



INVL

TECHNOLOGY

SPECIAL CLOSED-ENDED TYPE PRIVATE CAPITAL INVESTMENT COMPANY'S

# INVL TECHNOLOGY

INTERIM CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021 PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

<p>Kazimieras Tonkūnas</p> <p>Chairman of the Investment Committee of INVL Technology, signs the Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2021, also Interim Report for the 6 months of 2021 and Confirmation of responsible persons with a qualified electronic signature.</p>	<p>Agnė Vainauskienė</p> <p>Chief financier of the Management Company of INVL Technology, signs the Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2021, and Confirmation of responsible persons with a qualified electronic signature.</p>
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## CONFIRMATION OF RESPONSIBLE PERSONS

31 August 2021

Following the Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (Article 13) of the Republic of Lithuania, management of INVL Technology hereby confirms that, to the best of our knowledge, the attached Company's Interim Condensed Unaudited Financial statements for 6 months of 2021 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 Interim Report for 6 months 2021 includes a fair review of the development and performance of the business and position of the company and its companies' group in relation to the description of the main risks and contingencies faced thereby.

### ENCLOSED:

Unaudited Interim Condensed Company's financial statements for 6 months of 2021.  
Interim Report for 6 months 2021.

Chairman of the Investment Committee  
of INVL Technology

Kazimieras Tonkūnas

Chief Financier of the Management Company  
INVL Asset Management

Agnė Vainauskienė

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## **BASIC DETAILS**

### **Investment committee**

Mr Kazimieras Tonkūnas (Chairman)  
Mrs Vida Tonkūnė  
Mr Vytautas Plunksnis  
Mr Nerijus Drobavičius

### **Supervisory Board**

Indrė Mišeikytė  
Audrius Matikiūnas  
Gintaras Rutkauskas

### **Management Company**

INVL Asset Management UAB

### **Depository**

AB SEB bank

### **Principal place of business and company code**

Registered office address:  
Gynėjų g. 14,  
Vilnius,  
Lithuania

Company code 300893533

### **Banks**

AB SEB bank

These financial statements were authorised for issue by the Management Company and signed on 31 August 2020.

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Kazimieras Tonkūnas  
Chairman of the Investment Committee  
INVL Technology

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Agnė Vainauskienė  
Chief financier at INVL Asset  
Management UAB

**INVL TECHNOLOGY UTIB****INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(all amounts are in EUR thousand unless otherwise stated)

**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2021 6 months Unaudited	2020 6 months Unaudited
Net change in fair value of financial assets	4	(847)	470
Dividend income	12	1,415	-
Interest income	12	7	92
<b>Total net income</b>		<b>575</b>	<b>562</b>
Management fee		(278)	(226)
Success fee restatement	9	1,095	-
Other operating expenses	13	(80)	(72)
<b>Total operating expenses</b>		<b>737</b>	<b>(298)</b>
<b>Operating profit (loss)</b>		<b>1,312</b>	<b>264</b>
Finance costs		-	-
<b>Profit (loss) before tax for the reporting period</b>		<b>1,312</b>	<b>264</b>
Income tax		-	-
<b>Profit (loss) for the reporting period</b>		<b>1,312</b>	<b>264</b>
Other comprehensive income for the reporting period, net of tax		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD, NET OF INCOME TAX</b>		<b>1,312</b>	<b>264</b>
Basic and diluted earnings (deficit) per share (in EUR)	14	0,11	0,02

**INVL TECHNOLOGY UTIB**  
**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**  
(all amounts are in EUR thousand unless otherwise stated)

**STATEMENT OF FINANCIAL POSITION**

	Notes	As at 30 June 2021	As at 31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	4	31,805	32,652
<b>Total non-current assets</b>		<b>31,805</b>	<b>32,652</b>
<b>Current assets</b>			
Other receivables		-	2
Dividends receivable	12	1,415	-
Bonds	7	-	408
Loans	7	-	151
Cash and cash equivalents	5	2,421	2,191
<b>Total current assets</b>		<b>3,836</b>	<b>2,752</b>
<b>Total assets</b>		<b>35,641</b>	<b>35,404</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	3,531	3,531
Share premium		8,268	8,268
Reserves	8	10,154	10,154
Retained earnings		13,084	11,772
<b>Total equity</b>	11, 17.3	<b>35,037</b>	<b>33,725</b>
<b>Liabilities</b>			
Provisions for success and accrued management fees		440	1,535
<b>Total long term liabilities</b>		<b>440</b>	<b>1,535</b>
<b>Current liabilities</b>			
Trade payables		1	1
Other current liabilities	10	163	143
<b>Total current liabilities</b>		<b>164</b>	<b>144</b>
<b>Total liabilities</b>		<b>604</b>	<b>1,679</b>
<b>Total equity and liabilities</b>		<b>35,641</b>	<b>35,404</b>

**INVL TECHNOLOGY UTIB****INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(all amounts are in EUR thousand unless otherwise stated)

