liabilities as per statement of financial position	
Trade payables	10
Other current payables excluding tax payables and employee benefit payables	11
Total	21

9 Share capital and reserves

The Company's share capital is divided into 592,730 ordinary registered shares with the nominal value of LTL 1 each. All the shares of the Company were fully paid. The Company's share capital and equity was formed in accordance with the procedure set forth in the terms of split-off on 29 April 2014 (Note 5).

Legal reserve

Legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5 % of net profit, calculated in accordance with the statutory financial statements, are compulsory until the reserve reaches 10 % of the share capital. The reserve can be used only to cover the accumulated losses.

Reserve for the acquisition of own shares

Own shares reserve is formed for the purpose of buying own shares in order to keep their liquidity and manage price fluctuations.

10 Income tax

There are no income tax expenses (credit) recognised in profit or loss, other comprehensive income and in equity. None tax losses were transferred during split-off to the Company. During 2014 the Company has not recognised LTL 13 thousand of deferred tax assets arising from tax loss of 2014. Deferred income tax asset from taxable losses is not recognised by the Company as it is not expected that Company will be in taxable position in foreseeable future, as its earnings are either in the form of dividends, or disposal of subsidiaries and both of these sources are non-taxable income under current legislation (Notes 2.14, 3).

The reconciliation of the total income tax to the theoretical amount that would arise using the tax rate of the Company is as follows:

	<u>2014</u>
Profit before income tax	<u>9,986</u>
Tax calculated at the tax rate of 15 %	(1,498)
Tax effect of non-taxable income (net changes in fair value of financial assets)	1,512
Tax effect of non-deductible expenses	(1)
Deferred tax asset not recognised	<u>(13)</u>
Income tax expenses recorded in the statement of comprehensive income	<u>-</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts are in LTL thousand unless otherwise stated)

11 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of shares for 2014 was as follows:

Calculation of weighted average for the year 2014	Number of shares (thousand)	Par value (LTL)	Issued/246 (days)	Weighted average (thousand)
Shares issued as at 29 April 2014	593	1	246/246	593
Shares issued as at 31 December 2014	593	1	-	593

The following table reflects the income and share data used in the basic earnings per share computations:

	2014 Company
Net profit, attributable to the equity holders of the parent	9,986
Weighted average number of ordinary shares (thousand)	593
Basic earnings per share (LTL)	16.84

For 2014 diluted earnings per share of the Company are the same as basic earnings per share.

12 Related party transactions

The Company's related parties are the unconsolidated subsidiaries (Note 6), shareholders (Note 1), key management personnel and companies under control or joint control of key management and shareholders with significant influence, the entities of the group of AB Invalda LT and entities of other groups, which were split-off from AB Invalda LT. The Company was established after the split-off from Invalda LT.

The Company has no transactions and balances with the unconsolidated subsidiaries.

The Company's transactions with other related parties during 2014 and related balances as at 31 December 2014 were as follows:

2014 Company	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AB Invalda LT (accounting services)	-	6	-	-
AB FMJ Finasta	-	1	-	2
	-	7	-	2
Liabilities to shareholders and management	-	-	-	-

During the split-off the loan granted to UAB Cedus Invest was transferred to the Company (LTL 414 thousand). It was repaid in May 2014 with accrued interest (LTL 0.3 thousand).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(all amounts are in LTL thousand unless otherwise stated)

12 Related party transactions (cont'd)

The management remuneration contains short-term employees' benefits. Key management of the Company includes Board members and the Director of the Company, respectively.

	2014
	<hr/>
Wages, salaries and bonuses	8
Social security contributions	3
Total key management compensation	<hr/> <hr/> 11

There were no loans granted during the reporting period or outstanding at the end of the reporting period. In 2014 dividends were not paid.

13 Events after the reporting period

On 9 February 2015 reorganization of the Company and AB BAIP Grupė was completed. The Company was merged to AB BAIP Grupė. AB BAIP Grupė has taken over all the rights and responsibilities including the title of INVL Technology, and continues operations under the new name of the public joint-stock company INVL Technology. From 12 March 2015 the shares of AB INVL Technology (company code 300893533, previously AB BAIP grupė) are traded on the Baltic Secondary List of NASDAQ Vilnius. The share capital of AB INVL Technology (company code 300893533, previously AB BAIP grupė) is divided into 6,114,714 ordinary registered shares. The nominal value per share is EUR 0.29. The Board and manager of AB INVL Technology (company code 300893533, previously AB BAIP Grupė) have not changed. Kazimieras Tonkūnas, a manager of a company, Gytis Umantas, Alvydas Banys, Vytautas Plunksnis and Nerijus Drobavičius continue operating as Members of the Board of the company. Main shareholders of AB INVL Technology are: A. Banys (5 percent) and LJB Investments, a company related to A. Banys, (20 percent), Irena Ona Mišeikienė (19 percent), Kazimieras Tonkūnas (13.7 percent), Invalda LT (8.2 percent) and Lucrum Investicija (5 percent). AB INVL Technology (company code 300893533, previously AB BAIP Grupė) has more than 3500 shareholders.



ANNUAL* REPORT

PREPARED IN ACCORDANCE WITH THE RULES FOR THE PREPARATION
AND THE SUBMISSION OF THE PERIODIC AND ADDITIONAL
INFORMATION. APPROVED BY THE DECISION OF **THE BOARD OF THE
BANK OF LITHUANIA** PASSED ON 28 FEBRUARY 2013:

NO. 03-48

*The report covers the first interim financial period of INVLT Technology,
AB, starting from the Company's establishment date on 29 April 2014 and
ending on 31 December 2014.

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GENERAL INFORMATION

1 REPORTING PERIOD FOR WHICH THE REPORT IS PREPARED

The report covers the interim financial period of INVLT Technology, starting from the Company's establishment date on 29 April 2014 and ending on 31 December 2014.

Reorganization of INVLT Technology and BAIP Group was completed on 9 February 2015: INVLT Technology was merged into BAIP Group, AB. After the reorganization the company's shares quoted on the NASDAQ Vilnius Stock Exchange from 12 March 2015.

2 GENERAL INFORMATION ABOUT THE ISSUER AND OTHER COMPANIES COMPRISING THE ISSUER'S GROUP

2.1 INFORMATION ABOUT THE ISSUER:

FROM THE COMPANY'S ESTABLISHMENT DATE ON 29 APRIL 2014 TILL 9TH FEBRUARY 2015.

Name of the Issuer

THE PUBLIC JOINT-STOCK INVLT
TECHNOLOGY, HEREINAFTER INVLT
TECHNOLOGY, AB

Code

303299817

Address

SEIMYNISKIU STR. 1A, LT-09312, VILNIUS,
LITHUANIA

Telephone

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Fax

+370 5 279 0530

E-mail

TECHNOLOGY@INVALDALT.COM

Website

WWW.INVLTECHNOLOGY.COM

Legal form

PUBLIC JOINT-STOCK COMPANY

Date and place of registration

29 APRIL 2014. REGISTER OF LEGAL
ENTITIES

Register in which data about the
Company are accumulated and stored

REGISTER OF LEGAL ENTITIES

FROM 9TH FEBRUARY 2015

Name of the Issuer

THE PUBLIC JOINT-STOCK INVLT
TECHNOLOGY, HEREINAFTER INVLT
TECHNOLOGY, AB

Code

300893533

Address

GYNĖJŲ STR. 16, LT-01109, VILNIUS,
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+370 5 219 1919

Fax

+370 5 219 6533

E-mail

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Legal form

PUBLIC JOINT-STOCK COMPANY

Date and place of registration

27 JUNE 2007 (VERSION 42, 9TH FEBRUARY
2015). REGISTER OF LEGAL ENTITIES

Register in which data about the
Company are accumulated and stored

REGISTER OF LEGAL ENTITIES



2.2 ABOUT INV L TECHNOLOGY, AB

The public joint-stock company INV L Technology was established on 29 April 2014 on the basis of a part of assets split-off from Invalda LT, AB (code 121304349). The split-off terms are published on website http://www.invaldalt.com/en/main/news/Material_events?ID=929 . Following the split-off, 2.6% of assets, equity and liabilities of Invalda LT, AB were transferred to INV L Technology, AB.

Shares of INV L Technology (303299817) listed on NASDAQ OMX Vilnius stock exchange secondary list since 4 June 2014 till 29 January 2015.

Reorganization of INV L Technology and BAIP Group was completed on 9th of February 2015: INV L Technology was merged into BAIP Group, AB. After the reorganization the company's shares quoted on the NASDAQ Vilnius Stock Exchange from 12 March 2015.

BAIP Group, AB took over all the rights and duties including the name of INV L Technology, and continues operations under the new name of the public joint-stock company INV L Technology.

INV L Technology, AB later will apply to the Bank of Lithuania for closed-end investment company license and in its essence will become similar to investment fund.

2.3 INFORMATION ABOUT THE ISSUER'S GROUP OF COMPANIES

2.3.1 Group companies of INV L Technology, AB for the reporting period. The contact details of the companies are provided in the Appendix 1.



BAIP group, AB was the first portfolio investment of INV L Technology, AB. BAIP group, AB is a group of specialized companies, working in the field of IT and legal informatics.

Group's companies specialize in the field of business climate improvement reforms, integrated national informatikon system design, critical IT infrastructure resilience, national cyber security and cyber defence. The group was established in 2007. Currently BAIP group has companies in Lithuania, Norway and Tanzania and has implemented projects in more than 50 countries around the world.

Reorganization of INV L Technology and BAIP Group was completed on 9th of February 2015: INV L Technology was merged into BAIP Group, AB.

More information about the group: www.baipgroup.lt.



BAIP, UAB is a critical IT infrastructure services company, having much experience in its activity field, since 2007 belongs to BAIP group. Company provides: IT infrastructure strategy and architecture, IT security and on-site critical IT infrastructure maintenance services 24x7, anywhere in the world, super computer design, and assistance in complex migrations, system implementation. Services and consultations form more than 60% of company's activities. BAIP works and implements projects in the Baltic countries, Eastern Europe, supports BAIP group initiatives in other parts of the world.

More information – www.baip.lt.



Acena, UAB - specialized Microsoft licensing and solutions company, a part of BAIP group since 2008. Company provides: IT infrastructure development and maintenance services based on Microsoft technologies as well as Microsoft software licensing, software asset management, collaboration and messaging solutions, cloud services.

More information – www.acena.lt.



Norway Registers Development AS – consulting company, helping governments and institutions in Eastern Africa and Asia to build vital economy facilitating infrastructure and achieving relevant, measurable results, a part of BAIP group since 2011. Services and business model: legal, organizational reforms and their implementation, modernization of legal and organizational base (business, property, mortgage, licenses and citizen's registries), modernization of public and centralized procurement, judiciary systems, tax collection with eFilling, transformation of business inspections and simplifications of business regulations, reforms of state owned enterprises.

More information – www.nrd.no.



NRD, UAB was incorporated in October 1998. NRD is a subsidiary company and information system design and development excellence center of Norway Registers Development AS. NRD specializes in business, property, mortgage, licenses, citizen's registry and tax information systems creation and development. NRD AS acts as expertise centre for development of information systems.

More information – www.nrd.lt.



Norway Registers Development East Africa Limited - subsidiary company in East Africa, established in April 2013. Provides on-site delivery of Norway Registers Development AS services supports to the companies in East Africa 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 is responsible for cyber-defence strategy design and implementation services for government and corporate institutions in East Africa. Performs information system audits, provides IT management consultations and trainings

More information – www.nrd.co.tz



NRD CS, UAB - specialized cyber security company and a cyber security center of excellence for other group companies. Spin-off from BAIP, UAB in January 2014. Assists in creating a secure digital environment for states, governments, corporations and citizens via technology platforms, workflows and processes. Main clients: cyberpolice, national security services, enterprises, government, courts, forensic science center, banks.

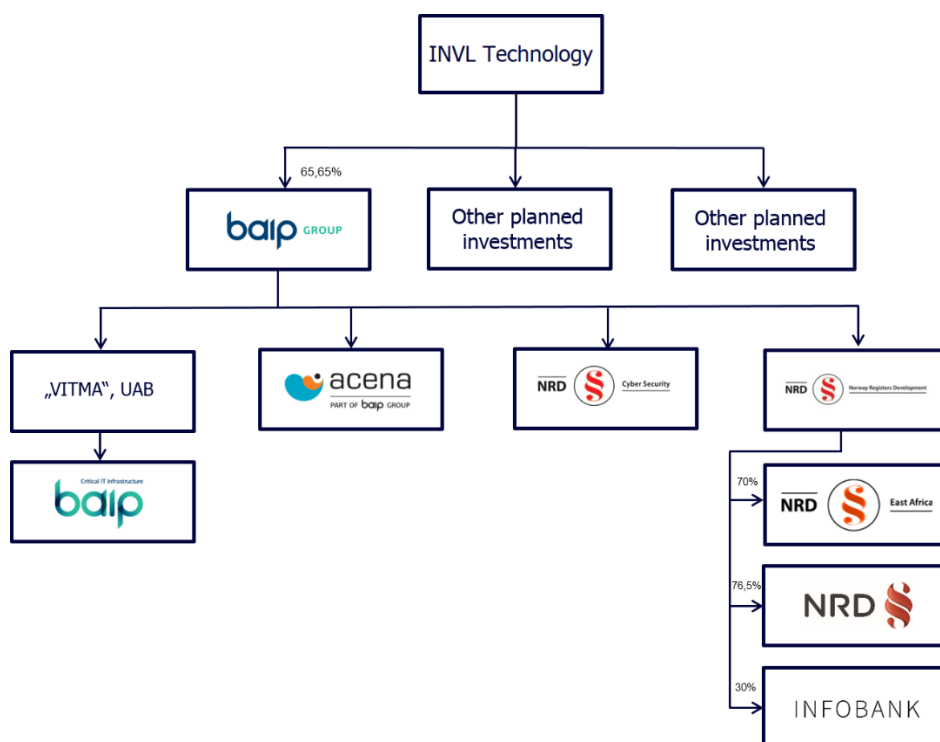
More information – www.nrdcs.lt.

INFOBANK

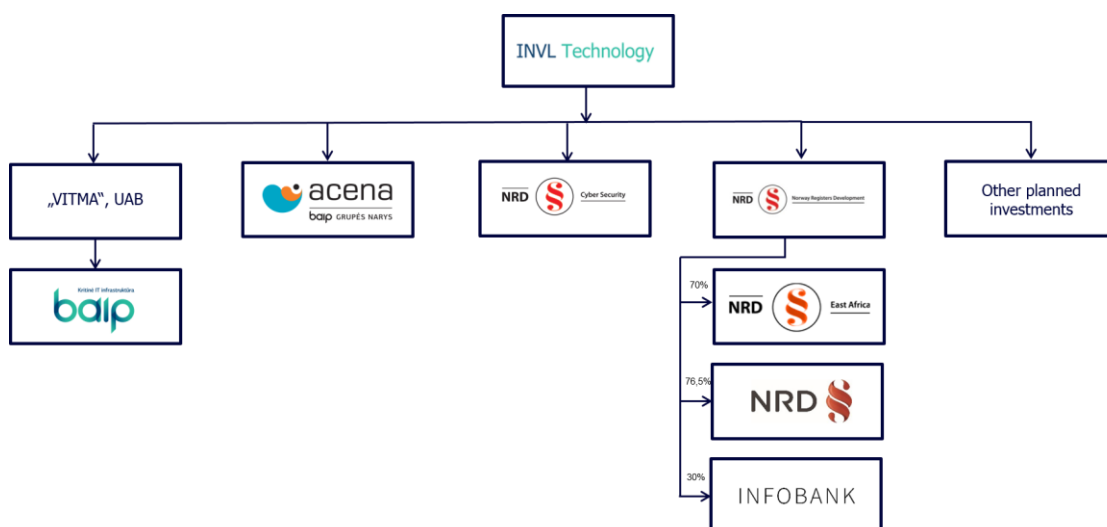
Infobank Uganda Limited – Norway Registers Development AS daughter company in Uganda, established in December, 2014. Currently does not perform any activities but intends to work with different registries which are currently largely paper based, and provide registries information to financial sector 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.

2.3.2 Group structure of INVL Technology, AB, as of 31st December 2014



2.3.3 Group structure of INVL Technology, AB, as of 9th February 2015



2.3.4 PROJECT GEOGRAPHY OF INVL TECHNOLOGY MANAGED COMPANIES



3 AGREEMENTS WITH INTERMEDIARIES ON PUBLIC TRADING IN SECURITIES

INVL Technology has signed the agreement with these intermediaries:

- Finasta, AB FMI (Maironio str. 11, Vilnius, Lithuania. tel. +370 5 203 2233) – the agreement on management of securities accounting

4 INFORMATION ON ISSUER'S BRANCHES AND REPRESENTATIVE OFFICES

INVL Technology, AB has no branches or representative offices.

5 THE ORDER OF AMENDMENT OF ISSUER'S ARTICLES OF ASSOCIATION

The Articles of Association of INVL Technology, AB may be amended by resolution of the General Shareholders' Meeting, passed by more than 2/3 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania).

Til the 9th February 2015 Articles of Association were dated as of 29 April 2014. After the reorganization, from 10 February 2015, the Actual wording of the Articles of Association are dated as of 2nd February 2015.