**STATEMENT OF CASH FLOWS**

	Notes	2021 6 months	2020 6 months
		Unaudited	Unaudited
<b>Cash flows from operating activities</b>			
Net profit (loss) for the reporting period		1,312	264
<b>Adjustments for:</b>			
Elimination of items of financing activities			
Dividend income	12	(1,415)	-
Interest income	12	(7)	(92)
Interest and related costs		-	-
Other revenue		-	-
Net change in fair value of financial assets	4	847	(470)
Income tax (benefit) expense		-	-
Provisions		(1,095)	-
		<b>(358)</b>	<b>(298)</b>
Changes in working capital:			
Decrease (increase) in trade receivables		-	39
Decrease (increase) in other current assets		-	-
Increase (decrease) in trade payables		-	-
Increase (decrease) in other current liabilities		20	5
Received dividends		-	-
		<b>20</b>	<b>44</b>
<b>Cash flows from (used in) operating activities</b>			
Income tax paid		-	-
		<b>(338)</b>	<b>(254)</b>
<b>Cash flows from investing activities</b>			
Investments into subsidiaries	4	-	42
Interest received	15	13	-
Sale of non-current assets		-	-
Acquisition of bonds	15	-	-
Redemption of bonds	15	405	-
Loans (granted)	15	-	(375)
Loan repayments received	15	150	561
		<b>568</b>	<b>228</b>
<b>Net cash flows from (used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Cash flows related to other financing sources:			
Interest (paid)		-	-
Loan repaid		-	-
		-	-
<b>Net cash flows from (used in) financing activities</b>			
<b>Foreign exchange effect on the balance of cash and cash equivalents</b>			
		-	-
		<b>230</b>	<b>(26)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>			
<b>Cash and cash equivalents in the beginning of the period</b>			
		<b>2,191</b>	<b>1,401</b>
<b>Cash and cash equivalents at the end of the period</b>			
	5	<b>2,421</b>	<b>1,375</b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Legal reserve	Reserve for acquisition of own shares	Retained earnings	Total
<b>Balance as at 31 December 2019</b>	<b>3,531</b>	<b>8,268</b>	<b>354</b>	<b>9,800</b>	<b>7,005</b>	<b>28,958</b>
Redistribution of retained earnings to the reserves	-	-	-	-	-	-
<b>Total transactions with owners of the Company, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net (loss) for 6 months ended 30 June 2020	-	-	-	-	264	264
<b>Balance as at 30 June 2020</b>	<b>3,531</b>	<b>8,268</b>	<b>354</b>	<b>9,800</b>	<b>7,269</b>	<b>29,222</b>
<b>Balance as at 31 December 2020</b>	<b>3,531</b>	<b>8,268</b>	<b>354</b>	<b>9,800</b>	<b>11,772</b>	<b>33,725</b>
Redistribution of retained earnings to the reserves	-	-	-	-	-	-
<b>Total transactions with owners of the Company, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net profit for 6 months ended 30 June 2021	-	-	-	-	1,312	1,312
<b>Total comprehensive income for 6 months ended 30 June 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,312</b>	<b>1,312</b>
<b>Balance as at 30 June 2021</b>	<b>3,531</b>	<b>8,268</b>	<b>354</b>	<b>9,800</b>	<b>13,084</b>	<b>35,037</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information

INVL Technology UTIB (company code 300893533, hereinafter “the Company”) is a closed-ended type investment company registered in the Republic of Lithuania. The Company’s registered office address is Gynėjų g. 14, Vilnius, Lithuania.

On 14 July 2016 the Company has been issued a closed-ended type investment company (UTIB) license by the Bank of Lithuania. Under the company’s Articles of Association, INVL Technology UTIB will operate until 14 July 2026, with extension possible for further two years.

INVL Technology strategy is to invest in national-level European IT businesses with high globalisation potential and grow them into global players by utilizing the sales channels and intellectual capital of the managed companies.

Based on the Management Company’s INVL Asset Management Board decision the Investment Committee was formed in order to ensure efficiency and control of investments. The Investment Committee consists of 4 (four) representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company). The purpose of the Investment Committee is to ensure the Managed Company’s objectives, its investment strategy and the adoption of prudent decisions for the investment and management of the Managed Company’s assets, to supervise the adopted decisions. On 29 April 2021, the Company approved the establishment of the Supervisory Board of the Company which replaced the Advisory Committee, formed April 2017. The purpose of the Supervisory Board is to ensure the representation of the interests of the Company’s shareholders, the accountability of this body to the shareholders and the objective and impartial supervision of the Company’s activities. The Supervisory Board consists of three members who are appointed and removed by the Board of the Managing Company.

The Company operates as a cluster of IT businesses working with large corporate and public entities. The entities managed by the Company are classified into 3 functional groups: business climate improvement and e-government, IT services and software, and cyber security. NRD companies belong to the business climate improvement and e-government group, the cyber security group covers NRD CS, whereas the IT services and software group is formed by joining the areas of IT infrastructure and IT intensive industries’ solutions. At 30 June 2021 INVL Technology portfolio consists of 17 operating companies. At 30 June 2020 the Company’s portfolio consisted of 19 operating companies. The major investments of the Company are currently in businesses based in Lithuania, Estonia, Norway, Moldova, Tanzania, Rwanda, Uganda and Bangladesh

The Company has an agreement on depository services with SEB Bankas which acts as the depository of the Company’s assets.

The Management Company manages the portfolio of investment instruments of the Company following principles of diversification set in the Articles of Association (the conformity of the portfolio of investment instruments of the Company to those principles shall be achieved within four years from the date the Bank of Lithuania issued a permission to certify Company’s incorporation documents and to choose the Depository). The Company cannot invest more than 30% of net asset value of the Company into any single issuer of the instrument. The indicator may be exceeded up to 4 years after the date the Company became a closed-ended investment company. More detailed requirements are lined out in the Articles of Association of the Company.

As at 30 June 2021 and 31 December 2020, the Company’s authorised share capital was divided into 12,175,321 ordinary registered shares with par value of EUR 0.29 each. All the shares of the Company have been fully paid. The Company’s subsidiaries hold no shares of the Company

The shareholders holding ownership to or otherwise controlling over 5% of the Company’s authorised share capital (by number of votes held) are as follows as of 30 June 2021 and as of 31 December 2020:

	<b>Number of votes conferred by shares held under the title of ownership as at 2021.06.30</b>	<b>Voting rights held (%) as at 2021.06.30</b>	<b>Number of votes conferred by shares held under the title of ownership as at 2020.12.31</b>	<b>Voting rights held (%) as at 2020.12.31</b>
LJB Investments UAB	2,424,152	19.91%	2,424,152	19.91%
Invalda INVL AB	1,873,678	15.39%	1,830,947	15.04%
Ms Irena Ona Mišeikienė	1,466,421	12.04%	1,466,421	12.04%
Lietuvos Draudimas AB	909,090	7.47%	909,090	7.47%
Mr Kazimieras Tonkūnas	675,452	5.55%	675,452	5.55%
Mr Alvydas Banys	618,745	5.08%	618,745	5.08%
Other minor shareholders	4,207,783	34.56%	4,250,514	34.91%
<b>Total</b>	<b>12,175,321</b>	<b>100.00%</b>	<b>12,175,321</b>	<b>100.00%</b>

The Company’s shares are traded in the Baltic Secondary List of Nasdaq Vilnius stock exchange. On 30 June 2021 the Company did not have employees.

## **2 Basis of preparation and accounting policies**

Interim condensed financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2020.

Except for the points, described below, Interim condensed financial statements are prepared in accordance with the accounting principles adopted for 2020 annual financial statements.

### 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 (EU).

The Company meets the definition criteria of an investment entity under IFRS 10. The Company has no subsidiaries that provide services related to the Company's investment activities – therefore no subsidiaries to be consolidated – therefore the Company does not prepare consolidated financial statements.

The financial statements are presented in EUR thousands, and all the amounts have been rounded to the nearest thousand unless otherwise stated.

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.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020, except adoption of new Standards and Interpretations as of 1 January 2021, noted below.

A number of new or amended standards became applicable for the current reporting period:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: *Interest rate benchmark (IBOR) reform – phase 2* (effective for annual periods beginning on or after 1 January 2021);
- Amendment to IFRS 4 *Insurance Contracts – deferral of IFRS 9* (effective for annual periods beginning on or after 1 January 2021).

The amendments to existing standards are not relevant to the Company.

### **3 Accounting estimates and judgements**

#### **3.1 Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in these financial statements:

##### Investment entity status

The management periodically reviews whether the Company meets all the definition criteria of an investment. In addition, the management assesses the Company's business objective (Note 1), investment strategy, origin of income and fair value valuation techniques. According to the management, the Company met all the definition criteria of an investment entity throughout all the periods presented in these financial statements.

#### **3.2 Accounting 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 is discussed below.

##### Fair value of investments that are not traded in an active market

Fair values of investments in subsidiaries that are not traded in an active market are determined by using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The valuation techniques 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 4.

##### Provision for success fee and accrued part of management fee

If the conditions provided for in the Company's Articles of Association are met, the Company has an obligation to pay a success fee and a cumulative part of the management fee to the Management Company. Since the Company's estimated return as at 30 June 2021 exceeded the minimum return barrier over the entire Company's period, i.e. a binding past event occurred, the Company calculated a provision for success and accrued management fee. The Company estimates that the best estimate of the provision for the performance fee and the accrued management fee is the excess of the actual earnings as at 30 June 2021 over the minimum return barrier that would have been paid to the Management Company if the Company had sold all its investments at the balance sheet date at the fair value of the investments determined in the balance sheet. This method of calculation is based on the assumption that the fair value of the investment presented in the balance sheet is the best estimate of the possible selling price of the investment at the balance sheet date. If the actual selling price of the investment were 5 % higher, the amount of the provision would increase by EUR 1,590 thousand, and if the selling price were 5% lower, no provision would be made for the success fee and the accrued portion of the management fee.