2

**INFORMATION
ABOUT
SECURITIES**

6 STRUCTURE OF THE AUTHORIZED CAPITAL

6.1 TABLE. STRUCTURE OF INVL TECHNOLOGY, AB AUTHORISED CAPITAL AS OF 31 DECEMBER 2014

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, LTL	Total nominal value, LTL	Portion of the authorised capital, %
Ordinary registered shares	592.730	592.730	1	592.730	100

6.2 STRUCTURE OF INVL TECHNOLOGY, AB AUTHORISED CAPITAL AS OF 12TH MARCH 2015

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, EUR	Total nominal value, EUR	Portion of the authorised capital, %
Ordinary registered shares	6.114.714	6.114.714	0,29	1.773.267,06	100

All shares are fully paid-up and no restrictions apply on their transfer.

6.1 INFORMATION ABOUT THE ISSUER'S TREASURY SHARES

INVL Technology or its subsidiary has not implemented acquisition of shares in INVL Technology directly or indirectly under the order of subsidiary by persons acting by their name.

7 TRADING IN ISSUER'S SECURITIES AS WELL AS SECURITIES, WHICH ARE DEEMED TO BE A SIGNIFICANT FINANCIAL INVESTMENT TO THE ISSUER ON A REGULATED MARKET

7.1 TABLE. MAIN CHARACTERISTICS OF INVL TECHNOLOGY, AB SHARES ADMITTED TO TRADING

	Shares issued, units	Shares with voting rights, units	Nominal value, LTL	Total nominal value, LTL	ISIN code	Name	Exchange	List	Listing date
2014 12 31 LTL if not indicated otherwise	592.730	592.730	1	592.730	LT0000128738	INC1L	NASDAQ Vilnius	Baltic Secondary List	2014-06-04
From 2015 03 12 EUR if not indicated otherwise	6.114.714	6.114.714	0,29	1.773.267,06	LT0000128860	INC1L	NASDAQ Vilnius	Baltic Secondary List	2015-03-12

Company uses no services of liquidity providers.

7.2 TABLE. TRADING IN INVL TECHNOLOGY, AB SHARES, EUR

Share price, EUR	Opening	Highest	Lowest	Average	Last	Turnover, units	Turnover, EUR	Traded volume, units
Year 2014*	10,000	11,000	8,350	5,076	10,000	1889	18.169,9	143

* Data as of 4 June 2014, since the beginning of the listing of the company in the Stock Exchange.

7.3 TABLE. TRADING IN INVL TECHNOLOGY, AB SHARES, 2014 (QUARTERLY) ON NASDAQ* OMX VILNIUS

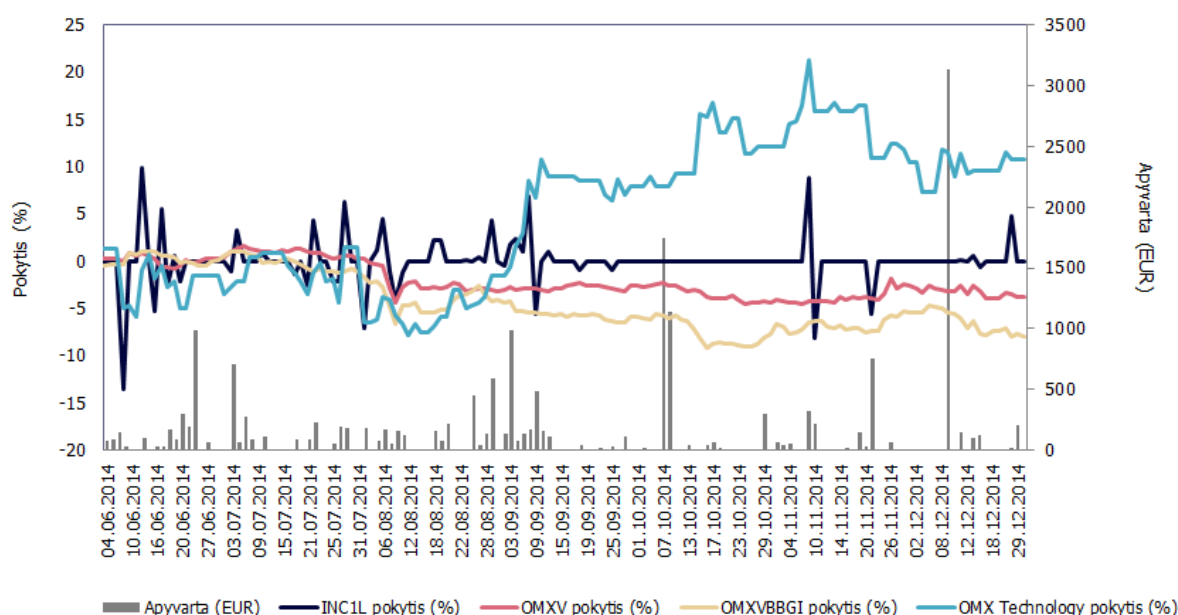
Reporting Period	Price, EUR			Turnover, EUR			Last trading day	Total Turnover	
	high	low	last	high	low	last		units	EUR
2014 II Q	10,000	8,350	9,100	990,9	25,95	0	2014.06.30	252	2.316
2014 III Q	11,000	9,770	9,100	987,77	9,21	0	2014.09.30	740	7.014
2014 IV Q	11,000	9,600	10,000	3.133,4	9,54	0	2014.12.30	897	8.840

* Data as of 4 June 2014, since the beginning of the listing of the company in the Stock Exchange.

7.4 TABLE. CAPITALIZATION OF SHARES 2014*

Last Trading day	Shares issued, units	Last price, EUR	Capitalization, EUR
2014.06.30	592.730	9.100	5.393.843
2014.09.30	592.730	9.100	5.393.843
2014.12.30	592.730	10.000	5.927.300

* Data as of 4 June 2014, since the beginning of the listing of the company in the Stock Exchange



8 DIVIDENDS

The General Shareholders' Meeting decides upon dividend payment and sets the amount of dividends. The company pays out the dividends within 1 month after the day of adoption of the resolution on profit distribution.

Persons have the right to receive dividends if they were shareholders of the company at the end of the tenth working day after the day of the General Shareholders' Meeting which issued the resolution to pay dividends.

According to the Law on Personal Income Tax and the Law on Corporate Income Tax, 20 % tax (until 2009 it was 15 %) is applied to the dividends. Starting from 2014, 15 % tax is applied to income from the distributable profit (including dividends). The company is responsible for calculation, withdrawn and transfer (to the benefit of the State) of applicable taxes¹.

The company did not allocated dividends during the reporting period.

9 SHAREHOLDERS

¹ This information should not be treated as tax consultation.

9.1

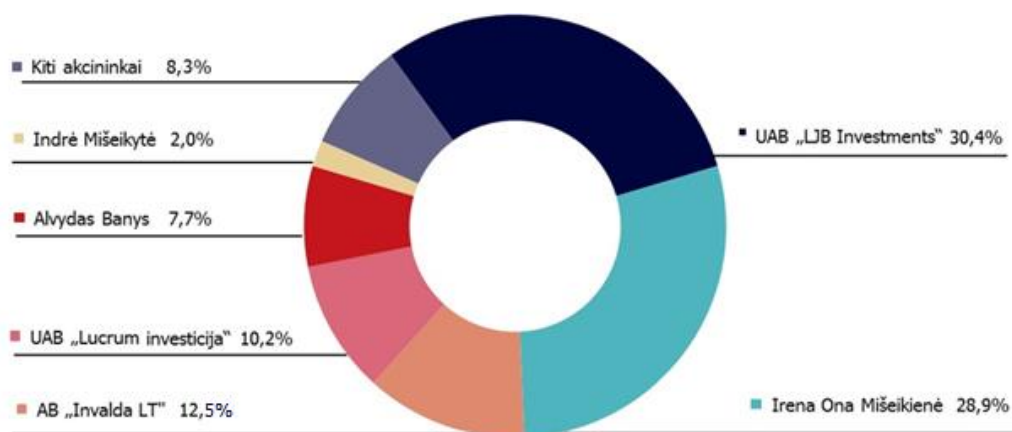
TABLE. SHAREHOLDERS WHO HELD TITLE TO MORE THAN 5% OF INVL TECHNOLOGY, AB AUTHORISED CAPITAL AND/OR VOTES AS OF 30 JUNE 2014.

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership, %	Indirectly held votes, %	Total, %
LJB Investments, UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	180.419	30,4	30,4	0	30,4
Irena Ona Mišeikienė	171.307	28,9	28,9	0	28,9
Invalida LT, AB code 121304349, Seimyniskiu str. 1A, Vilnius	74.343	12,5	12,5	0	12,5
Lucrum Investicija, UAB code 300806471, Seimyniškių str. 3, Vilnius	48.327	8,2	8,2	2,01 ²	10,2
Alvydas Banys	45.500	7,7	7,7	42,62 ³	50,3
Darius Šulnis	0	0	0	50,33 ⁴	50,3

There are no shareholders entitled to special rights of control.

9.2

TABLE. VOTES AS OF 31 DECEMBER 2014



Lucrum Investicija, UAB has 2% of votes according to a repurchase agreement.

² Lucrum Investicija, UAB has 2% of votes according to a repurchase agreement.

³ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Alvydas Banys has votes of LJB Investments, a company controlled by him, and also votes of Darius Sulnis and Indre Miseikyte, managers of INVL Technology.

⁴ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Darius Sulnis has votes of Lucrum Investicija, a company controlled by him, and also votes of Alvydas Banys and Indre Miseikyte, managers of INVL Technology.

9.3 TABLE. SHAREHOLDERS, WHO HELD TITLE TO MORE THAN 5 % OF INVALDA LT AUTHORISED CAPITAL AND/OR VOTES AS FOR 12TH FEBRUARY 2015.

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership, %	Indirectly held votes, %	Total, %
UAB „LJB investments“, kodas 300822575 A. Juozapavičiaus str. 9A, Vilnius	1.224.152	20,02	20,02	0	20,02
Irena Ona Mišeikienė	1.162.421	19,01	19,01	0	19,01
Kazimieras Tonkūnas	840.452	13,75	13,75	32,79 ⁵	46,54
AB „Invalda LT“, kodas 121304349	504.462	8,25	8,25	0	8,25
UAB „Lucrum investicija“, kodas 300806471	327.928	5,36	5,36	1,32	6,68
Alvydas Banys	308.745	5,05	5,05	41,49 ⁶	46,54
Gytis Umantas	236.270	3,86	3,86	42,68 ⁷	46,54
Nerijus Drobavičius	-	-	-	46,54 ⁸	46,54
Vytautas Plunksnis	-	-	-	46,54 ⁹	46,54

There are no shareholders entitled to special rights of control.

⁵ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Kazimieras Tonkūnas has votes of Alvydas Banys and Gytis Umantas, managers of INVL Technology

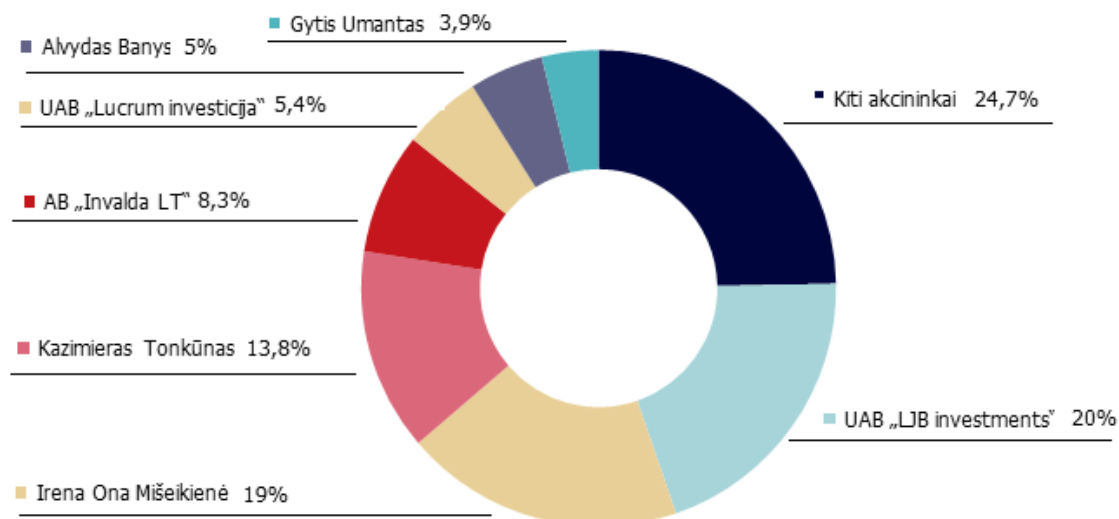
⁶ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Alvydas Banys has votes LJB Investments, a company controlled by him, and of Kazimieras Tonkūnas and Gytis Umantas, managers of INVL Technology.

⁷ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Gytis Umantas has votes of Alvydas Banys and Kazimieras Tonkūnas, managers of INVL Technology.

⁸ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Nerijus Drobavičius has votes of Alvydas Banys, Kazimieras Tonkūnas and Gytis Umantas, managers of INVL Technology.

⁹ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Vytautas Plunksnis has votes of Alvydas Banys, Kazimieras Tonkūnas and Gytis Umantas, managers of INVL Technology.

9.4 TABLE. VOTES AS OF 9 FEBRUARY 2015



10 RIGHTS AND OBLIGATIONS CARRIED BY THE SHARES

10.1 RIGHTS OF THE SHAREHOLDERS

The Company's shareholders have the following property and non-property rights:

- 1) to receive a part of the Company's profit (dividend);
- 2) to receive the company's funds when the authorised capital of the company is reduced with a view to paying out the company's funds to the shareholders;
- 3) to receive a part of assets of the company in liquidation;
- 4) to receive shares without payment if the authorised capital is increased out of the Company funds, except in cases provided by the laws of the Republic of Lithuania;
- 5) to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Shareholders' Meeting in the manner prescribed in the Law on Companies of the Republic of Lithuania decides to withdraw the pre-emption right in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
- 6) to lend to the company in the manner prescribed by law; however, when borrowing from its shareholders, the company may not pledge its assets to the shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the company and shareholders shall be prohibited from negotiating a higher interest rate;
- 7) other property rights provided by laws;
- 8) to attend the General Shareholders' Meetings;
- 9) to submit to the Company in advance the questions connected with the issues on the agenda of the General Meeting of Shareholders;
- 10) to vote at the General Shareholders' Meetings according to voting rights carried by their shares;
- 11) to receive information on the Company specified in the Law on Companies of the Republic of Lithuania;
- 12) to appeal to the court for reparation of damage resulting from nonfeasance or malfeasance by the Company's manager and the Board members of their obligations prescribed by the Law on Companies of Republic of Lithuania and other laws of the Republic of Lithuania and the Company's Articles of Association as well as in other cases laid down by laws;
- 13) other non-property rights established by laws and the Company's Articles of Association.

10.2 OBLIGATIONS OF THE SHAREHOLDERS

The shareholders have no property obligations to the Company, except for the obligation to pay up, in the established manner, all the shares subscribed for at their issue price.

If the General Shareholders' Meeting takes a decision to cover the losses of the Company from additional contributions made by the shareholders, the shareholders who voted "for" shall be obligated to pay the contributions. The shareholders who did not attend the General Shareholders' Meeting or voted against such a resolution shall have the right to refrain from paying additional contributions.

The person who acquired all shares in the company or the holder of all shares in the company who transferred a part of his shares to another person must notify the company of the acquisition or transfer of shares within 5 days from the conclusion of the transaction. The notice shall indicate the number of acquired or transferred shares, the nominal share price and the particulars of the person who acquired or transferred the shares (the natural person's full name, personal number and address; the name, legal form it has taken, registration number, address of the registered office of the legal person.)

Contracts between the company and holder of all its share shall be executed in a simple written form, unless the Civil Code prescribes the mandatory notarised form.

A shareholder shall repay the Company any dividend paid out in violation of the mandatory norms of the Law on Companies, if the Company proves that the shareholder knew or should have known thereof.

Each shareholder shall be entitled to authorise a natural or legal person to represent him when maintaining contacts with the Company and other persons.

11 THE MANAGING BODIES OF THE ISSUER

3

ISSUER'S MANAGING BODIES

General Shareholders' Meeting

The Board

Director

The governing bodies of INVL Technology, AB are: the General Shareholders' Meeting, sole governing body – the director and a collegial governing body – the Board. The Supervisory Board is not formed.

11.1 GENERAL SHAREHOLDERS' MEETING

11.1.1 Powers of the General Shareholders' Meeting

Persons who were shareholders of the Company at the close of the accounting day of the meeting (the 5th working day before the General Shareholders' Meeting) shall have the right to attend and vote at the General Shareholders' Meeting in person, unless otherwise provided for by laws, or may authorise other persons to vote for them as proxies or may conclude an agreement on the disposal of the voting right with third parties. The shareholder's right to attend the General Shareholders' Meeting shall also cover the right to speak and enquire.

The General Shareholders' Meeting may take decisions and shall be held valid if attended by the shareholders who hold the shares carrying not less than 1/2 of all votes. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the General Shareholders' Meeting. If a quorum is not present, the General Shareholders' Meeting shall be considered invalid and a repeat General Shareholders' Meeting must be convened, which shall be authorised to take decisions only on the issues on the agenda of the General Shareholders' Meeting that has not been held and to which the quorum requirement shall not apply.