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**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**  
 (All amounts are in EUR thousands unless otherwise stated)

**4 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 included assets attributed to Level 3 in the fair value hierarchy. The Company has no Level 1 or Level 2 instruments.

The table below presents the Company's direct and indirect investments in unconsolidated subsidiaries as at **30 June 2021 and at 31 December 2020**:

<b>Name</b>	<b>Country of incorporation</b>	<b>Shares (voting rights) held directly/indirectly by the Company, (%)</b>	<b>Profile of activities</b>
Novian UAB	Lithuania	100	Investing in IT companies
Novian Technologies UAB* **	Lithuania	100	Information technology solutions
NRD Companies AS	Norway	100	Information technology solutions
Norway Registers Development AS*	Norway	100	Information technology solutions
NRD Systems UAB*	Lithuania	95.91	Information technology solutions
Etronika UAB*	Lithuania	90	Information technology solutions
Norway Registers Development Rwanda Ltd*	Rwanda	100	Information technology solutions
Infobank Uganda Ltd*	Uganda	30	Information technology solutions
NRD CS UAB	Lithuania	100	Information technology solutions
Novian Systems UAB* **	Lithuania	100	Information technology solutions
Andmevara SRL*	Moldova	100	Information technology solutions
Andmevara Services OU*	Estonia	100	Information technology solutions
Andmevara AS*	Estonia	100	Information technology solutions
FINtime UAB	Lithuania	100	Business process outsourcing
NRD Bangladesh Ltd*	Bangladesh	100	Information technology solutions
NRD AS Lithuania*	Lithuania	100	Information technology solutions
Zissor AS*	Norway	100	Information technology solutions

\* These entities were indirectly controlled by the Company as at 30 June 2021.

\*\* As of 8 December 2020, BAIP and Algoritmu Sistemas have changed their names to Novian Technologies and Novian Systems respectively.

The Company conducts an independent valuation of its investments in subsidiaries when preparing the annual financial statements. As at 31 December 2020, the valuation was carried out by Deloitte Verslo Konsultacijos UAB using the income approach. In the opinion of the management, the fair value of investments was determined appropriately using the inputs and ratios properly selected and reasonably reflecting the investments. The fair value of investments was determined in compliance with the International Valuation Standards approved by the International Valuation Standards Council. For the income approach, the discounted cash flow method was used. It was based on free cash flow forecasts made by management for the period of 5 years.

**30 June 2021**

As market conditions and other preconditions used in the valuation did not change significantly during the first six months of 2021, when preparing preliminary operating results for the six months of 2021, the Company measured the fair value of investments using the values determined as at 31 December 2020 adjusted by the net profit or loss of its investments and declared dividends to the Company that occurred during the period. Investments in entities acquired/established during 2021 were stated at cost.

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**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**  
(All amounts are in EUR thousands unless otherwise stated)

**4. Financial assets at fair value through profit or loss (cont'd)**

The preliminary fair values of the Company's unconsolidated subsidiaries were as follows:

<b>Name</b>	<b>At 30 June 2021</b>	<b>At 31 December 2020</b>
Novian UAB Group*	18,923	19,740
NRD Group**	7,165	7,144
NRD CS UAB	5,467	5,535
FINtime UAB	250	233
<b>Total</b>	<b>31,805</b>	<b>32,652</b>

\* Novian UAB group consisted of Novian UAB together with the entities controlled by it – Novian technologies UAB, , Anmevara Services OU, Andmevara AS, Andmevara SRL, Zissor AS, Novian systems UAB.

\*\* Includes all NRD Group companies

The subsidiaries of the Company as at 30 June 2021 did not have any significant restrictions on the repayment of dividends to the Company from non-consolidated subsidiaries or the Company's loans to unconsolidated subsidiaries. Due to changes in the fair value of subsidiaries of the Company, the Company may incur losses.

Information about dividends is described in Note 12.

The table below presents movements in Level 3 financial instruments during the first six months of 2021:

<b>Opening balance at 1 January 2021</b>	<b>32,652</b>
Unrealized gains and losses for the reporting period recognized in the income statement for assets managed at the end of the reporting period	(847)
<b>Closing balance at 30 June 2020</b>	<b>31,805</b>

**As at 31 December 2020**

The fair values of the Company's unconsolidated subsidiaries were as follows:

<b>Name</b>	<b>At 31 December 2020</b>	<b>At 31 December 2019</b>
Novian UAB Group*	19,740	15,295
NRD Group**	7,144	5,511
NRD CS UAB	5,535	4,880
FINtime UAB	233	226
<b>Total</b>	<b>32,652</b>	<b>25,912</b>

\* Novian UAB group consisted of Novian UAB together with the entities controlled by it – Novian technologies UAB, , Anmevara Services OU, Andmevara AS, Andmevara SRL, Zissor AS, Novian systems UAB.

\*\* Includes all NRD Group companies

The subsidiaries of the Company as at 31 December 2020 did not have any significant restrictions on the repayment of dividends to the Company from non-consolidated subsidiaries or the Company's loans to unconsolidated subsidiaries. Due to changes in the fair value of subsidiaries of the Company, the Company may incur losses.

Information about dividend is presented in Note 12.

The table below presents movements in Level 3 financial instruments during 2020:

<b>Opening balance at 1 January 2020</b>	<b>25,912</b>
Increase the authorized capital of portfolio companies in cash	-
Increase of the authorized capital of portfolio companies by contributing directly managed portfolio companies	-
Sale of directly managed portfolio companies to other portfolio companies	-
Transfer of directly managed portfolio companies to other portfolio companies by increasing their share capital	-
Unrealized gains and losses for the reporting period recognized in the income statement for assets managed at the end of the reporting period	6,740
<b>Closing balance at 31 December 2020</b>	<b>32,652</b>

**INVL TECHNOLOGY UTIB**  
**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**  
 (All amounts are in EUR thousands unless otherwise stated)

**4. Financial assets at fair value through profit or loss (cont'd)**

The table below shows the fair value (Level 3) valuation methods of the investments in subsidiaries, the input data used and the sensitivity analysis for changes in input data:

Name	Fair value, EUR '000	Valuation technique	Inputs	Input value	Reasonable possible shift +/-	Change in valuation +/-
Novian Group	19,740	Discounted cash flow	Weighted average cost of capital	8.5%	-/+ 0.5 %	1,410 / (1,208)
			Long-term growth rate	2.0%	-/+ 0.5 %	(906) / 1,057
			Free cash flows	-	-/+ 10 %	(1,687) / 1,687
			Discount for lack of marketability	16.0%	-/+ 2 %	458 / (458)
			5y revenue growth rate	-	-/+ 0.5 %	(373) / 379
NRD Group	7,144	Discounted cash flow	Weighted average cost of capital	9.4%	-/+ 0.5 %	491 / (428)
			Long-term growth rate	2.0%	-/+ 0.5 %	(307) / 351
			Free cash flows	-	-/+ 10 %	(527) / 528
			Discount for lack of marketability	17.1%	-/+ 2 %	255 / (238)
			5y revenue growth rate	-	-/+ 0.5 %	(273) / 275
NRD CS UAB	5,535	Discounted cash flow	Weighted average cost of capital	9.9%	-/+ 0.5 %	350 / (308)
			Long-term growth rate	2.0%	-/+ 0.5 %	(219) / 249
			Free cash flows	-	-/+ 10 %	(489) / 489
			Discount for lack of marketability	16.4%	-/+ 2 %	132 / (132)
			5y revenue growth rate	-	-/+ 0.5 %	(102) / 103
FINtime UAB	233	Net assets value	N/A	N/A	N/A	N/A
<b>Total:</b>	<b>32,652</b>					

The fair value was based on discounted cash flow method, which was selected by the external valuator as the best representation of the company specific development potential, except for FINtime UAB where net assets value method was used. Different method was selected as at the current moment the entity do not expect to generate significant free cash flows. Due to the limited number of comparable companies and transactions, lack of reliability of the market data and limited comparability of peers, the results of the guideline public companies and transaction methods were used as a supplementary analysis and were provided only for illustrative purposes in valuation report.

Cash flow projections made by Company management for the period of 5 years (2021-2025) were used as a basis in the income method. Free cash flows were calculated as operating profit after tax plus depreciation/amortisation of property, plant and equipment and intangible assets, plus or minus changes in working capital and minus capital expenditure. The resulting value was adjusted by discount for lack of marketability and the amount of surplus assets/liabilities. As part of the valuation process, valuator had analysed items presented on the balance sheet of each company and had identified assets and liabilities, which can be treated as surplus assets (e.g. net working capital above normalised level, non-operating cash balances, loans to related parties) and debt/debt like items; all of which were adjusted when arriving at equity value of the company.

In the opinion of the management, the fair value was determined appropriately using the inputs and ratios properly selected and reasonably reflecting the investments.

**INVL TECHNOLOGY UTIB**  
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 (All amounts are in EUR thousands unless otherwise stated)

**5 Cash and cash equivalents**

	<u>At 30 June 2021</u>	<u>At 31 December 2020</u>
<b>Cash in bank accounts</b>		
Cash EUR	2,421	2,191
<b>Total cash and cash equivalents</b>	<u>2,421</u>	<u>2,191</u>

All Company's cash and cash equivalents comprised funds in the bank's current accounts.