An Annual General Shareholders' Meeting must be held every year at least within 4 months from the close of the financial year. The General Shareholders' Meeting shall have the exclusive right to:

- amend the Articles of Association of the Company, unless otherwise provided for by the Law on Companies of the Republic of Lithuania;
- elect members of the Board;

- dismiss the Board or its members;
- elect and dismiss the firm of auditors, set the conditions for auditor remuneration;
- determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- take a decision regarding conversion of shares of one class into shares of another class, approve share conversion procedure;
- take a decision to replace private limited liability company share certificates by shares;
- approve the annual accounts and the report on company operations;
- take a decision on profit/loss appropriation;
- take a decision on the formation, use, reduction and liquidation of reserves;
- take a decision on the issue of convertible debentures;
- take a decision on withdrawal for all the shareholders the pre-emption right to acquire the Company's shares or convertible debentures of the specific issue;
- take a decision to increase the authorised capital;
- take a decision to reduce the authorised capital, except the cases provided for by the Law on Companies of the Republic of Lithuania;
- take a decision for the Company to purchase its own shares;
- take a decision on the reorganisation or split-off of the Company and approve the terms of reorganisation or split-off;
- take a decision on transformation of the Company;
- take a decision on restructuring of the Company;
- take a decision to liquidate the Company, cancel the liquidation of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania;
- elect and dismiss the liquidator of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania.

The General Shareholders' Meeting may also decide on other matters assigned within the scope of its powers by the Articles of Association of the Company, unless these have been assigned under the Law on Companies of the Republic of Lithuania within the scope of powers of other organs of the Company and provided that, in their essence, these are not the functions of the governing bodies.

11.1.2 Convocation of the General Shareholders' Meeting of INVL Technology, AB

The documents related to the agenda, draft resolutions on every item of agenda, documents what have to be submitted to the General Shareholders Meeting and other information related to realization of shareholders rights are available at the registered office of the Company during working hours.

The shareholders are entitled: (i) to propose to supplement the agenda of the General Shareholders Meeting submitting draft resolution on every additional item of agenda or, than there is no need to make a decision - explanation of the shareholder. Proposal to supplement the agenda is submitted in writing by registered mail or delivered in person against signature. The agenda is supplemented if the proposal is received no later than 14 before the General Shareholders Meeting; (ii) to propose draft resolutions on the issues already included or to be included in the agenda of the General Shareholders Meeting at any time prior to the date of the General Shareholders meeting (in writing, by registered mail or delivered in person against signature) or in writing during the General Shareholders Meeting; (iii) to submit questions to the Company related to the issues of agenda of the General Shareholders Meeting in advance but no later than 3 business days prior to the General Shareholders Meeting in writing by registered mail or delivered in person against signature.

Shareholder participating at the General Shareholders Meeting and having the right to vote must submit documents confirming personal identity. Each shareholder may authorize either a natural or a legal person to participate and to vote on the shareholder's behalf at the General Shareholders Meeting. The representative has the same rights as his represented shareholder at the General Shareholders Meeting. The authorized persons must have documents confirming their personal identity and power of attorney approved in the manner specified by law which must be submitted to the Company no later than before the commencement of registration for the General Shareholders Meeting. Shareholder is entitled to issue power of attorney by means of electronic communications for legal or natural persons to participate and to vote on its behalf at the General Shareholders Meeting. The shareholders must inform the Company about power of attorney issued by means of electronic communications no later than before the commencement of registration for the General Shareholders Meeting. The power of attorney issued by means of electronic communications and notice about it must be written and submitted to the Company by means of electronic communications.

Shareholder or its representative may vote in writing by filling general voting bulletin, in such a case the requirement to deliver a personal identity document does not apply. The form of general voting bulletin is presented at the Company's webpage. If shareholder requests, the Company shall send the general voting bulletin to the requesting shareholder by registered mail or shall deliver it in person against signature no later than 10 days prior to the General Shareholders Meeting free of charge. The filled general voting bulletin must be signed by the shareholder or its authorized representative. Document confirming the right to vote must be added to the general voting bulletin if authorized person is voting. The filled general voting bulletin must be delivered to the Company by means of electronic communications, registered mail or in person against signature no later than before the day of the General Shareholders Meeting.

For the convenience of the shareholders of INVL technology, AB the company provides notifications about convocation of General Shareholders Meeting, draft resolutions as well as general voting bulletins and resolutions adopted in the Meetings in the section For Investors reference Shareholders' Meeting Voting Results on the company's web page.

There have been two INVL Technology Shareholders' Meetings held during the year 2014. During the meeting on 28th April 2014, the decisions to elect the Board of the company and to register its residence were made. During the Shareholders Meeting on 19th

December the audit company was elected to audit financial statements of the financial year 2014, it was decided to change the registered office of INVL Technology and to register the new address, the questions regarding members and work order of the audit committee were solved. Taking into account that the INVL technology AB started its activities only from 29th April 2014, the General Shareholders' Meeting was not convened.

11.2 THE BOARD

11.2.1 POWERS OF THE BOARD

The Board shall continue in office for the 4 year period or until a new Board is elected and commences its activities, but not longer than until the date of the Annual General Shareholders' Meeting to be held during the final year of the term of office of the Board. If individual members of the Board are elected, they shall serve only until the expiry of the term of office of the current Board. The Board or its members shall commence their activities after the close of the General Shareholders' Meeting which elected the Board or its members. Where the Articles of Association of the Company are amended due to the increase in the number of its members, newly elected members of the Board may commence their activities solely from the date of registration of the amended Articles of Association. The Board shall elect the chairman of the Board from among its members.

The General Shareholders' Meeting may dismiss from the office the entire Board or its individual members (as well as the Chairman of the Board) before the expiry of their term of office. A member of the Board may resign from his post before the expiry of his term of office, notifying the Board in writing at least 14 calendar days in advance.

The Board shall have all authorities provided for in the Articles of Association of the Company as well as those assigned to the Board by the laws. The activities of the Board shall be based on collegial consideration of issues and decision-making as well as shared responsibility to the General Shareholders' Meeting for the consequences of the decisions made. Striving for as big benefit for the Company and shareholders as possible and in order to ensure the integrity and transparency of the control system, the Board closely cooperates with the manager of the Company. The working procedure of the Board shall be laid down in the rules of procedure of the Board adopted by it.

The Board shall consider and approve:

- the operating strategy of the Company;
- the management structure of the Company and the positions of the employees;
- the positions to which employees are recruited through competition;
- regulations of branches and representative offices of the Company.

The Board shall elect and dismiss from office the manager of the Company, fix his salary and set other terms of the employment contract, approve his job description, provide incentives for and impose penalties against him.

The Board shall determine which information shall be considered to be the Company's commercial secret and confidential information. Any information which must be publicly available under the laws may not be considered to be the commercial secret and confidential information.

The Board shall take the following decisions:

- for the Company to become an incorporator or a member of other legal entities;
- to open branches and representative offices of the Company;
- to invest, dispose of or lease the fixed assets which book value exceeds 1/20 of the authorised capital of the Company (calculated individually for every type of transaction);
- to pledge or mortgage the fixed assets which book value exceeds 1/20 of the authorised capital of the Company (calculated for the total amount of transactions);
- to offer surety or guarantee for the discharge of obligations of third parties for the amount which exceeds 1/20 of the authorised capital of the Company;
- to acquire the fixed assets for the price which exceeds 1/20 of the authorised capital of the Company;
- to restructure the Company in the cases laid down by the Law on Restructuring of Enterprises of the Republic of Lithuania;
- other decisions assigned to the scope of powers of the Board by the Law on Companies of the Republic of Lithuania, Articles of Association or the decisions of the General Shareholders' Meeting.

The Board shall analyse and evaluate the information submitted by the manager of the Company on:

- the implementation of the operating strategy of the Company;
- the organisation of the activities of the Company;
- the financial status of the Company;
- the results of business activities, income and expenditure estimates, the stocktaking data and other accounting data of changes in the assets.

The Board shall analyse and assess a set of Company's and consolidated annual financial statements and draft of profit/loss appropriation and shall submit them to the General Shareholders' Meeting together with the annual report of the Company.

It shall be the duty of the Board to convene and organise the General Shareholders' Meetings in due time.

The order of the formation of the Board of the company should ensure objective, impartial and fair representation of minority shareholders of the company: names and surnames of the candidates to become members of the Board of the company, information about their education, qualification, professional background, positions taken in supervisory and management Boards of other companies, owned block of shares in other companies, larger than 1/20, potential conflicts of interest, information on whether the candidates are applied to administrative sanctions or punishment for violations / crimes against the economy, business policy, property, property rights and property interests, or do they have no obligations neither functions which would threaten the safe and reliable operations of the company, or whether candidates meet the legal requirements made for the Managers, are disclosed not later than 10 days prior the General Shareholders' Meeting in which the election of the Members of the Board is intended, so that the shareholders would have sufficient time to make an informed voting decision

In order to maintain a proper balance in terms of the current qualifications possessed by its members, the desired composition of the Board of the company are determined with regard to the company's structure and activities, and are periodically evaluated once a year.

Any Member of the Board of the company must confound companies property with its own property and do not use it or information which they received while holding position as the Members of the Board for personal benefit or for the benefit of third party on other way than the General Shareholders Meeting and the Board allows it. Any Member of the Board of the company may conclude a transaction with the company, a Member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to the low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally in the meeting of the Board of the company. Members of the Board in accordance with law and the terms have to provide information about their and related parties transactions on company's securities.

Any Member of the Board of the company within 5 (five) days must inform the Manager or the Chairman of the company on any subsequent changes in provided information that have been submitted for shareholders prior to the election of the Member of the Board. Changes in provided information are disclosed in the company's annual report.

Each Member of the Board actively participates in the Meetings of Board and devotes sufficient time and attention to perform his duties as the Member of the Board. 9 Meetings of the Board of the company have been held in 2014.

11.3 THE DIRECTOR

The manager of the Company (the Director) shall be elected and dismissed from office by the Board which shall also fix his salary, approve his job description, provide incentives and impose penalties. An employment contract shall be concluded with the Director. The Director shall assume office after the election, unless otherwise provided for in the contract concluded with him. If the Board adopts a decision on his removal from office, the employment contract therewith shall be terminated.

In his activities, the Director shall be guided by laws and other legal acts, the Articles of Association of the Company, decisions of the General Shareholders' Meeting and the Board, his job description. The Director is accountable to the Board.

The Director shall organise daily activities of the Company, hire and dismiss employees, conclude and terminate employment contracts therewith, provide incentives and impose penalties.

The Director shall act on behalf of the Company and shall be entitled to enter into transactions at his own discretion. The Director may conclude the transactions to invest, dispose of or lease the fixed assets for the book value which exceeds 1/20 of the authorised capital of the Company (calculated individually for every type of transaction), to pledge or mortgage the fixed assets for the book value which exceeds 1/20 of the authorised capital of the Company (calculated for the total amount of transactions), to offer surety or guarantee for the discharge of obligations of third parties for the amount which exceeds 1/20 of the authorised capital of the Company, to acquire the fixed assets for the price which exceeds 1/20 of the authorised capital of the Company, provided there is a decision of the Board to enter into these transactions.

The Director shall be responsible for:

- the organisation of activities and the implementation of objects of the company
- the drawing up of the annual accounts;
- the conclusion of the contract with the firm of auditors where the audit is mandatory or required under the Statutes of the company;
- the submission of information and documents to the General Meeting, the Supervisory Board and the Board in cases laid down in this Law or at their request;
- the submission of documents and particulars of the company to the administrator of the Register of Legal Persons;
- the submission of the documents of a public limited liability company to the Securities Commission and the Central Securities Depository of Lithuania;
- the publication of information referred to in this Law in the daily indicated in the Statutes;
- the submission of information to shareholders;
- the fulfilment of other duties laid down in this Law and other laws and legal acts as well as in the Statutes and the staff regulations of the manager of the company.

The Director must keep commercial secrets and confidential information of the Company which he learned while holding this office.

Information about Members of the Board and director of the company.

The Board of INVLT Technology, AB was elected during the General Shareholders' Meeting of INVLT Technology, AB the company split-off from Invalda LT, AB on 28 April 2014. Mr. Banys was elected as the Chairman of the Board. Mr. Šulnis and Ms. Mišeikytė were elected as the Members of the Board. Mr. Šulnis was appointed as the director of the company on 28 April 2014. The board of the following composition was working till the 9th February 2015. Darius Šulnis left the position of the Director of INVLT Technology from the 9th January 2015.



**ALVYDAS
BANYS -
CHAIRMAN OF
THE BOARD**

The term of office

2014 – 2017

Educational background and qualifications

Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economic's Institute of Lithuania's Science Academy.

Work experience

Since 1 July 2013 Invalda LT, AB - Advisor
Since 2007 LJB Investments, UAB - Director
Since 2007 LJB Property, UAB - Director
1996 – 2006 Invalda, AB - Vice President
1996 – 2007 Nenuorama, UAB - President

Owned amount of shares in INVLT Technology, AB

Personally: 45,500 units of shares, 7.7 % of authorised capital, 7.7 % of votes.
Together with controlled company LJB Investments: 225,919 units of shares, 38.1 % of authorized capital, 38.1 % of votes. Total votes together with other Board members of INVLT Technology - 50.3 %.

Participation in other companies

Invalda LT, AB – Chairman of the Board
BAIP Grupe, UAB – Member of the Board
Invalda LT Investments, UAB – Chairman of the Board
INVLT Baltic Farmland, AB – Chairman of the Board
INVLT Baltic Real Estate, AB – Chairman of the Board
Litagra, UAB – Member of the Board



**INDRĖ
MIŠEIKYTĖ -
MEMBER OF
THE BOARD**

The term of office

2014 – 2017

Educational background and qualifications

Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture

Work experience

Since May 2012 Invalda LT, AB - Advisor
Since June 2013 Invalda Privatus Kapitalas, AB – Advisor
Since 2002 Inreal Valdymas, UAB - Architect
Since 2002 Gildeta, UAB - Architect

Owned amount of shares in INVLT Technology, AB

Personally: 11,832 units of shares, 2 % of authorised capital - 2 % of votes
Total votes together with other Board members of INVLT Technology - 50.3 %.

Participation in other companies

Invalda LT, AB – Member of the Board
Invalda Privatus Kapitalas, AB – Member of the Board
INVLT Baltic Farmland, AB – Member of the Board
INVLT Baltic Real Estate, AB – Member of the Board



**DARIUS
ŠULNIS -
MEMBER OF
THE BOARD,
DIRECTOR**

The term of office

2014 – 2017

Educational background and qualifications

Duke University (USA). Business Administration. Global Executive MBA.
Vilnius University. Faculty of Economics. Master in Accounting and Audit.
Financial broker's license (General) No. A109.

Work experience

2006 – 2011 Invalda, AB – President. 2011 – 2013 Invalda, AB – Advisor. Since May 2013 Invalda LT, AB – President.
2002 – 2006 Invalda Real Estate, UAB (current name Inreal Valdymas) – Director
1994 – 2002 FBC Finasta, AB – Director

Owned amount of shares in INVL Technology, AB

Personally: 0 units of shares, 0,00 % of authorised capital and votes
Together with controlled company Lucrum Investicija: 48,327 units of shares, 8.2 % of authorised capital, 10.2 % of votes (including votes granted by the shares transferred by the repurchase agreement).
Total votes together with other Board members of INVL Technology - 50.3 %.

Participation in other companies

Invalda LT, AB – 91.59 % (together with persons acting in concert)
INVL Baltic Farmland, AB – 62.7 % (together with persons acting in concert)
INVL Baltic Real Estate, AB – 50.3 % (together with persons acting in concert)
Lucrum Investicija, UAB – 100 %.
Golfas, UAB – 31 %.

Reorganization of INVL Technology and BAIP Group was completed on 9th of February 2015: INVL Technology was merged into BAIP Group, AB. BAIP Group, AB took over all the rights and duties including the name of INVL Technology, and continues operations under the new name of the public joint-stock company INVL Technology.

The new Board of INVL Technology, AB was elected during the General Shareholders' Meeting of INVL Technology, AB on 5th February 2015. As from 10th of February 2015 Mr. Kazimieras Tonkūnas was elected as the Chairman of the Board. Mr. Nerijus Drobavičius, Mr. Gytis Umantas, Mr. Vytautas Plunksnis and Mr. Alvydas Banyšs were elected as the Members of the Board.

Mr. Tonkūnas was appointed as the director of the company on 9th December 2014.



**KAZIMIERAS
TONKŪNAS,
CHAIRMAN OF
THE BOARD,
DIRECTOR**

The term of office

2014 - 2018

Educational background and qualifications

Vilnius University, Faculty of Economics, Master in economics – mathematics (systematic analysis of the economic)

Work experience

2007 – 2015 BAIP group, AB - Director and Chairman of the Board
Since 25 September 2013, Vitma, UAB - Director
Since 2013, BAIP, UAB - Business Development Director
2007 – 2013, BAIP, UAB – General Director

Owned amount of shares in INVL Technology, AB

Personally: 840.452 units of shares, 13,75 % of authorised capital, 13,75 % of votes,
Total votes together with other Board members of INVL Technology - 46,54 %.

Participation in other companies

Norway Registers Development AS – The Chairman of the Board
NRD, UAB - The Chairman of the Board



**NERIJUS
DROBAVIČIUS**

**MEMBER OF
THE BOARD**

The term of office

2014-2018 m.

Educational
background and
qualifications

In 1998 graduated Vytautas Magnus University and gained his Bachelor's degree in Business management. Graduated Vytautas Magnus University in 2000 and gained his Master's degree in banking and finance.

Work experience

Since 2014 works at „Invalda LT“, AB group.
2014-2012 Independent financial expert.
2011-2007 CFO in Sanitas Group.
2007-2001 Sampo Bank. Head of Accounting and Reporting department, later - CFA of the bank.