**6 Other receivables**

	<u>At 31 June 2021</u>	<u>At 31 December 2020</u>
Dividends receivable from subsidiaries	1,415	-
Prepayments and other receivables	-	2
<b>Total value of other receivables</b>	<u>1,415</u>	<u>2</u>
Subtracted: impairment of trade receivables and other receivables	-	-
Subtracted: A write-off that is subject to an enforcement activity	-	-
<b>Trade value of other receivables less expected credit losses</b>	<u>1,415</u>	<u>2</u>

The credit quality of the Company's receivables can be estimated from the aging analysis below:

	<b>Receivables not past due and not impaired</b>					<b>Receivables impaired</b>		<b>Total</b>
	<b>Less than 30 days</b>	<b>30 to 90 days</b>	<b>90 to 180 days</b>	<b>More than 180 days</b>				
<b>As at 30 June 2021</b>								
Dividends receivable	1,415	-	-	-	-	-	-	1,415
Expected credit losses	-	-	-	-	-	-	-	-
Prepayments and other receivables	-	-	-	-	-	-	-	-
<b>Other receivables less expected credit losses</b>	<u>1,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,415</u>
<b>As at 31 December 2020</b>								
Dividends receivable	-	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	-	-	-
Prepayments and other receivables	2	-	-	-	-	-	-	2
<b>Other receivables less expected credit losses</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

As at 30 June 2021 and 31 December 2020, the Company did not have receivables that was due. As at the reporting date, for receivables neither past due nor impaired there were no indications that the debtors will fail to fulfil their liabilities in due time. The maximum exposure to credit risk as at the reporting date is equal to the carrying amount of each group of receivables indicated in the table above.

**INVL TECHNOLOGY UTIB**  
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**7 Bonds and loans**

**Bonds**

	<b>At 30 June 2021</b>	<b>At 31 December 2020</b>
<b>Classified as current asset</b>	<b>-</b>	<b>408</b>
<i>Bonds</i>	-	405
<i>Accrued interest</i>	-	3
<b>Total value of bonds</b>	<b>-</b>	<b>408</b>

On June 30, 2021, the Company had no bonds in the the following companies Bonds are accounted for at amortized cost as they are considered to be held for cash flow interest payments and principal repayments only.

**Loans**

	<b>At 30 June 2021</b>	<b>At 31 December 2020</b>
<b>Classified as current asset</b>	<b>-</b>	<b>151</b>
<i>Loans</i>	-	150
<i>Accrued interest</i>	-	1
<b>Total value of bonds</b>	<b>-</b>	<b>151</b>

On June 30, 2021, the Company has not granted loans. Loans are accounted for at amortized cost as they are considered to be held for cash flow interest payments and principal repayments only.

**8 Reserves**

As at 30 June 2021, the Company's reserves consisted of the reserve for acquisition of own shares amounting to EUR 9,800 thousand and legal reserve amounting to EUR 354 thousand.

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 acquisition of own shares

Reserve for acquisition of own shares is formed for the purpose of acquiring own shares in order to keep their liquidity and manage price fluctuations. It is formed from profit for appropriation. The reserve cannot be used to increase the share capital. The reserve is reduced upon annulment of own shares. During the ordinary general meeting of shareholders, the shareholder may decide to transfer the amounts not used for acquisition of own shares to the retained earnings. The Company's management did not have a formally approved programme for buy-up of its own shares as at the reporting date.

**9 Provisions**

Since the Company's estimated return as at 31 June 2021 exceeded the minimum return barrier over the entire Company's period, the Company calculated a provision for success fee. The provision was calculated for the first time at the end of the 2020.

	<b>At 30 June 2021</b>	<b>At 31 December 2020</b>
Success fee and accrued management fee	440	1,535
	<b>440</b>	<b>1,535</b>

The table below presents movements in success and accrued management fees during 2021:

<b>Opening balance at 1 January 2021</b>	<b>1,535</b>
Increase (decrease) of success fee	(635)
Increase (decrease) of accrued management fee	(460)
<b>Closing balance at 30 June 2021</b>	<b>440</b>



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**10 Other short term liabilities**

	At 30 June 2021	At 31 December 2020
<b>Payable amounts</b>		
Management Fee	147	124
Depository Fee	10	9
Audit expenses accrual	6	10
Other payable amounts	1	1
<b>Total other short liabilities</b>	<b>164</b>	<b>144</b>

**11 Net Asset Value (non-IFRS measure)**

	At 30 June 2021	At 31 December 2020
Net asset value, total, EUR	35,037,213	33,725,239
Net asset value per share, EUR	2.8777	2.7700

**12 Dividend and interest income**

During the year of 2021 the following companies have declared dividends: Novian UAB – 915 thousand and NRD CS UAB – 500 thousand. On 30 June 2021 there were 1,415 thousand of receivables dividends.