Owned amount of
shares in INVL
Technology, AB

Personally: 0 units of shares; 0 % of authorised capital, 0 % of votes.
Total votes together with other Board members of INVL Technology – 46,54 %

Participation in other
companies

„MP Pension Funds Baltic“, UAB – Member of the Board
Bank Finasta, AB – Member of the Supervisory Board
„INVL Asset Management“, UAB – Member of the Board, Head of Finance and IT department
„Finasta Asset Management“, UAB (Latvija) – Member of the Supervisory Board
„Finasta atklātais pensiju fonds“, AB (Latvija) – Member of the Supervisory Board
INVL fondai, UAB – Director
Inservis, UAB – Member of the Board
Īmonu grupē Inservis, UAB – Member of the Board
Invalda LT Investments, UAB – Chief Accountant



**VYTAUTAS
PLUNKSNIS,
MEMBER OF
THE BOARD**

The term of office

2014-2018 m.

Educational
background and
qualifications
Work experience

Graduated the studies in economics at Kaunas University of Technology in 2000, gained Bachelor's degree in Management. Financial broker's license (General) No. G091.
Since 2009 Fund Manager at Invalda LT, AB
2006-2009 „Finasta asset management“, UAB – analyst, fund manager, strategic analyst.
2004 ELTA redactor (business news).
2002-2004 „Baltis News Service“ business journalist.

Owned amount of
shares in INVL
Technology, AB

Personally: 0 units of shares; 0 % of authorised capital, 0 % of votes.
Total votes together with other Board members of INVL Technology – 46,54 %

Participation in other
companies

„MP Pension Funds Baltic“, UAB – Member of the Board
Bank Finasta, AB – Member of the Supervisory Board
„INVL Asset Management“, UAB – Member of the Board
„Finasta Asset Management“, UAB (Latvia) – Chairman of the Supervisory Board
„Finasta atklātais pensiju fonds“, AB (Latvia) – Chairman of the Supervisory Board
Norway Registers Development AS - Member of the Board
NRD, UAB - Member of the Board
„Jurita“, UAB – Chairman of the Board
„Inservis“, UAB – Chairman of the Board
Īmonu grupē „Inservis“, UAB – Chairman of the Board
„Kelio ženklai“, UAB – Member of the Board
„Vernitas“, AB – Chairman of the Supervisory Board
„Invalidos nekilnojamojo turto fondas“, AB – Member of the Board
„Consult Invalda“, UAB – Director
„Investuotojų Asociacija“ – Chairman of the Board



**GYTIS
UMANTAS,
MEMBER OF
THE BOARD**

The term of office

2014-2018 m.

Educational
background and
qualifications
Work experience

Vilnius University, International Business School, Bachelor in International business management

Owned amount of
shares in INVL
Technology, AB

Since 2013, BAIP, UAB - General Director
From 2008 until 2013, Vitma, UAB - Director
From 2008 until 2015, BAIP group, AB - Member of the Board
Personally: 236.270 units of shares, 3,86 % of authorised capital, 3,86 % of votes.
Total votes together with other Board members of INVL Technology - 46,54 %.

Participation in other
companies

-



**ALVYDAS
BANYS -
MEMBER OF
THE BOARD**

The term of office

2014-2018 m.

Educational
background and
qualifications

Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics.
Junior Scientific co-worker. Economic's Institute of Lithuania's Science Academy.

Work experience

Since 1 July 2013 Invalda LT, AB - Advisor
Since 2007 LJB Investments, UAB - Director
Since 2007 LJB Property, UAB - Director
1996 – 2006 Invalda, AB - Vice President
1996 – 2007 Nenuorama, UAB - President

Owned amount of
shares in INVL
Technology, AB

Personally: 308.745 units of shares, 5,05 % of authorised capital, 5,05 % of votes.
Together with controlled company LJB Investments: 1.532.897 units of shares, 25,07 % of authorized capital, 25,07 % of votes.
Total votes together with other Board members of INVL Technology – 46,54 %.

Participation in other
companies

Invalda LT, AB – Chairman of the Board
Invalda LT Investments, UAB – Chairman of the Board
INVL Baltic Farmland, AB – Chairman of the Board
INVL Baltic Real Estate, AB – Chairman of the Board
Litagra, UAB – Member of the Board

During the reporting period, Invalda LT, AB provided accounting services and preparation of the documents related with bookkeeping for INVL Technology, AB according to an agreement signed on 30 April 2014 No. 20140430/02.

12 INFORMATION ABOUT THE AUDIT COMMITTEE OF THE COMPANY

The Audit Committee consists of 2 members, one of whom is independent. The members of the Audit Committee are elected by the General Shareholders' Meeting. The main functions of the Committee are the following:

- provide recommendations for the Board of the company with selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the preparation process of company's financial reports;

- monitor the efficiency of company's internal control and risk management systems. Once a year review the need of the internal audit function;
- monitor if the company's board and/or managers properly response to the audit firm's recommendations and comments.

The Member of the Audit Committee of INVL Technology, AB may resign from his post before the expiry of term of office, notifying the Board of the company in writing at least 14 calendar days in advance. When the Board of the Company receives the notice of resignation and estimates all circumstances related to it, the Board may pass the decision either to convene the Extraordinary General Shareholders Meeting to elect the new member of the Audit Committee or to postpone the question upon the election of the new member of the Audit Committee until the nearest General Shareholders Meeting. In any case the new member is elected till the end of term of office of the operating Audit Committee.

Procedure of work of the audit committee:

The Audit Committee is a collegial body, taking decisions during meetings. The Audit Committee may take decisions and its meeting should be considered valid, when both members of the Committee participate in it. The decision should be passed when both members of the Audit Committee vote for it. The Member of the Audit Committee may express his will – for or against the decision in question, the draft of which he is familiar with – by voting in advance in writing. Voting in writing should be considered equal to voting by telecommunication end devices, provided text protection is ensured and it is possible to identify the signature. The right of initiative of convoking the meetings of the Audit Committee is held by both Members of the Audit Committee. The other Member of the Audit Committee should be informed about the convoked meeting, questions that will be discussed there and the suggested drafts of decisions not later than 3 (three) business days in advance in writing (by e-mail or fax). The meetings of the Audit Committee should not be recorded, and the taken decisions should be signed by both Members of the committee. When both Audit Committee Members vote in writing, the decision should be written down and signed by the secretary of the Audit Committee who should be appointed by the Board of the Company. The decision should be written down and signed within 7 (seven) days from the day of the meeting of the Audit Committee.

The Audit Committee should have the right to invite the Manager of the Company, Member(s) of the Board, the chief financier, and employees responsible for finance, accounting and treasury issues as well as external auditors to its meetings. Members of the Audit Committee may receive remuneration for their work in the committee at the maximum hourly rate approved by the General Shareholders' Meeting.

The General Shareholders Meeting which took place on 19 December 2014 decided to elect Danute Kadanaite and Tomas Bubinas (independent member) to the Audit Committee of INVL technology, AB for the 4 (four) years term of office.

After the reorganization The General Shareholders Meeting on the 2nd February 2015 reelected Danute Kadanaite and Tomas Bubinas to the Audit Committee of INVL technology.



**DANUTĖ
KADANAITE –
MEMBER OF
THE AUDIT
COMMITTEE**

The term of office

2014 – 2016

Educational
background and
qualifications

2004 – 2006 Mykolas Romeris University. Faculty of Law.
Master in Financial Law
2000 – 2004 m. Faculty of Law, BA in Law
1997 International School of Management

Work experience

Since 2009 Lawyer. Legisperitus, UAB
2008 – 2009 Lawyer, Finasta FBC
2008 – Lawyer, Invalda, AB
1999 – 2002 Administrator, Office of Attorney of Law Arturas Sukevicius
1994 – 1999 Legal Consultant, Financial brokerage company Apyvarta, UAB

Owned amount of
shares in INVL
Technology, AB

-



**TOMAS
BUBINAS –
INDEPENDENT
MEMBER OF
THE AUDIT
COMMITTEE**

The term of office

2014 – 2016 m.

Educational
background and
qualifications

2004 – 2005 Baltic Management Institute (BMI), Executive
MBA
1997 – 2000 Association of Chartered Certified Accountants.
ACCA. Fellow Member
1997 Lithuanian Sworn Registered Auditor
1988 – 1993 Vilnius University, Msc. in Economics

Work experience

Since 2013 Chief Operating Officer at Biotechpharma, UAB
2010 – 2012 Senior Director, Operations. TEVA
Biopharmaceuticals (USA)
1999 – 2001 Senior Manager, PricewaterhouseCoopers
1994 – 1999 Senior Auditor, Manager, Coopers & Lybrand.

Owned amount of
shares in INVL
Technology, AB

-

13 INFORMATION ON THE AMOUNTS CALCULATED BY THE ISSUER, OTHER ASSETS TRANSFERRED AND GUARANTEES GRANTED TO THE MEMBERS OF THE BOARD, DIRECTOR AND COMPANY PROVIDING ACCOUNTING SERVICES

CEO of the company is entitled only to a fixed salary. The company does not have a policy concerning payment of a variable part of remuneration to the management.

During the year 2014 the Members of the Board did not receive dividends or bonuses from the company. There were no assets transferred, no guarantees granted, no bonuses paid and no special payouts made by the company to its managers. The Members of the Board were not granted with bonuses by other companies of INVL technology, AB group.

Since the beginning of activities of INVL Technology till the end of the reporting period the payment for the company providing accounting services amounted to 5600 litas.

13.1 TABLE. INFORMATION ABOUT CALCULATED REMUNERATION DURINT 2014 FOR THE CEO OF THE ISSUER

Calculated remuneration, LTL - 2014

For members of administration (the CEO)

8 032

4

INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY

14 OVERVIEW OF THE ISSUER'S AND ITS GROUP ACTIVITY, THEIR PERFORMANCE AND BUSINESS DEVELOPMENT

14.1 OPERATIONAL ENVIRONMENT

Lithuania's economy in 2014 continued to grow. Gross domestic product, according to SEB Bank estimates, in 2013 grew by 3.0 percent. Lithuanian bank review states that such growth was driven by domestic demand, especially private consumption growth. The latter is influenced by improving situation in the labor market, higher real wages and lower inflation. The next component of domestic demand - investment is encouraged by the production capacity utilization rate well above the average of many years and still growing, as well as by infrastructure projects. As pointed out by SEB economists, the positive momentum for both the world and the Baltic countries is provided by lower oil prices and low interest rates, but concerns for the businesses continue to arise from geopolitical factors, Russian recession and economic condition of some euro zone countries. Net export influence to GDP growth is low.

However, as expected, the growth of domestic demand is gradually slowing down, because for some time now expectations of both the population, and corporates has deteriorated. Statistics show that, despite the current circumstances, the pace of economic development in the Baltic countries, will remain one of the largest in the European Union – it is estimated that in 2015 Lithuania's economy will grow by 2.6 per cent., Latvia's - 2.4 per cent, while Estonia's - 2.2 per cent.

In IT market, according to the Department of Statistics, the number of employees in the IT services sector keeps growing significantly, a three-digit growth is also observed in IT services exports since 2008. Specialist wages are also on the rise, the biggest demand in the market is noticed for highly qualified specialists.

According to Gartner study, IT spending in 2014 worldwide increased by 2.1 percent and reached US \$ 3.7 trillion. Both the central and eastern Europe (CEE) and the Middle East and Africa regional markets (MEA) – among the fastest growing in the world. It is expected that in 2015-2018 spending in IT sector will grow by 7-8% in CEE, in MEA - by 7-12%.

14.1.1

TABLE. KEY ECONOMIC INDICATORS OF LITHUANIA

Rate	2007	2008	2009	2010	2011	2012	2013	2014
Real GDP annual change (excluding seasonal and labour days, percent)	8	2,8	-14,9	1,7	6,1	3,9	3,2	3,0
Nominal GDP (EUR billion)	29,041	32,696	26,935	28,001	31,247	33,314	34,956	36,288
Retail trade turnover (at constant prices, excluding vehicle trade) annual change (percent)	16,1	2,2	-21,3	-6,7	6,1	3,9	4,5	5,6
CPI, annual change (%)	8,1	8,5	1,3	3,8	3,4	2,8	0,4	-0,3
HICP, annual average change (%)	5,8	11,1	4,2	1,2	4,1	3,2	1,2	0,2
Average monthly wage (4th Q, EUR)	594,3	671,7	613,5	614,4	629,9	646,4	677,8	714,5
Annual change of average monthly wage (4th Q, %)	18,5	13,0	-8,7	0,2	2,5	2,6	4,8	5,4

Source: SEB bank

	2013	2014	2015	2016
USA	2.2	2.4	3.5	3.2
Japan	1.6	0.2	1.1	1.1
Germany	0.1	1.5	1.6	2.0
China	7.7	7.4	7.0	6.7
GB	1.7	2.6	2.8	2.5
Euro zone	-0.5	1.0	1.2	1.7
Nordic countries	0.4	1.6	1.9	2.2
Baltic countries	3.2	2.5	2.4	3.2
Lithuania	3.3	3.0	2.6	3.5
Latvia	4.2	2.4	2.5	3.0
Estonia	1.6	1.8	1.8	2.6
OECD	1.4	1.9	2.6	2.6
Emerging markets	4.7	4.8	4.4	5.0
The world, PPP*	3.1	3.5	3.7	3.9

* Purchasing Power Parities

Source: SEB Nordic Outlook, February 2015, OECD

Index/Shares	01.01.2014	01.01.2015	+/-%
OMX Tallinn	817.72	755.05	-7.66
OMX Riga	460.13	408.03	-11.32
OMX Vilnius	421.60	452.42	7.31

Source: Nasdaq Baltic

14.2 SIGNIFICANT ISSUER'S AND ITS GROUP EVENTS DURING THE REPORTING PERIOD, EFFECT ON THE FINANCIAL STATEMENT

Significant issuer's events

- **On 20 May 2014**, the company informed that the Supervisory Authority of the Bank of Lithuania on 20 May 2014 decided to treat the information submitted in the split-off terms of Invalda LT, AB, in other related documentation, in the list of references related to INVL Technology, AB, in the description of the risk factors as information equivalent to the information that is required to be disclosed in the prospectus of INVL Technology, AB. The Board of INVL Technology decided to present a requisition for NASDAQ OMX Vilnius stock exchange for registering company's shares into the Secondary list from 4 June 2014.
- **On 3 of June 2014**, INVL Technology, AB presented company's portfolio. BAIP group, UAB is the first portfolio investment of INVL Technology. INVL Technology has a stake of 80% in BAIP Group. The audited revenue of BAIP group, UAB in 2013 grew 25.3 percent to LTL 50,752 million (EUR 14.7 million). The EBITDA of BAIP group grew 65.6 percent to LTL 4.45 million (EUR 1.3 million).
- **On 29 of July 2014**, INVL Technology, AB portfolio company BAIP group announced unaudited consolidated results. INVL Technology has a stake of 80% in BAIP Group, which operates in information technology and legal informatics sector. Compared to the first half of 2013, BAIP group consolidated revenue in the first half of 2014 increased by 30 percent and reached LTL 24.82 million (EUR 7.188 million). In the same period last year it was LTL 19.101 million (EUR 5.532 million). EBITDA increased by 58 percent and reached LTL 2.257 million (EUR 0.654 million EUR). In the same period last year EBITDA amounted to LTL 1.429 million (EUR 0.414 million). In the second quarter of 2014 consolidated revenue of BAIP group according to preliminary data reached LTL 14.698 million (EUR 4.257 million) - 41 percent increase, compared to the same period last year – LTL 10.409 million (EUR 3.015 million). BAIP group EBITDA (earnings before interest, taxes, depreciation and amortization) also increased by 41 percent and reached LTL 1.168 million (EUR 0.338 million). In the same period last year EBITDA amounted to LTL 0.829 million (EUR 0.24 million).
- **On 26 of August 2014** INVL Technology announced unaudited consolidated results for 6 months of 2014. Net profit of INVL Technology amounted to LTL 2.747 million (EUR 0.796 million). The equity of INVL Technology, AB, which invests into information technology companies, amounted to LTL 19.854 million (EUR 5.75 million) or LTL 33.5 (EUR 9.7) per share at the end of June 2014.
- **On 12 November 2014** announced unaudited consolidated results for 9 months of 2014. Unaudited net loss of INVL Technology amounted to LTL 3 thousand (EUR 0.87 thousand). The equity of INVL Technology, AB, which invests into information technology companies, amounted to LTL 17.104 million (EUR 4.95 million) or LTL 28.86 litas (EUR 8.36) per share at the end of September 2014.
- **On 27th November** INVL Technology informed that on 26 November 2014 INVL Technology, AB and the following persons have signed the Shareholders' Agreement: the shareholders of INVL Technology together managing 89.68% of the company, and shareholders of BAIP Group, together owning 20% of BAIP Group (INVL Technology owns the rest 80%). The Shareholders' Agreement states that: INVL Technology and BAIP Group will merge. After the merger the company will continue its activities under the name INVL Technology and its shares will further be listed on NASDAQ Vilnius stock exchange; Until the merger BAIP Group will issue new shares for the total amount of LTL 1.71 million (EUR 0.5 million). BAIP Group shareholders will acquire these shares and increase owned block up to 34.3%; The New Company will apply to the Bank of Lithuania for the closed-end investment company licence. Once the licence is granted INVL Technology will be managed by the asset management company controlled by Invalda LT; The New company will aim to raise not less than EUR 10 million (LTL 34.5 million) through a new share issue. The money will be used for investments into new technology companies; The Board of 5 members will be comprised in the New Company until the issue of the closed-end investment company licence. The Board will pass the key decisions by unanimous vote.
- **On 11 December 2014** INVL Technology informs that BAIP group completed share capital increase and stake controlled by INVL Technology decreased from 80 to 65.65 percent.
- **On 19 December 2014** the resolutions of the Shareholders Meeting of INVL Technology, AB that was held the same day were announced. The decision to approve the reorganization of the joint-stock company INVL Technology by way of merger, merging the joint-stock company INVL Technology to BAIP group, AB was made during the meeting, the audit company PricewaterhouseCoopers was elected to audit financial statements of the financial year 2014, the Audit Committee members were elected as well. It was decided to change the registered office of INVL Technology and to register the new address in the premises located at Seimyniskiu str. 1A, Vilnius, Lithuania.
- **On 24 December 2014** the notification on the drawn - up reorganization terms of BAIP grupė, AB and INVL Technology, AB was announced.
- **On 30 December 2014** it was informed that INVL Technology, AB plans to publish Interim information for 12 months of 2014 on 27 February 2015. As INVL Technology is being reorganized by the way of merger, it is planned to announce the investor's calendar for the rest of the year after the reorganisation.

Group's events

- **On 19 January 2014** BAIP, UAB announced that Police Department under the Ministry of the Interior of the Republic of Lithuania will be getting printing and copying services from the company, which proposed an integrated service CopyPrint. The tender was announced in order to optimize document printing, copying and scanning processes and their management, to ensure security of printed and copied documents, and implement "FollowMe" functionality.
- **On 30 January 2014** BAIP group has spun-off its cyber defence services into an independent, specialized cyber security company NRD CS, managed by Dr. Vilius Benetis. The company is also a cyber security centre of excellence for Norway Registers Development AS, BAIP and Norway Registers Development East Africa Ltd. NRD AS acts as expertise centre for development of information systems for BAIP group companies: Norway Registers Development AS, BAIP and Norway Registers Development East Africa.

- **On 5 February 2014**, BAIP group announced, that Norway Registers Development AS (NRD) assisting governments and institutions in building vital economy facilitating infrastructure has a new Managing Director - Mr Rimantas Zylus, appointed by NRD Board of Directors on the 30 December 2013. NRD previous Managing Director Jon Birger Fjalestad will continue to support the company by consult on global strategy, holding a position of NRD AS Director.
- **On 11 February 2014** BAIP group announced a conference "Technology and Protection 2014", which were held in Vilnius by BAIP, UAB and IBM Lietuva. The conference focused on tendencies of new technologies, importance of systems' protection and risk management.
- **On 12 February 2014** BAIP group announced the results for 2013. The groups consolidated revenue, according to preliminary data, increased by 25 percent in 2013 and reached LTL 50.3 million. Meanwhile EBITDA (earnings before interest, taxes, depreciation and amortization), as compared to last year, increased by 63 percent and reached LTL 4.4 million.
- **On 14 February 2014** BAIP group announced that it will support the fourth annual cyber security conference „Security Summit 2014“, which were held in Prague on 9-10 April 2014. The conference is organized by European Business Conferences Group (EBCG) together with non-profit international information security organizations - The Open Web Application Security Project (OWASP) and The Information Systems Security Association (ISSA).
- **On 26 February 2014** BAIP group announced that the group was the main event initiator and sponsor of INFOBALT student grant ceremony, which was held on 25 February 2014. During the event scholarships were granted for laureates of fourth annual LMA young scientist conference (physics and technology science students), for research work.
- **On 17 March 2014** BAIP group announced that NRD CS, a specialized cybersecurity company based in Europe, has joined the Council on CyberSecurity as a Provider Member, focused on competencies and supporting the work of the Council. As a member, NRD CS will partner with the Council to promote and encourage the implementation of best practices to reduce vulnerabilities in cyberspace, as well as benefit from close affiliation with the Council's community of experts, bodies of knowledge, tools and programs.
- **On 2 April 2014** BAIP group announced that Forensic Science Centre of Lithuania (FSCL) in cooperation with BAIP cyber security competence centre (since the beginning of this year - NRD CS) and Estonian Forensic Science Institute (EFSI), is currently modernising digital forensics laboratory which will allow reducing the queues for IT examinations, increasing the rate of investigated crimes and, therefore, elevating the overall level of justice in the country.
- **On 25 April 2014** BAIP group announced that on the 6-7th of February 2014, BAIP - as a lead partner in a joint venture agreement with other BAIP group companies Norway Registers Development AS and Norway Registers Development East Africa Ltd - signed 2 contracts with Burundi Central Bank (BRB) and The Financial and Private Sector Development Project of Burundi (PSD) for BRB Data Center, required to run and support National Payment Systems and Bank Supervision applications, implementation and maintenance. The project is funded by the World Bank via the Financial and Private Sector Development Project (PSD), serving as the implementing agency. The contract, signed with PSD, is worth 2.45 million USD and will be executed in 11 months. After that, 5 year maintenance contract (1 year warranty and 4 years post-warranty), signed with Burundi Central Bank, will begin, with grand total amount of post-warranty maintenance services worth almost 0.25 million USD for 4 years.
- **On 2 May 2014**, the BAIP group announced that its company Norway Registers Development AS (NRD AS), a management consulting company, and its local Tanzania branch Norway Registers Development East Africa Ltd (NRD EA) will participate in Fredskorpset Norway (FK) financed young employee Exchange Program. During 21 month period a total of 17 young professionals from Tanzania and Europe will intern at NRD and NRD EA respectively. The project is divided into three rounds and the first round of exchange will take place from the 11th of August, 2014 to the 10th of March, 2015.
- **On 8 May 2014** BAIP group announced in the first quarter of 2014 consolidated revenue of group. According to preliminary data increased by 16 percent as compared to the same period last year and reached LTL 10.122 million. Meanwhile EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 82 percent and reached LTL 1.089 million.
- **On 9 July 2014** Information technologies and infrastructure services provider BAIP announced that it completed the migration of workplaces from Windows XP to Windows 7 platform in SEB - the largest bank of Lithuania. Migration was performed in all branches of the bank and SEB bank group companies' offices. Two thousand workplaces were upgraded in total. The project was executed according to the plan and without any interruption of employees work.
- **On 15 July 2014** BAIP group announced that it has successfully implemented and configured its first interstate project - cloud computing infrastructure in Lithuania and Belarus. The project was financed by European Neighbourhood and Partnership Instrument, Cross Border Cooperation programme between Latvia, Lithuania and Belarus. The value of the Project – LTL 2.247 million.
- **On 21 July 2014** BAIP group announced that it has renewed magnetic tape libraries at the Bank of Lithuania. The company has won an open public tender and completed the project with the value of EUR 0.5 million.
- **On 29 July 2014** BAIP group announced results on second quarter of 2014. The consolidated revenue of BAIP group, according to unaudited data, reached LTL 14.698 million - 41 percent increase, compared to the same period last year – LTL 10.409 million. BAIP group EBITDA (earnings before interest, taxes, depreciation and amortization) also increased by 41 percent and reached LTL 1.168 million. In the same period last year EBITDA amounted to LTL 0.829 million.
- **On 1 August 2014** BAIP group announced that Critical IT infrastructure services company BAIP successfully migrated Mokilizingas data from centralized data centre to virtual servers. Complex migration took only 12 hours.
- **On 4 August 2014** first commercial cyber security company in Baltics NRD CIRT announced that it became part of international organization's FIRST (Forum of Incident Response and Security Teams) full member. This organization unites national, commercial and academic computer emergency response teams (CERT) from all over the world. By becoming organization's FIRST full member, NRD CIRT will be able to collaborate with other computer emergency response teams by sharing information on security and by attracting extra resource for incident clearing. NRD CIRT membership was approved after audit by two association's FIRST members.
- **On 13 August 2014**, BAIP UAB informed that it has transferred DPD data centre and business management application from Latvia to Lithuania. From now on the centralised data centre and business management system are being used by DPD units in all three Baltic States. BAIP carried out the analysis and offered a centralised data centre solution that included disaster recovery centre and ensured high availability in case of system failure. BAIP also installed IT infrastructure and migrated the business application.

- **On 16-19 September 2014**, BAIP group companies strengthen cyber security in East Africa. The second annual conference Cyber Defence East Africa 2014 (CDEA2014) was taking place in Arusha, Tanzania. The event was organized by a BAIP group company Norway Registers Development East Africa Ltd. (NRD EA) together with an independent, non-profit, global Information Systems Audit and Control Association ISACA Tanzania Chapter. During the four-day event participants will have an opportunity to take part in specialised trainings and become acquainted with all main cyber security aspects, tools and methodologies: how to respond to cyber security incidents and cyber attacks, manage risks, monitor and analyse the digital environment, perform digital forensics, ensure and manage resilience of information systems.
- **On 24 September 2014 BAIP**, UAB informed, that it has equipped 200 workplaces for American healthcare technology company Intermedix Corporation, that opened it's service centre in Kaunas this year. The centre will provide various technology solutions for US healthcare institutions. The Lithuanian centre was established in order to optimise company's services and to provide efficient solutions for clients. It's local division Intermedix Lietuva chose BAIP as one of it's main IT suppliers. BAIP provided and installed workplace hardware and software, servers and network equipment. Intermedix chose Dell products.
- **On 24 November 2014**, it was announced that BAIP, UAB has won the tender by Zimbabwe Ministry of Finance & Economic Development and upgraded IT infrastructure at the Reserve Bank of Zimbabwe. The project was financed by the African Development Bank and the value of the contract stands at 735 thousand USD. BAIP took part in the Governance and Institutional Strengthening Project (GISP) and provided a solution for the Reserve bank of Zimbabwe that needed to upgrade its backup data centres. The company designed and renewed the infrastructure in Harare, Masa and Bullawayo. New hardware will ensure business continuity and data availability in case of an accident as well as enable centralized server management and virtualization.
- **On 8 December 2014**, the announcement was made, that BAIP UAB has won the public tender and signed the contract with the Ministry of Energy of the Republic of Lithuania. The company will provide the Ministry with infrastructure maintenance services. BAIP will ensure smooth operations of the Ministry's IT infrastructure, data security and availability, mobile device management, timely reaction to failures and incidents and prevention of potential malfunctions. The Ministry of Energy trusted its workplaces, printing, copying and scanning, server, network and mobile device management to BAIP that will ensure the continuity of Ministry's operations.

14.3 EMPLOYEES

Till the end of the reporting period there was one employee in INVL technology, AB (director). Invalda LT, AB provided accounting services and preparation of the documents related with bookkeeping.

14.4 INFORMATION ABOUT AGREEMENTS OF THE COMPANY AND THE MEMBERS OF THE BOARD, OR THE EMPLOYEES' AGREEMENTS PROVIDING FOR COMPENSATION IN CASE OF THE RESIGNATION OR IN CASE THEY ARE DISMISSED WITHOUT A DUE REASON OR THEIR EMPLOYMENT IS TERMINATED IN VIEW OF THE CHANGE OF THE CONTROL OF THE COMPANY

There are no agreements of the company and the Members of the Board, or the employees' agreements providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the company.

2014-12-31	LTL thousand	EUR thousand
Change in the true value of financial assets	10.081	2.920
Profit before tax	9.986	2.892
Net profit	9.986	2.892
Value of financial assets	27.028	7.828
Other assets	86	25
ASSETS	27.114	7.853
Equity	27.093	7.847
Liabilities	21	6
TOTAL EQUITY AND LIABILITIES	27.114	7.853

15 DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES

Information provided in this document shall not be considered complete and covering all the aspects of the risk factors associated with the activity and securities of the public joint-stock company INVL Technology.

Risk factors, associated with activities of INVL Technology

Rapid changes in technologies and market

Changes in the IT and related markets happen rapidly and therefore failure to adapt to these changes can lead to lower profitability and reduction of value of the investment.

Dependence on managing bodies and human resources

Information technology service companies highly depend on human resources. Profit and value can decrease significantly if the key persons leave the company INVL Technology, AB. The risk can be reduced using implementation of the right motivational system, aligned to the conditions in the market.

Agreement of shareholders of INVL Technology, AB

Shareholders of the public joint-stock company INVL Technology signed an agreement, which includes decision making as well as trading in shares and voting system for resolutions. It has already been decided to increase the authorized capital by attracting EUR 10 000 000 of investments.

General investment risk

The value of the investment in IT services companies can vary in the short term, depending on the market situation. Investment in IT service companies should be carried out in the long term, so that investor can avoid the short-term price fluctuations. Investing in IT service companies is a bigger than an average risk. After failure of investments or under other ill-affected circumstances (having been unable to pay for the creditors) the bankruptcy proceedings may be initiated.

Investments illiquidity risk

The investments of the public joint - stock company INVL Technology in IT service companies under certain market conditions are relatively illiquid, thus finding buyers for these companies can take time. Investments in such companies should be considered only if there is a sufficient time horizon.

Risk of legislative and regulatory changes

Changes in law system and/or legal acts of Lithuania as well as other countries, where the public joint - stock company INVL Technology operates, may affect the activity, income and value of IT service companies.

Tax increase risk

Tax law changes may lead to a greater taxation of the public joint - stock company INVL Technology and its group companies (directly and indirectly), which in return may reduce the profits and assets of the company.

Inflation and deflation risk

It is likely that during its operational period the public joint - stock company INVL Technology and its controlled companies will face both inflation and deflation risks. If the value of investments of the public joint - stock company INVL Technology grew slower than the inflation rate, even if the investment value growth would be achieved, money earned from the realization of the investments would have a lower purchasing power.

Credit risk

There is a risk that buyers of the production and services of the companies controlled by the public joint - stock company INVL Technology will not fulfill their obligations. It would negatively affect the profit of the companies controlled by the public joint - stock company INVL Technology. If larger part of liabilities is not fulfilled in time, it may cause disturbances in activities of the companies controlled by the public joint - stock company INVL Technology. There might be a need to seek additional sources of financing, which may not always be available.

The public joint - stock company INVL Technology also bears the risk of holding bigger than EUR 100 000 funds in bank accounts or investing in short-term financial instruments as in Lithuania only deposits, which are up to EUR 100 000 insured.

Liquidity risk

The companies controlled by the public joint - stock company INVL Technology are financed using short-term borrowed capital. Therefore, the companies controlled by the public joint-stock company INVL Technology may face a situation where they will not be able to settle up with suppliers and other creditors in time. The company will seek to maintain adequate liquidity levels or secure funding of its controlled companies in order to reduce this risk.

Currency risk

The companies controlled by the public joint - stock company INVL Technology face the currency risk of USA dollar and other currencies. A larger part of agreements in foreign markets is made in USA dollars, but part of their costs is incurred in euros. Because of that, fluctuation of US dollar exchange rate may have a negative effect on profit of the controlled companies. Also, a big part of computers and other equipment is bought in USA dollars from foreign suppliers.

Interest rate risk

Interest rate risk mainly includes loans with a variable interest rate. The changes in variable interest rates may negatively affect the activity results as a part of the companies controlled by the public joint - stock company INVL Technology (BAIPUAB; NRDUAB) is financed by bank loans with a variable interest rate.

Reorganization risk

The public joint - stock company INVL Technology after the reorganization, - the merger of the public joint - stock company INVL Technology into the public joint - stock company INVL Technology (previous name - BAIP Group, AB), took over all the assets, equity and liabilities of the public joint - stock company INVL Technology. For any obligation of the public joint - stock company INVL Technology, AB the company continuing operations after the reorganization INVL Technology will take responsibility.

The legal status change risk

The public joint - stock company INVL Technology intends to apply for a closed-end investment company license, issued by the bank of Lithuania. This will lead to changes in the protection of company's shareholders and certain operating restrictions that are foreseen in the Law on Collective Investment Undertakings. Company's operating expenses might be increased because of the requirements to conduct periodic property assessment and protect the property in the depository.

The risk of audited results

The joint - stock company INVL Technology has not yet published the audited results of 2014. There is a risk that the audited results of the public joint - stock company INVL Technology of 2014 may differ from the preliminary indicators that have been published publicly.

Market-related risks

Market risk

Shareholders of the public joint - stock company INVL Technology face the risk of incurring losses due to adverse changes in the market price of the shares. The drop of the stock price may be caused by a negative change in company's asset value and profitability, general stock market trends in the region and the world. Trading in shares of the public joint - stock company INVL

Technology may depend on the comments of brokers and analysts as well as published independent analyses of the company and its activities. The unfavorable analysts' outlook of the shares of the public joint - stock company INV L Technology may adversely affect the market price of the shares. Non-professional investors assessing the shares are advised to seek the assistance of intermediaries of public trading or other experts in this field.

Liquidity risk

If demand for the shares decreases or they are delisted from the stock exchange, investors will face the problem of realization of shares. If the financial situation of the public joint - stock company INV L Technology deteriorates, the demand for company's shares may drop, which would lead to a fall in share price.

Dividend payment risk

Dividend payment to the shareholders of the public joint - stock company INV L Technology is not guaranteed and will depend on the profitability, investment plans and the overall financial situation of the company.

Tax and legal risk

Changes in the equity-related legislation or state tax policy can affect attractiveness of the shares of the public joint - stock company INV L Technology. This may reduce the liquidity of the shares of the company and/or share price.

Inflation risk

When inflation increases, the risk that the stock price change may not offset the current rate of inflation appears. In this case, return on equity from capital gain on market shares for traders may be less than expected.

The initial stock price risk

The shares of the public joint - stock company INV L Technology, prior to inclusion in the stock market, have not been publicly traded. As a result, their stock price, after an addition to the trading list, will be determined on the basis of the purchase and sale orders, which may depend on subjective factors, such as the market and the economic situation, performance evaluation of the public joint - stock company INV L Technology announced in public as well as the interest of investors. As a result, the initial share price may not reflect accurately the true value and have high fluctuations.