<b>Income</b>	<b>2021 6 months</b>	<b>2020 6 months</b>
Interest	7	92
Dividends	1,415	-
<b>Income total</b>	<b>1,422</b>	<b>92</b>

**13 Other operating expenses**

	2021 6 months	2020 6 months
Professional services	39	32
Depository fees	20	17
Stock exchange and securities fees	11	10
Audit services	6	5
Other operating expenses	4	8
<b>Other operating expenses total</b>	<b>80</b>	<b>72</b>

**14 Earnings per share**

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

The weighted average number of shares on 30 June 2021 was as follows:

<b>Calculation of weighted average for 2021</b>	<b>Number of shares (thousand)</b>	<b>Par value (EUR)</b>	<b>Issued/36 5 (days)</b>	<b>Weighted average (thousand)</b>
Shares outstanding as at 30 June 2021	12,175	0,29	365/365	12,175

The following table reflects data on profit and shares used in the basic earnings per share computations:

	6 months 2021	6 months 2020
Net profit (loss) attributable to the equity holders of the parent entity (EUR '000)	1,312	264
Weighted average number of ordinary shares (thousand)	12,175	12,175
<b>Basic earnings per share (EUR)</b>	<b>0.11</b>	<b>0.02</b>

**INVL TECHNOLOGY UTIB**  
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 (All amounts are in EUR thousands unless otherwise stated)

**15 Related-party transactions**

The Company's transactions with other related parties during 6 months 2021 and outstanding balances as at 30 June 2021 were as follows:

	Revenue and income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
<b>UTIB „INVL Technology“ subsidiaries</b>				
Bonds	-	-	-	-
Interest on bonds	7	-	-	-
Loans	-	-	-	-
Interest on loans	-	-	-	-
<b>Management company UAB “INVL Asset management”</b>				
Success fee	-	(1,095)	-	440
Management fee	-	278	-	147
Other amounts	-	-	1,415	-
	<b>7</b>	<b>(817)</b>	<b>1,415</b>	<b>587</b>

Changes in acquired bonds and granted loans during HY 2021:

<b>At 1 January 2021</b>	<b>559</b>
Interest charged	7
Bonds acquired	-
Bonds repayments received	(405)
Interest received	(11)
Loans granted	-
Loans repaid	(150)
Foreign exchange effect on the balance of loans	-
<b>At 30 June 2021</b>	<b>-</b>

The Company's transactions with other related parties during 2020 and outstanding balances as at 31 December 2020 were as follows:

	Revenue and income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
<b>UTIB „INVL Technology“ subsidiaries</b>				
Bonds	-	-	405	-
Interest on bonds	90	-	3	-
Loans	-	-	150	-
Interest on loans	60	-	1	-
<b>Management company UAB “INVL Asset management”</b>				
Success fee	-	1,535	-	1,535
Management fee	-	471	-	124
Other amounts	-	-	1	-
	<b>150</b>	<b>2,006</b>	<b>560</b>	<b>1,659</b>

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 (All amounts are in EUR thousands unless otherwise stated)

**15. Related-party transactions (cont'd)**

Changes in loans granted to subsidiaries during 2020:

	<b>2020</b>
<b>As at 1 January</b>	<b>1,728</b>
Interest charged	150
Bonds acquired	-
Bonds repayments received	(470)
Interest received	(184)
Loans granted	445
Loans repaid	(1.110)
Foreign exchange effect on the balance of loans	-
<b>As at 31 December</b>	<b>559</b>

**16 Financial instruments by category**

The Company's financial assets at fair value through profit or loss consisted of assets in Level 3. The Company has no instruments in Level 1 and 2.

	Loans and receivables	Financial assets at fair value through profit or loss	Total
<b>At 30 June 2021</b>			
Assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	31,805	31,805
Receivables	1,415	-	1,415
Bonds	-	-	-
Loans	-	-	-
Cash and cash equivalents	2,421	-	2,421
<b>Total</b>	<b>3,836</b>	<b>31,805</b>	<b>35,641</b>

	Loans and receivables	Financial assets at fair value through profit or loss	Total
<b>At 31 December 2020</b>			
Assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	32,652	32,652
Receivables	2	-	2
Bonds	408	-	408
Loans	151	-	151
Cash and cash equivalents	2,191	-	2,191
<b>Total</b>	<b>2,752</b>	<b>32,652</b>	<b>35,404</b>

**16. Financial instruments by category (cont'd)**

	<u>Financial liabilities at amortised cost</u>
<b>At 30 June 2021</b>	
<b>Liabilities as per statement of financial position</b>	
Loan payables	-
Trade payables	1
Other current liabilities, excluding taxes and employee benefits	163
<b>Total</b>	<u><b>164</b></u>

	<u>Financial liabilities at amortised cost</u>
<b>At 31 December 2020</b>	
<b>Liabilities as per statement of financial position</b>	
Loan payables	-
Trade payables	1
Other current liabilities, excluding taxes and employee benefits	143
<b>Total</b>	<u><b>144</b></u>

**17 Financial risk management**

**17.1 Financial risk factors**

The risk management function within the Company is carried out by the Management Company in respect of financial risks (credit, liquidity, market, foreign exchange and interest rate risks), operational risk and legal risk. The primary objective of the financial risk management function is to establish the risk limits, and then make sure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of the internal policies and procedures necessary to mitigate the operational and legal risks.