16 SIGNIFICANT INVESTMENTS MADE DURING THE REPORTING PERIOD

During the reporting period INV L Technology, AB has not made any acquisitions.

17 INFORMATION ON THE RELATED PARTIES' TRANSACTIONS

The detailed information on the related parties' transactions has been disclosed in the noaudited interim 12 months financial statements explanatory notes for 2014.

18 SIGNIFICANT EVENTS OF THE ISSUER AND ITS GROUP SINCE THE END OF THE LAST FINANCIAL YEAR

- **On 14 January 2015** it was announced that in order to ensure the well-organized reorganization process of the public joint stock company INV L Technology and BAIP Grupe, AB, in accordance with the terms of the reorganization dated 23 December 2014, trading in shares of INV L Technology, AB in NASDAQ OMX Vilnius Stock Exchange will be suspended from 29 January 2015 until the completion of the reorganization. All efforts will be made to include the shares of the company operating after the completion of the reorganization to the NASDAQ OMX Vilnius Stock Exchange trading lists in the shortest period possible in the legal acts. This decision was made considering that: 1) The agenda of the General Shareholders Meeting of the reorganized public joint stock company INV L Technology that is to be held on 2 February 2015, includes resolutions regarding reorganization of the company and the terms of reorganization; 2) Following the resolutions and regulations stated in the terms of reorganization, shares owned by the shareholders of the reorganized public joint stock company INV L Technology will be cancelled and in exchange, shareholders will receive shares of BAIP Grupe, AB.
- **On 2 February 2015** the resolutions of the General Shareholders Meeting of INV L Technology, AB that was held on 2 February 2015 were announced. It was decided to approve the reorganization terms of the public joint - stock company INV L Technology and the public joint - stock company BAIP grupe (the drawn - up reorganization terms of the public joint - stock company INV L Technology and the public joint - stock company BAIP grupe (dated on 23 December 2014) was publicly announced on 30 December 2014. The new wording of the Articles of Association of the public joint-stock company BAIP grupe, which continues to operate after the reorganization under the new name INV L Technology were approved, an Audit Committee was formed.
- **On 2 February 2015** information on the results of the survey, ordered by BAIP and conducted by market research company Nielsen, which revealed that every second Lithuanian company was to incur significant financial losses if its IT

system is disrupted for more than a day. However, only a minority of businesses have special measures to accelerate the liquidation of such incidents and the IT system functionality recovery. According to the survey, nearly 80 percent of companies have evaluated the risks posed by IT systems malfunction, and 60 percent would suffer significant financial losses, if the system did not work for more than 24 hours. Yet only 3 percent of companies have business continuity plans for such cases, and just more than one-tenth (13 percent) have tools for rapid data recovery in place.

- **On 10 February 2015** it was announced that the Reorganization of INVL Technology and BAIP Group was completed on 9th of February 2015. INVL Technology was merged into BAIP Group, AB. BAIP Group, AB will take over all the rights and duties including the name of INVL Technology, and will continue operations under the new name of the public joint-stock company INVL Technology. The company's shares will be quoted on the NASDAQ Vilnius Stock Exchange after completion of the actions foreseen in the legal acts. It is estimated that the trading in companies shares will be available from March 2015. Trading in INVL Technology shares (a company which ceased its activities) was suspended from 29 January 2015 (inclusively). The initial capitalisation of the company operating after the merger reaches EUR 8.146 million. Recalculated price per share should reach EUR 1.33. The authorized capital of INVL Technology is divided into 6 114 714 ordinary registered shares. The nominal value per share is EUR 0.29. ISIN code - LT0000128860. The Board and manager of INVL Technology, AB has not changed.
- **On 27 February 2015** company announced results for 12 months of 2014. Unaudited net profit of INVL Technology amounted to LTL 5.1 million (EUR 1.47 million).
- **On 10 March 2015** Company informed that the Director of the Supervisory Authority of the Bank of Lithuania on 9 March 2015 decided to treat the information submitted in the publicly announced reorganization terms (together with annexes) of INVL Technology and BAIP Group, also, in the annual information of Invalda in 2011-2012 and Invalda LT in 2013, and in interim financial statements of INVL Technology for 12 months of 2014, and in the list of references related to INVL Technology, also, in the description of the securities (shares) and risk factors as well as in information displayed in the Articles of Association of the company as information equivalent to the information that is required to be disclosed in the prospectus of INVL Technology, AB. It was also announced that INVL Technology decided to apply to NASDAQ Vilnius stock exchange on 10 March 2015 to renew trading in companies shares since 12 March 2015.
- **On 24 March 2015** it was announced that Norway Registers Development which owns 30 per cent of Infobank Uganda Limited shares signed Infobank Uganda Limited shareholders agreement on 23 March 2015.
- **On the 7 April, 2015** it was announced that Norway Registers Development (NRD AS), a company controlled by INVL Technology, on the 3rd of April, 2015 signed an agreement regarding investment into Etronika, UAB, which develops electronic banking, mobile signature, electronic transport tickets, and retail software solutions. NRD AS plans to invest into new share issue of Etronika, UAB and acquire 80 per cent of Etronika, UAB shares. Total investments, including loans to Etronika, UAB, will amount up to EUR 400 thousand. Revenues of Etronika, UAB, amounted to EUR 1.9 million in 2014, company employs more than 40 people.

19

ESTIMATION OF ISSUER'S AND GROUP'S ACTIVITY LAST YEAR AND ACTIVITY PLANS

19.1

EVALUATION OF IMPLEMENTATION OF GOALS FOR 2014

In 2014 "INVL Technology", AB companies achieved their financial goals, invested in targeted expansion in Lithuanian and foreign markets as well as growth of intellectual capital and development of services portfolio.

In 2014, the biggest projects of BAIP, UAB, managed by INVL Technology include: 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 Bank of Lithuania, renewed for EUR 0.5 million (LTL 1.755 million), and National Open Access Research Data Archive MIDAS infrastructure design and implementation.

Specialized cyber security company NRD CS established the first commercial Cybersecurity 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 Africa, INVL Technology companies implemented the Burundi Central Bank data center 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, finished Viet Nam business Registers modernization project in Southeast Asia.

INVL Technology company managed company Norway Registers Development AS started activities in Uganda, where together with local partners established a company Infobank Uganda Ltd and manages 30 percent of its shares. 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.

INVL Technology since the Company's establishment date on 29 April 2014, when the company was separated from the investment and asset management company Invalda LT, earned EUR 2,9 million (LTL 10 million) net profit, due to the growth in investment in managed companies value.

19.2 ACTIVITY PLANS AND FORECAST OF THE ISSUER AND IT'S GROUP

INVL Technology intends to apply for a closed-end investment company licence and in its essence will become similar to fund.

It was also announced that INVL Technology plans to issue EUR 21.66 million of new shares. Attracted funds will be invested in IT companies, operating in Baltic countries, Eastern Europe, as well into current capacities building.

Company plans to continue developing sales channel in East Africa and Southeast Asia, and INVL Technology companies will have access to new customers and human resources in these markets. Attention will also be paid to current portfolio development and value growth.

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.

19.3 EVALUATION OF GROUP ACTIVITIES IN 2014 AND ACTIVITY PLANS AND FORECAST BY COMPANIES



ABOUT BAIP, UAB

BAIP, UAB is a critical IT infrastructure services company, having much experience in its activity field, since 2007 belongs to BAIP group. Company provides: IT infrastructure strategy and architecture, IT security and on-site critical IT infrastructure maintenance services 24x7, anywhere in the world, super computer design, and assistance in complex migrations, system implementation. Services and consultations form more than 60% of company's activities. BAIP works and implements projects in the Baltic countries, Eastern Europe, supports BAIP group initiatives in other parts of the world.

More information – www.baip.lt.

ACTIVITIES IN 2014

In 2014, the biggest projects of BAIP, UAB, include: a cloud computing solution between Lithuania and Belarus (value of the project EUR 0.65 million (LTL 2.274 million)), and National Open Access Research Data Archive MIDAS infrastructure design and implementation (value – EUR 1,981 million – LTL 6,840 million).

BAIP also implemented SEB bank computer workplaces modernisation and maintenance project, at the National Courts Administration implemented a modern Lithuanian courts information system (LITEKO) actual and archival data separation and storage solution. Other BAIP clients in Lithuania: Bank of Lithuania, „Mokilizingas“, „Litgrid“, „Intermedix Corporation“, Central Mortgage Office, Western Union, DPD.

In Africa, BAIP implemented Burundi Central Bank Data Center modernisation project, Mauritius registers development project, and IT infrastructure modernisation project at the Reserve Bank of Zimbabwe.

PLANS IN 2015 AND FURTHER

In 2015 BAIP plans regional expansion in the Baltics, later – expansion of operations in the East African region.

The company will continue developing the concept of Information system and critical IT infrastructure resilience, invest in technological knowledge capacity building and develop methodologies to secure its clients business continuity.

Together with NRD East Africa resilience topics will be implemented in the East African region.

KEY FINANCIAL RATIOS OF BAIP, UAB

Thousand EUR	2013	2014
Sales	11,094	13,677
Net profit	706	1,313
EBITDA	1,069	1,687



ABOUT NRD group

NRD group: Norway Registers Development AS with daughter companies NRD, UAB and Norway Registers Development East Africa Ltd.

Norway Registers Development AS – consulting company, helping governments and institutions in Eastern Africa and Asia to build vital economy facilitating infrastructure and achieving relevant, measurable results, a part of BAIP group since 2011.

Services and business model: legal, organizational reforms and their implementation, modernization of legal and organizational base (business, property, mortgage, licenses and citizen's registries), modernization of public and centralized procurement, judiciary systems, tax collection with eFilling, transformation of business inspections and simplifications of business regulations, reforms of state owned enterprises.

NRD, UAB is an information system design and development excellence center, while NRD East Africa Ltd – sales and maintenance center in East Africa.

More information – www.nrd.no.

ACTIVITIES IN 2014

In Lithuania, NRD group companies implemented projects with the National tax office at the Ministry of Finance, Central Mortgage Office, Department of Supervision of Social Services at the Ministry of social security and labor, the Department of Migration of the Ministry of Internal Affairs of the Republic of Lithuania, and „Novameta“, UAB. Companies also implemented modernisation of the Citizens' Registry project.

In Africa, development of Mozambique companies register, Burundi Central Bank Data Center modernisation project, and

Mauritius registers development project were implemented. In Southeast Asia, Viet Nam business Registers modernization project was finished.

Fredskorpset Norway (FK Norway) financed employee exchange program is taking place. During the programme, a total of 17 young professionals from Tanzania and Europe will intern in Norway and Tanzania. NRD East Africa will become capable of supporting NRD AS projects in East Africa.

NRD started activities in Uganda, where it, together with local partners, established a company „Infobank Uganda Ltd“ and owns 30 % of shares.

PLANS IN 2015 AND FURTHER

NRD AS will develop sales channel in East Africa and strengthen its consulting capacity.

Services portfolio will be expanded to incorporate vertical solutions, necessary for developing digital economies, business environment improvement, and economy elevation: availability of credit, bank services and information, regulation and IT governance (according to COBIT methodology). 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.

In addition, modernisation of previously implemented solutions is planned, offering supplementary services for existing

clients: e- signature, cyber security and other solutions.

NRD East Africa will seek to increase its brand awareness in the East African region and continue with the annual cyber security conference tradition.

Some of the services that will be presented in East Africa include information system development and IT infrastructure architecture, system migration services and an IT service management solution, implemented according to ITIL methodology and ISO20000 standard - Service (Help) Desk. Service Desk will also be customized to support Swahili language, making it specifically local.

Expansion of NRD group operations in Southeast Asia is also foreseen.

KEY FINANCIAL RATIOS OF NRD GROUP

Thousand EUR	2013	2014
Sales	3,728	3,276
Net profit	45	(12)
EBITDA	187	44



ABOUT UAB NRD CS, UAB

NRD CS, UAB - specialized cyber security company and a cyber security center of excellence for other group companies. Spin-off from BAIP, UAB in January 2014.

Assists in creating a secure digital environment for states, governments, corporations and citizens via technology platforms, workflows and processes. Main clients: cyberpolice, national security services, enterprises, government, courts, forensic science center, banks.

More information – www.nrdcs.lt.

ACTIVITIES IN 2014

Specialized cyber security company NRD CS established the first commercial Cybersecurity 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 2014, projects were implemented in energy, public administration, health, regulation and banking sectors, power structures and government organisations.

Company organized business missions, cyber security trainings, worked with partners on cyber security research papers, methodology development.

PLANS IN 2015 AND FURTHER

In 2015 and further regional expansion is planned in the Baltics, where NRD CS will assist specialized organisations fight against crimes in cyberspace and with the assistance of cyberspace.

NRD CS brand awareness campaign will continue, team will cooperate with international organisations in development of cyber security methodologies, invest in the capacity building of its specialists.

Together with NRD East Africa, cyber security incident response (NRD CIRT) services will be provided for East African clients.

KEY FINANCIAL RATIOS OF NRD CS, UAB

Thousand EUR

2014

Sales	870
Net profit	22
EBITDA	37

20 REFERENCES TO AND ADDITIONAL EXPLANATIONS OF THE DATA PRESENTED IN THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

All data is present in consolidated and company's year 2014 financial statements explanatory notes.

OTHER INFORMATION

21 INFORMACIJA APIE AUDITO ĮMONĘ

The company have no approved criteria for selection of the audit company. In the extraordinary general Shareholders' Meeting of the company held on the 19th December 2014, the audit company PricewaterhouseCoopers, UAB was elected to provide audit services on annual financial statements of the company for the financial year of 2013-2014. It was also decided to set remuneration of LTL 8 000 (eight thousand LTL, 2316 EUR) plus VAT for the audit of the annual financial statements.

Audit company	PricewaterhouseCoopers, UAB
Address of the registered office	J. Jasinskio str. 16B, LT-03163 Vilnius, Lithuania
Enterprise code	111473315
Telephone	+370 5 239 2300
Fax	+370 5 239 2301
E-mail	vilnius@lt.pwc.com
Website	www.pwc.com/lt

The audit company does not provide any other than audit services to the company. No internal audit is performed in the company.

22 DATA ON THE PUBLICLY DISCLOSED INFORMATION

The information publicly disclosed of INVL Technology, AB during 2014 is presented on the company's website www.invltechnology.lt

22.1 TABLE. SUMMARY OF PUBLICLY DISCLOSED INFORMATION

Date of disclosure	Brief description of disclosed information
2014.05.20	Regarding Invalda LT split-off terms to be equivalent to the information of prospectus of INV L Technology, AB
2014.06.03	Presentation of BAIP Group, a company of INV L Technology, for the conference CEO Meets Investor, organised by NASDAQ OMX Vilnius
2014.06.03	Notification on transaction concluded by manager of the company
2014.06.03	"INV L Technology", AB presentation
2014.06.03	„INV L Technology“ managed company BAIP group, UAB presentation at NASDAQ OMX Vilnius listed companies conference
2014.06.13	Notification on transaction concluded by manager of the company
2014.07.29	Unaudited results of BAIP Group, UAB for 6 months of 2014
2014.08.26	Unaudited results of INV L Technology for 6 months of 2014
2014.09.05	Notification on transaction concluded by manager of the company
2014.09.10	Notification on transaction concluded by manager of the company
2014.09.26	Notification on transaction concluded by manager of the company
2014.10.01	Notification on transaction concluded by manager of the company
2014.10.06	Notification on transaction concluded by manager of the company
2014.10.09	Notification on transaction concluded by manager of the company
2014.10.13	Presentation of INV L Technology group in a conference in Tallin
2014.10.17	Notification on transaction concluded by manager of the company
2014.10.24	Notification on transaction concluded by manager of the company
2014.11.03	Notification on transaction concluded by manager of the company
2014.11.07	Notification on transaction concluded by manager of the company
2014.11.12	Unaudited results of INV L Technology for 9 months of 2014
2014.11.14	Notification on transaction concluded by manager of the company
2014.11.21	Notification on transaction concluded by manager of the company
2014.11.27	INV L Technology, AB has signed Shareholders' Agreement
2014.11.27	Convocation of the Shareholders Meeting of INV L Technology and draft resolutions
2014.11.28	Notification on transaction concluded by manager of the company
2014.12.05	Notification on transaction concluded by manager of the company
2014.12.08	Supplemented agenda of the Shareholders Meeting of INV L Technology that is to be held on 19 December 2014
2014.12.11	Notification on transaction concluded by manager of the company
2014.12.11	INV L Technology, AB controls 65.65 percent of BAIP group, UAB shares
2014.12.19	Resolutions of the Shareholders Meeting of INV L Technology, AB
2014.12.24	Notification on the drawn - up reorganization terms of BAIP grupė, AB and INV L Technology, AB

Date of Transaction	Person	Number of Securities	Security price (EUR)	Total value of transaction (EUR)	Form of Transaction	Type of Transaction	Placement of Transaction
2014-06-03	„Lucrum investicija“ UAB	73.628	8,25	607.431	Transfer	Purchase-sale	XOFF
2014-06-03	„Invalda LT“ AB	73.628	8,25	607.431	Acquisition	Purchase-sale	XOFF
2014-06-13	Alvydas Banys	44.039	-	-	Loss	Pledge (without transfer of ownership) removal	-
2014-06-13	„Lucrum investicija“ UAB	44.039	-	-	Acquisition	Pledge (without transfer of ownership) removal	-
2014-09-03	„Invalda LT“ AB	14	9,770	136,78	Acquisition	Purchase-sale	AUTO
2014-09-03	„Invalda LT“ AB	13	9,770	127,01	Acquisition	Purchase-sale	AUTO
2014-09-03	„Invalda LT“ AB	5	9,770	48,85	Acquisition	Purchase-sale	AUTO
2014-09-03	„Invalda LT“ AB	57	9,770	556,89	Acquisition	Purchase-sale	AUTO
2014-09-03	„Invalda LT“ AB	12	9,770	117,24	Acquisition	Purchase-sale	AUTO
2014-09-04	„Invalda LT“ AB	5	10,000	50,00	Acquisition	Purchase-sale	AUTO
2014-09-04	„Invalda LT“ AB	3	10,000	30,00	Acquisition	Purchase-sale	AUTO
2014-09-05	„Invalda LT“ AB	13	10,100	131,30	Acquisition	Purchase-sale	AUTO
2014-09-25	„Invalda LT“ AB	1	10,100	42287,00	Acquisition	Purchase-sale	AUTO
2014-09-29	„Invalda LT“ AB	9	10,100	90,90	Acquisition	Purchase-sale	AUTO
2014-09-29	„Invalda LT“ AB	2	10,100	20,20	Acquisition	Purchase-sale	AUTO
2014-10-02	„Invalda LT“ AB	2	10,100	20,20	Acquisition	Purchase-sale	AUTO
2014-10-07	„Invalda LT“ AB	73	10,100	737,30	Acquisition	Purchase-sale	AUTO
2014-10-07	„Invalda LT“ AB	100	10,100	1,010,00	Acquisition	Purchase-sale	AUTO
2014-10-08	„Invalda LT“ AB	113	10,100	1,141,30	Acquisition	Purchase-sale	AUTO
2014-10-13	„Invalda LT“ AB	4	10,100	40,40	Acquisition	Purchase-sale	AUTO
2014-10-16	„Invalda LT“ AB	3	10,100	30,30	Acquisition	Purchase-sale	AUTO
2014-10-16	„Invalda LT“ AB	1	10,100	42287,00	Acquisition	Purchase-sale	AUTO
2014-10-17	„Invalda LT“ AB	6	10,100	60,60	Acquisition	Purchase-sale	AUTO
2014-10-20	„Invalda LT“ AB	2	10,100	20,20	Acquisition	Purchase-sale	AUTO
2014-10-29	„Invalda LT“ AB	4	10,100	40,40	Acquisition	Purchase-sale	AUTO
2014-10-29	„Invalda LT“ AB	26	10,100	262,60	Acquisition	Purchase-sale	AUTO
2014-10-31	„Invalda LT“ AB	6	10,100	60,60	Acquisition	Purchase-sale	AUTO
2014-11-03	„Invalda LT“ AB	4	10,100	40,40	Acquisition	Purchase-sale	AUTO
2014-11-04	„Invalda LT“ AB	4	10,100	40,40	Acquisition	Purchase-sale	AUTO
2014-11-04	„Invalda LT“ AB	1	10,100	42287,00	Acquisition	Purchase-sale	AUTO
2014-11-10	„Invalda LT“ AB	22	10,100	222,20	Acquisition	Purchase-sale	AUTO

2014-11-21	„Invalda LT“ AB	63	9,540	601,02	Acquisition	Purchase-sale	AUTO
2014-11-26	„Invalda LT“ AB	7	9,540	66,78	Acquisition	Purchase-sale	AUTO
2014-12-01	„Invalda LT“ AB	1	9,540	9,54	Acquisition	Purchase-sale	AUTO
2014-12-09	„Invalda LT“ AB	5	9,540	47,70	Acquisition	Purchase-sale	AUTO
2014-12-09	„Invalda LT“ AB	3	9,540	28,62	Acquisition	Purchase-sale	AUTO
2014-12-09	„Invalda LT“ AB	26	9,540	248,04	Acquisition	Purchase-sale	AUTO
2014-12-09	„Invalda LT“ AB	105	9,540	1,001,70	Acquisition	Purchase-sale	AUTO

Explanations:

XOFF –OTC trade,

AUTO – automated deals on the stock exchange,

Managers of the company and closely related persons:

- Alvydas Banys – Chairman of the Board (untill 2015 02 09), Member of the Board (since 2014 12 05);
- Indrė Mišeikytė – Member of the Board (untill 2015 02 09);
- Darius Šulnis – Member of the Board, President (untill 2015 02 09);
- Kazimieras Tonkūnas - Member of the Board (since 2014 12 05); Chairman of the Board (since 2014 12 09); Director (since 2014 12 09);
- Nerijus Drobavičius – Member of the Board (since 2014 12 05);
- Vytautas Plunksnis - Member of the Board (since 2014 12 05);
- Gytis Umantas – Member of the Board (since 2014 12 05);
- „Lucrum investicija“ UAB – legal entity, related to Darius Šulnis;
- „LJB Investment“ UAB – legal entity, related to Alvydas Banys;
- „Invalda LT“ AB - legal entity, related to Darius Šulnis, Alvydas Banys.

Director



Kazimieras Tonkunas

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INFORMATION ABOUT GROUP COMPANIES, THEIR CONTACT DETAILS

APPENDIX



Company	Registration information	Type of activity	Contact details
BAIP group, AB	Company code: 300893533 Address: Gynėjų str. 16, 01109 Vilnius, Lithuania Legal form: private limited liability company Registration date: 2007-06-27	Investment into information technology companies.	Phone: +370 5 219 1919
NRD CS, UAB	Company code: 303115085 Address: Gynėjų str. 16, 01109 Vilnius, Lithuania Legal form: private limited liability company Registration date: 2013-06-06	Internal CIRT establishment, technologies. Digital forensics laboratories, related consultations. Security Operations Center (SOC).	Phone: +370 5 219 1919 E-mail: info@nrdfs.lt www.nrdfs.lt
BAIP, UAB	Company code: 301318539 Address: A. Juozapavičiaus str. 6, Vilnius Legal form: private limited liability company Registration date: 2007-12-03	IT infrastructure strategy and architecture solutions, maintenance, supercomputer design, assistance in complex migrations, critical IT infrastructure maintenance and consultations, data center design and redesign, operations, trainings and maintenance.	Phone: +370 5 219 0000 Fax: +370 5 219 5900 E-mail: info@baip.lt www.baip.lt
„NRD“, UAB	Company code: 111647812 Address: Žygimantų str. 1-5, Vilnius Legal form: private limited liability company Registration date: 1998-10-15	Information system design and maintenance	Phone: Vilnius: +370 52 31 07 31, Kaunas: + 370 37 31 18 64 E-mail: info@nrd.lt www.nrd.lt
Norway Registers Development AS	Company code: NO-985 221 405 MVA Address: Billingstadsletta 35, NO-1396 Billingstad, Norway Legal form: limited liability company Registration date: 2002-12-23	Legal, organisational reforms and their implementation (business, property, mortgage, licenses and citizen's registries).	Phone: + 47 219 50 158 E-mail: info@nrd.no www.nrd.no
Norway Registers Development East Africa Ltd.	Company code: 88597 Address: 3rd floor, Elite tower, Azikiwe Street/Jamhuri street, Dar es Salaam, Tanzania Legal form: private limited liability company Registration date: 2012-01-13	Information technology infrastructure design, development, maintenance and security services. Information system audits, IT management consultations and trainings.	Phone: +255 222 110 895 E-mail: info@nrd,no www.nrd.co.tz
„Acena“, UAB	Company code: 300935644 Address: A. Juozapavičiaus str. 6, Vilnius Legal form: private limited liability company Registration date: 2007-07-20	Microsoft software licensing consulting, software asset management, collaboration and messaging solutions, cloud services.	Phone: +370 5 275 96 47 Fax: +370 5 273 51 06 E-mail: info@acena.lt www.acena.lt
Vitma, UAB	Company code: 121998756 Address: A. Juozapavičiaus str. 6, Vilnius Legal form: private limited liability company Registration date: 1993-06-25	Investment into information technology companies.	Phone: +370 5 219 0000
„Inventio“, UAB	Company code: 303252340 Address: Šeimyniškių str. 1A, Vilnius Legal form: private limited liability company Registration date: 2014-02-27	Does not perform any activities.	
"Infobank Uganda Ltd."	Company code: 193144 Registration date: 2014-12-03	Currently does not perform any activities.	E-mail: dmkisakye@infobank-uganda.com

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DISCLOSURE CONCERNING THE COMPLIANCE WITH THE GOVERNANCE CODE

APPENDIX

INVL technology AB, following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 24.5 of the Listing Rules NASDAQ OMX Vilnius, discloses its compliance with the Governance Code, approved by NASDAQ OMX Vilnius for the companies listed on the regulated market, and its specific provisions.

Principle I: Basic Provisions The overriding objective of a Company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.		
1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.	Yes	The Company constantly discloses information about group's activities and objectives in notifications on material event, annual information.
1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.	Yes	The Board's and the President's activities are concentrated on the fulfillment of the Company's strategic objectives taking count of the shareholders' equity increase.
1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.	Yes	The Supervisory Board is not formed. Nevertheless, the Board and the President acts in close cooperation seeking to obtain the maximum benefit for the Company and its shareholders. The Board periodically reviews and assesses Company's activity results. The President may conclude the transactions referred to in subparagraphs 3, 4, 5 and 6, paragraph 4, Article 34 of the Law on Companies of the Republic of Lithuania, provided that there is a decision of the Board to enter into these transactions.
1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.	Yes	The Company respects all rights and interests of the persons other than the Company's shareholders participating in or connected with the Company's operation.
Principle II: The corporate governance framework The corporate governance framework should ensure the strategic guidance of the Company, the effective oversight of the Company's management bodies, an appropriate balance and distribution of functions between the Company's bodies, protection of the shareholders' interests.		
2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a General Shareholders' Meeting and the Chief Financial Officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the Chief Executive Officer, who, in its turn, facilitate a more efficient and transparent management process.	No	Due to its size, it is not expedient to form the Supervisory Board. Considering that only collegial management body - the Board is formed in the Company. The President of the Company is accountable to the Board.
2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company's management bodies.	Yes	The functions set forth in this recommendation are performed by the collegial management body – the Board.
2.3. When a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the Supervisory Board. In such a case, the Supervisory Board is responsible for the effective monitoring of the functions performed by the company's Chief Financial Officer.	No	Only one collegial body is formed in the Company - the Board. It performs all essential management functions and ensures accountability and control of the President of the Company. The Supervisory Board is not formed in the Company.
2.4. The collegial supervisory body to be elected by the General Shareholders' Meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the Board, Principles III and IV should apply to the Board as long as that does not contradict the essence and purpose of this body.	Yes	The provisions set forth in III and IV principles are applied on the Board's formation and activity as long as that does not contradict with the essence and purpose of this body.
2.5. Company's management and supervisory bodies should comprise such number of Board (executive directors) and Supervisory (non-executive directors) Board members that no individual or small group of individuals can dominate decision-making on the part of these bodies.	Yes	During the reporting period there were 3 independent Board members in the Company who do not have any other mutual interests but only activity within

		the Board and who act seeking benefit to the Company and its shareholders.
2.6. Non-executive directors or members of the Supervisory Board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the Management Board.	No	The Supervisory Board is not formed in the Company, and there are no non-executive directors either.
2.7. Chairman of the collegial body elected by the General Shareholders' Meeting may be a person whose current or past office constitutes no obstacle to conduct independent and impartial supervision. Where a company should decide not to set up a Supervisory Board but rather the Board, it is recommended that the chairman of the Board and Chief Financial Officer of the company should be a different person. Company's Chief Financial Officer should not be immediately nominated as the chairman of the collegial body elected by the General Shareholders' Meeting. When a company chooses to depart from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.	Yes	During the reporting period the Chairman of the Board was not and has not been the manager of the Company. His current or past office constitutes no obstacles to conduct independent and impartial supervision.
Principle III: The order of the formation of a collegial body to be elected by a General Shareholders' Meeting. The order of the formation a collegial body to be elected by a General Shareholders' Meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the Company's operation and its management bodies.		
3.1. The mechanism of the formation of a collegial body to be elected by a General Shareholders' Meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.	Yes	The Board operates impartially, objectively and represents the interests of all shareholders equally.
3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the General Shareholders' Meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.	Yes	<p>According to the Board's procedures and regulations approved by the Board's decision of March 1, 2007 at least 10 days before the General Shareholders' Meeting, where it is planned to elect Board members (member), the information about the candidates to the Board will be fully disclosed to the shareholders with the indication of the candidates' names, surnames, their membership in supervisory and management bodies of other companies, shareholding of other companies exceeding 1/20, and all other circumstances that can affect the independence of the candidate as well as the data on their education, qualifications, professional experience, other important information.</p> <p>The Board members obligate to inform the Chairman of the Board in case of the changes of the data. The information of these changes shall be disclosed to the shareholders in the Company's periodical reports.</p> <p>Information about current members of the Board, their educational background, qualification, professional experience, participation in other companies is disclosed in Company's website.</p>
3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular	Yes	Information about the composition of the Board, members' education, work experience and participation in other companies is disclosed in Company's periodical reports and website.

competences of individual members which are relevant to their service on the collegial body.		
3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the desired composition of the collegial body shall be determined with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. The members of the Audit Committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies. At least one of the members of the Remuneration Committee should have knowledge of and experience in the field of remuneration policy.	Yes	The composition of the Board is regularly assessed with consideration to the nature of Company's activity and structure. The Audit Committee members have the required experience. The Remuneration Committee is formed.
3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.	No	Presently, members of the Board do not perform the assessment of their skills and knowledge.
3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient number of independent members.	No	Independency of the elected Board members is not assessed and the content of independent members' sufficiency isn't set either.
<p>3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependent are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following:</p> <ol style="list-style-type: none"> 1) he/she is not an executive director or member of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) of the company or any associated company and has not been such during the last five years; 2) he/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees; 3) he/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations); 4) he/she is not a controlling shareholder or representative of such shareholder (control as defined in the Council Directive 83/349/EEC Article 1 Part 1); 5) he/she does not have and did not have any material business relations with the company or associated companies within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counselling and consulting services), major client or organization receiving significant payments from the company or its group; 	No	Members of the Board are elected by the General Shareholders' Meeting. They are independent and in their actions seek the benefit to the Company and its shareholders, however fail to meet the recommendation on independency.

<p>6) he/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated companies;</p> <p>7) he/she is not an executive director or member of the Board in some other company where executive director of the company or member of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) is non-executive director or member of the Supervisory Board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies;</p> <p>8) he/she has not been in the position of a member of the collegial body for over than 12 years;</p> <p>9) he/she is not a close relative to an executive director or member of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.</p>		
3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he can not be considered independent due to special personal or company-related circumstances.		
3.9. Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the company should annually disclose which members of the collegial body it considers to be independent.	No	No Board members' independency assessment and announcement practice is applicable in the Company.
3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.	No	No Board members' independency assessment and announcement practice is applicable in the Company.
3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds. The General Shareholders' Meeting should approve the amount of such remuneration.	Not applicable	The Board members are not remunerated for their work and participation in the meeting of the Board from the Company's funds.
Principle IV: The duties and liabilities of a collegial body elected by the General Shareholders' Meeting The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the General Shareholders' Meeting, and the powers granted to the collegial body should ensure effective monitoring of the Company's management bodies and protection of interests of all the Company's shareholders.		
4.1. The collegial body elected by the General Shareholders' Meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance.	Yes	The Board submits Company's annual financial statement and consolidated annual financial statement, profit distribution drafts to the General Shareholders' Meeting, delivers consolidated annual report, also performs all other functions set forth in the legal acts of the Republic of Lithuania.
4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek and accept any unjustified privileges that might compromise their independence, and (c) clearly express their	Yes	According to the information held with the Company, all Board members act in good will with respect to the Company, are guided by the interests of the Company, not by the personal or third parties' interests, and seek to preserve their independency while adopting the decisions.

objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or Audit Committee and, if necessary, respective company-not-pertaining body (institution).		
4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half of the meetings of the collegial body throughout the financial year of the company, shareholders of the company should be notified.	Yes	The Board members perform their functions properly: they actively participate in the Board meetings and devote sufficient time for the performance of their duties as Board members. The Board members do not hold directorship in any other companies.
4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.	Yes	The Board treats all shareholders honestly and impartially. Essential obligations of the Company to the shareholders are set forth in the Shareholders' Policy approved by the Board (which is published in Company's website).
4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.	No	During the reporting period there were no significant transactions between the Company and its shareholders or management bodies. The Board's procedures and regulations establish that if such transactions are concluded, all Board members should be informed thereof. Prior approval of the Board is not required for agreements between the Company and the members of the management bodies
4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees. When using the services of a consultant with a view to obtaining information on market standards for remuneration systems, the remuneration committee should ensure that the consultant concerned does not at the same time advise the human resources department, executive directors or collegial management organs of the company concerned.	Yes	The Board is independent while adopting decisions which are significant for the activity and strategy of the Company.
4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of the company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should establish Nomination, Remuneration, and Audit Committees. Companies should ensure that the functions attributable to the Nomination, Remuneration, and Audit Committees are carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different	No	Due to simplicity of the Company's management structure and small number of employees, it is not expedient to form the Nomination and Remuneration committees.

<p>committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.</p>		
<p>4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should exercise independent judgment and integrity when exercising its functions as well as present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of competence.</p>		
<p>4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the Company chooses not to set up a Supervisory Board, Remuneration and Audit Committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals.</p>		
<p>4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit Committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.</p>		
<p>4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.</p>		
<p>4.12. Nomination Committee.</p> <p>4.12.1. Key functions of the Nomination Committee should be the following:</p> <p>1) identify and recommend, for the approval of the collegial body, candidates to fill Board vacancies. The Nomination Committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination Committee can also consider candidates to members of the collegial body delegated by the shareholders of the company;</p>		

<p>2) assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes;</p> <p>3) assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body;</p> <p>4) properly consider issues related to succession planning;</p> <p>5) review the policy of the management bodies for selection and appointment of senior management.</p> <p>4.12.2. Nomination Committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) and senior management, Chief Financial Officer of the company should be consulted by, and entitled to submit proposals to the Nomination Committee.</p>		
<p>4.13. Remuneration Committee.</p> <p>4.13.1. Key functions of the Remuneration Committee should be the following:</p> <p>1) make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body;</p> <p>2) make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the Committee should be properly informed on the total compensation obtained by executive directors and members of the management bodies from the affiliated companies;</p> <p>3) ensure that remuneration of individual executive directors or members of management body is proportionate to the remuneration of other executive directors or members of management body and other staff members of the company;</p> <p>4) periodically review the remuneration policy for executive directors or members of management body, including the policy regarding share-based remuneration, and its implementation;</p> <p>5) make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies;</p> <p>6) assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors);</p> <p>7) make general recommendations to the executive directors and members of the management bodies on the level and structure of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies.</p> <p>4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the Committee should:</p> <p>1) consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body;</p>		

<p>2) examine the related information that is given in the company's annual report and documents intended for the use during the General Shareholders' Meeting;</p> <p>3) make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has.</p> <p>4.13.3. Upon resolution of the issues attributable to the competence of the Remuneration Committee, the Committee should at least address the chairman of the collegial body and/or Chief Financial Officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies.</p> <p>4.13.4. The Remuneration Committee should report on the exercise of its functions to the shareholders and be present at the Annual General Shareholders' Meeting for this purpose.</p>		
<p>4.14. Audit Committee.</p> <p>4.14.1. Key functions of the Audit Committee should be the following:</p> <p>1) observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group);</p> <p>2) at least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided;</p> <p>3) ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually;</p> <p>4) make recommendations to the collegial body related with selection, appointment, reappointment and removal of the external auditor (to be done by the General Shareholders' Meeting) and with the terms and conditions of his engagement. The Committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations;</p> <p>5) monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest, the Committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the May 16, 2002 Commission Recommendation 2002/590/EC, the Committee should determine and apply a formal policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the Committee, and (c) permissible without referral to the Committee;</p> <p>6) review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter.</p> <p>4.14.2. All members of the Committee should be furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management should inform the Audit Committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out</p>	Yes	<p>The members of the Audit Committee are elected by the General Shareholders' Meeting. The main functions of the Audit Committee should be the following:</p> <ul style="list-style-type: none"> - provide recommendations with selection, appointment, reappointment and removal of an external Audit Company as well as the terms and conditions of engagement with the Audit Company; - monitor the process of external audit; - monitor how the external auditor and Audit Company follow the principles of independence and objectivity; - observe the process of preparation of financial reports of the Company; - monitor the efficiency of the internal control and risk management systems of the Company. Once a year review the need of the internal audit function; - monitor the implementation of the audit firm's recommendations and comments imposed by the Board and the manager of the company. <p>In conducting of the mentioned above functions, the Audit committee supervises the process of preparation of annual accounts and gives recommendations to the Board on provision of the annual accounts for the approval of the shareholders.</p> <p>Furthermore, the Audit committee analyzes the independence and other criterias of the potential auditors and gives the necessary conclusions to the management.</p> <p>Each year the Audit committee prepares activity report on the main conclusions regarding Company's activity.</p>

<p>through special purpose vehicles (organizations) and justification of such operations.</p> <p>4.14.3. The Audit Committee should decide whether participation of the chairman of the collegial body, Chief Financial Officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the Committee is required (if required, when). The Committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present.</p> <p>4.14.4. Internal and external auditors should be secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the Audit Committee should act as the principal contact person for the internal and external auditors.</p> <p>4.14.5. The Audit Committee should be informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The Audit Committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The Committee should be timely furnished information on all issues arising from the audit.</p> <p>4.14.6. The Audit Committee should examine whether the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action.</p> <p>4.14.7. The Audit Committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.</p>		
<p>4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's structure, work organization and ability to act as a group, evaluation of each of the collegial body member's and Committee's competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.</p>	No	<p>During the year 2014 the Board analyzed available information, discussed and adopted decisions concerning essential matters of INVL Technology AB and its group.</p>
<p>Principle V: The working procedure of the Company's collegial bodies.</p> <p>The working procedure of supervisory and management bodies established in the Company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the Company's bodies.</p>		
<p>5.1. The company's supervisory and management bodies (hereinafter in this Principle the concept 'collegial bodies' covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.</p>	Yes	<p>The activity of the Board is chaired by the chairman who is also responsible for convocation of the meetings as well as preparation of the agenda. Frequency of the meetings and questions of the agenda depend on the particular events or projects or they are related with ordinary functions of the Board prescribed by legal acts.</p>
<p>5.2. It is recommended that meetings of the company's collegial bodies should be carried out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company's Supervisory Board should be convened at least once in</p>	Yes	<p>According to the Board's procedures and regulations, the Board meetings are held at least once per quarter.</p>

a quarter, and the company's Board should meet at least once a month ¹⁰ .		
5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require immediate resolution.	Yes	The Board meetings are being convened by the Chairman. The Chairman of the Board informs members about the meeting at least 5 days prior to the meeting. Additional issues may be including into the agenda not later than 3 days prior to the meeting.
5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-coordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's Board should be free to attend meetings of the company's Supervisory Board, especially where issues concerning removal of the Board members, their liability or remuneration are discussed.	No	The Company may not implement this recommendation since only the Board is formed.

Principle VI: The equitable treatment of shareholders and shareholder rights.

The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.

6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.	Yes	Shares which compose the authorised capital of the Company grant equal rights to all shareholders.
6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The Company informs shareholders about the rights of newly issued shares. Information about the rights of already issued shares is provided in the Shareholders' Policy approved by the Board, the Articles of the Association, Company's annual report.
6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of encumbrance should be subject to approval of the General Shareholders' Meeting. All shareholders should be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.	Yes	Shareholders of the Company have equal opportunities to get familiarised and participate in adopting decisions important to the Company. Approval of the General Shareholders' Meeting is also necessary in cases stipulated in Chapter V of the Law on Companies of the Republic of Lithuania. No other cases when the approval of the General Shareholders' Meeting should be obtained are foreseen, since it would impair Company's business considering the nature of the Company's activity.
6.4. Procedures of convening and conducting a General Shareholders' Meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders. Prior to the shareholders' meeting, the Company's supervisory and management bodies should enable the shareholders to lodge questions on issues on the agenda of the General Shareholders' Meeting and receive answers to them.	Yes	The procedures of convening and conducting of the General Shareholders' Meeting comply with the provisions of legal acts and provide the shareholders with equal opportunities to participate in the meetings get familiarised with the draft resolutions and materials necessary for adopting the decision in advance, also give questions to the Board members.
6.5. If is possible, in order to ensure shareholders living abroad the right to access to the information, it is recommended that	Yes	The documents prepared for the General Shareholders' Meeting are published in

¹⁰The frequency of meetings of the collegial body provided for in the recommendation must be applied in those cases when both additional collegial bodies are formed at the company, the board and the supervisory board. In the event only one additional collegial body is formed in the company, the frequency of its meetings may be as established for the supervisory board, i.e. at least once in a quarter.

documents on the course of the General Shareholders' Meeting, should be placed on the publicly accessible website of the company not only in Lithuanian language, but in English and /or other foreign languages in advance. It is recommended that the minutes of the General Shareholders' Meeting after signing them and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in Lithuanian, English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.		Lithuanian and English on the Company's website.
6.6. Shareholders should be furnished with the opportunity to vote in the General Shareholders' Meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Yes	The Company's shareholders are furnished with the opportunity to participate in the General Shareholders' Meeting both personally and via an attorney, if such a person has a proper authorisation or if an agreement on the transfer of voting rights was concluded in the manner set forth in the legal acts. The Company provides the shareholders with conditions to vote by completing the general voting ballot.
6.7. With a view to increasing the shareholders' opportunities to participate effectively at General Shareholders' Meetings, the companies are recommended to expand use of modern technologies by allowing the shareholders to participate and vote in General Shareholders' Meetings via electronic means of communication. In such cases security of transmitted information and a possibility to identify the identity of the participating and voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially shareholders living abroad, with the opportunity to watch shareholder meetings by means of modern technologies.	No	Shareholders can vote via an attorney or by completing the general voting ballot but for the meantime shareholders can not participate and vote in General Shareholders' Meetings via electronic means of communication.

Principle VII: The avoidance of conflicts of interest and their disclosure

The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.

7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.	Yes	The Board members fully comply with these recommendations.
7.2. Any member of the company's supervisory and management body may not mix the company's assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the General Shareholders' Meeting or any other corporate body authorised by the meeting.		
7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.		

7.4. Any member of the company's supervisory and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.		
Principle VIII: Company's remuneration policy Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the Company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of Company's remuneration policy and remuneration of directors.		
8.1. A Company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement) which should be clear and easily understandable. This remuneration statement should be published as a part of the company's annual statement as well as posted on the company's website.	No	<p>The Company does not prepare a remuneration policy since the majority of VIII principle items are not relevant for the present structure of the Company.</p> <p>Information about the benefits and loans for the members of the management bodies is provided in the periodical reports, financial statements.</p>
8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.		
8.3. Remuneration statement should leastwise include the following information: 1) explanation of the relative importance of the variable and non-variable components of directors' remuneration; 2) sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration; 3) an explanation how the choice of performance criteria contributes to the long-term interests of the company; 4) an explanation of the methods, applied in order to determine whether performance criteria have been fulfilled; 5) sufficient information on deferment periods with regard to variable components of remuneration; 6) sufficient information on the linkage between the remuneration and performance; 7) the main parameters and rationale for any annual bonus scheme and any other non-cash benefits; 8) sufficient information on the policy regarding termination payments; 9) sufficient information with regard to vesting periods for share-based remuneration, as referred to in point 8.13 of this Code; 10) sufficient information on the policy regarding retention of shares after vesting, as referred to in point 8.15 of this Code; 11) sufficient information on the composition of peer groups of companies the remuneration policy of which has been examined in relation to the establishment of the remuneration policy of the company concerned; 12) a description of the main characteristics of supplementary pension or early retirement schemes for directors; 13) remuneration statement should not include commercially sensitive information.		
8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.		

<p>8.5. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors over the relevant financial year. This document should list at least the information set out in items 8.5.1 to 8.5.4 for each person who has served as a director of the company at any time during the relevant financial year.</p> <p>8.5.1. The following remuneration and/or emoluments-related information should be disclosed:</p> <ul style="list-style-type: none"> - the total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the Annual General Shareholders' Meeting; - the remuneration and advantages received from any undertaking belonging to the same group; - the remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted; - if permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director; - compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year; - total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points. <p>8.5.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed:</p> <ul style="list-style-type: none"> - the number of share options offered or shares granted by the company during the relevant financial year and their conditions of application; - the number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year; - the number of share options unexercised at the end of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights; - all changes in the terms and conditions of existing share options occurring during the financial year. <p>8.5.3. The following supplementary pension schemes-related information should be disclosed:</p> <ul style="list-style-type: none"> - when the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year; - when the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant financial year. <p>8.5.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial report of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate.</p> <p>8.6. Where the remuneration policy includes variable components of remuneration, companies should set limits on the variable component(s). The non-variable component of remuneration should be sufficient to allow the company to withhold variable components of remuneration when performance criteria are not met.</p> <p>8.7. Award of variable components of remuneration should be subject to predetermined and measurable performance criteria.</p>		
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8.8. Where a variable component of remuneration is awarded, a major part of the variable component should be deferred for a minimum period of time. The part of the variable component subject to deferment should be determined in relation to the relative weight of the variable component compared to the non-variable component of remuneration.		
8.9. Contractual arrangements with executive or managing directors should include provisions that permit the company to reclaim variable components of remuneration that were awarded on the basis of data which subsequently proved to be manifestly misstated.		
8.10. Termination payments should not exceed a fixed amount or fixed number of years of annual remuneration, which should, in general, not be higher than two years of the non-variable component of remuneration or the equivalent thereof.		
8.11. Termination payments should not be paid if the termination is due to inadequate performance.		
8.12. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of Annual General Shareholders' Meeting.		
8.13. Shares should not vest for at least three years after their award.		
8.14. Share options or any other right to acquire shares or to be remunerated on the basis of share price movements should not be exercisable for at least three years after their award. Vesting of shares and the right to exercise share options or any other right to acquire shares or to be remunerated on the basis of share price movements, should be subject to predetermined and measurable performance criteria.		
8.15. After vesting, directors should retain a number of shares, until the end of their mandate, subject to the need to finance any costs related to acquisition of the shares. The number of shares to be retained should be fixed, for example, twice the value of total annual remuneration (the non-variable plus the variable components).		
8.16. Remuneration of non-executive or supervisory directors should not include share options.		
8.17. Shareholders, in particular institutional shareholders, should be encouraged to attend General Shareholders' Meetings where appropriate and make considered use of their votes regarding directors' remuneration.		
8.18. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the Annual General Shareholders' Meeting. Remuneration statement should be put for voting in Annual General Shareholders' Meeting. The vote may be either mandatory or advisory.		
8.19. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of Annual General Shareholders' Meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in Annual General Shareholders' Meeting. In such case shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.	Not applicable	In 2013 the schemes, on which basis the managers were remunerated in shares, share selection transactions or other rights to acquire the shares or be remunerated based on the share price movements were not applied in the Company.

<p>8.20. The following issues should be subject to approval by the Annual General Shareholders' Meeting:</p> <p>1) grant of share-based schemes, including share options, to directors;</p> <p>2) determination of maximum number of shares and main conditions of share granting;</p> <p>3) the term within which options can be exercised;</p> <p>4) the conditions for any subsequent change in the exercise of the options, if permissible by law;</p> <p>5) all other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company under similar terms. Annual General Shareholders' Meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.</p>		
<p>8.21. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe the shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval.</p>		
<p>8.22. Provisions of Articles 8.19 and 8.20 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the Annual General Shareholders' Meeting.</p>		
<p>8.23. Prior to the Annual General Shareholders' Meeting that is intended to consider decision stipulated in Article 8.8, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company's website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones. There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company's website.</p>		
<p>Principle IX: The role of stakeholders in corporate governance</p> <p>The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the Company value, jobs and financial sustainability. For the purposes of this Principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the Company concerned.</p>		
<p>9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.</p>	Yes	<p>The Company respects the rights of interest holders and allows the interest holders to participate in the management of the Company in the manner set forth by the laws. The detailed information about planned events has been constantly disclosed in line with requirements of legal acts; therefore, the investors (shareholders) have enough opportunities to familiarize with necessary information as well as vote on decisions. More detailed explanation about disclosure procedure is provided below in the part 10.</p>
<p>9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company's share capital; creditor involvement in governance in the context of the company's insolvency, etc.</p>		

9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.		
Principle X: Information disclosure and transparency The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the Company, including the financial situation, performance and governance of the Company.		
10.1. The company should disclose information on: 1) the financial and operating results of the company; 2) company objectives; 3) persons holding by the right of ownership or in control of a block of shares in the company; 4) members of the company's supervisory and management bodies, Chief Financial Officer of the company and their remuneration; 5) material foreseeable risk factors; 6) transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations; 7) material issues regarding employees and other stakeholders; 8) governance structures and strategy. This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list.	Yes	Information set forth in this recommendation is disclosed in the notifications on material event, periodical reports. This information is also published on Company's website.
10.2. It is recommended to the company, which is the parent of other companies, that consolidated results of the whole group to which the Company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.		
10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, Chief Financial Officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and Chief Financial Officer as per Principle VIII.		
10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure.		
10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is recommended that notices about material events should be announced before or after a trading session on the NASDAQ OMX Vilnius, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions.	Yes	The company discloses information via NASDAQ OMX news distribution service so that the public in Lithuania and other EU countries should have equal access to the information. The information is disclosed in Lithuanian and English. The company publishes its information prior to or after the trade sessions on the NASDAQ OMX Vilnius. The company does not disclose information that may have an effect on the price of shares in the commentaries, interview or other ways as long as such information is publicly announced via NASDAQ OMX news distribution service.
10.6. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for	Yes	The information is disclosed in Lithuanian and English simultaneously via NASDAQ OMX news distribution service. It is also published on company's website.

instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.		
10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too.	Yes	The company publishes all information indicated in this recommendation on its website.
Principle XI: The selection of the Company's auditor The mechanism of the selection of the Company's auditor should ensure independence of the firm of auditor's conclusion and opinion.		
11.1. An annual audit of the company's financial reports and interim reports should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.	Yes	The annual Company's and consolidated financial statements and consolidated annual report are conducted by the independent audit company. The interim financial statements are not conducted by the audit company.
11.2. It is recommended that the company's Supervisory Board and, where it is not set up, the company's Board should propose a candidate firm of auditors to the General Shareholders' Meeting.	Yes	The candidate audit company is suggested to the General Shareholders' Meeting by the Board.
11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's Supervisory Board and, where it is not formed, the company's Board upon their consideration which firm of auditors to propose for the General Shareholders' Meeting.	Not applicable	The audit company does not provide non-audit services to the Company.