The Company's financial liabilities consisted of trade and other payables. The Company has various categories of financial assets, however, the major items of its financial assets were financial assets at fair value through profit loss consisting of the investments in unconsolidated subsidiaries and cash and cash equivalents.

The Company is being managed in a way that its portfolio companies are operating independently from each other. This helps to diversify the operational risk and to create conditions for selling any controlled business without exposing the Company to any risks.

The Company's business objective is to achieve medium to long-term return on investments in carefully selected unlisted private companies operating in information technology sector.

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

Credit risk

Credit risk arises from cash and cash equivalents, outstanding balances of trade and other receivables, and outstanding balances of loans granted.

With respect to trade and other receivables neither past due nor impaired, there were no indications as at the reporting date that the debtors will fail to fulfil their liabilities in due time, since the Company constantly reviews the balances of receivables. The Company has no significant transactions in a country other than the countries of domicile of the subsidiaries and their investments. All receivables of the Company are from subsidiaries, and their settlement terms are set by the Company itself.

**17. Financial risk management (cont'd)**

**17.1 Financial risk factors (cont'd)**

With respect to credit risk arising from other financial assets of the Company (consisting of cash and cash equivalents), the Company's exposure to credit risk arises from default of the counterparty. The maximum exposure to credit risk was equal to the carrying amount of these instruments:

<b>Assets with no credit rating assigned</b>	<b>At 30 June 2021</b>	<b>At 31 December 2020</b>
Dividends receivable	1,415	2
Granted loans with interest	-	408
Bonds with interest	-	151
Cash and cash equivalents	2,421	2,191
<b>Total current assets</b>	<b>3,836</b>	<b>2,752</b>

The Company accepts the services from the banks and the financial institutions which (or the controlling financial institutions of which) have been assigned a high credit rating by an independent rating agency. As at 30 June 2021 the Company's cash balances were held in the financial institutions which have not been assigned individual credit ratings, but the controlling financial institutions of which have been assigned "Prime-1" rating by Moody's agency.

Interest rate risk

As at 30 June 2021 the Company did not have borrowings, therefore, it had no interest rate risk.

As at 31 December 2021 the Company had bonds in total EUR 405 thousand and loans in total EUR 150 thousand. Bonds and loans interests is within the range 10,5% - 12% , calculated each month last day.

Price risk

The Company's investments are susceptible to price risk arising from uncertainties about future values of the investments that are not traded in an active market. To manage the price risk, the Investment committee reviews the performance of the portfolio companies at least on a quarterly basis, and keep regular contact with the management of the portfolio companies for business development and day-to-day operation matters.

As at 30 June 2021, the fair value of the Company's investments exposed to price risk was EUR 31,805 thousand (31 December 2020: EUR 32,652 thousand).

Concentration risk

Through investment diversification and risk management the Company seeks to reduce the risk and prevent potential reduction in the value of investments and create value by selecting investment objects and relying on the experience of other market participants.

The Company manages the Company's portfolio of investment instruments in compliance with the following main principles of diversification:

- investments into Operational Companies which are registered or carry out their activities in the European Union (European Economic Area) Member States, in the Organisation for Economic Cooperation and Development (OECD) member countries and Israel.
- at least 70 per cent of the Net Asset Value is invested directly or through a SPV into the stakes of Operational Companies in order to control or to make a significant impact on such companies.
- the total amount of investments into transferable securities issued by a single person, money market instruments, deposits and liabilities arising out of financial derivatives transactions with that person may not exceed 30 per cent of the Net Asset Value.
- no more than 30 per cent of the Net Asset Value can be invested in:
  - o deposits for a term no longer than 12 months which can be collected upon demand in a credit institution, domiciled in an EU Member State or in another state where risk limiting supervision is no less strict than in the European Union
  - o financial derivatives which are admitted to trading on the multi-lateral trading facility but not admitted to trading on regulated markets and in which the counterparty in the transactions concluded beyond these markets conform to the criteria established by the Supervisory Authority and is subject to risk limiting supervision and which can be checked and reliably and accurately assessed on a daily basis and sold or otherwise realised for a consideration at any time at their fair value

## 17. Financial risk management (cont'd)

### 17.1 Financial risk factors (cont'd)

#### Concentration risk (cont'd)

Upon the establishment of the Company, its investment portfolio may not meet the set diversification requirements for 4 years after the date on which the Supervisory Authority issued a permit to approve its incorporation documents and to choose the Depository. In the event that, upon the expiration of the set term, the investment requirements shall be violated due to the reasons beyond the control of the Management Company, such non-conformity must be eliminated as soon as possible but no later than within 1 year from the date on which the Management Company became aware of this situation

#### 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 its commitments at a given date in accordance with the strategic plans.

Liquidity risk of the Company is managed by the Management company. The liquidity risk management is divided into long-term and short-term risk management.

The aim of the short-term liquidity risk management is to meet the day-to-day needs for funds. Each subsidiary is independently planning its internal cash flows. Short-term liquidity of the Company is managed through monthly monitoring of the liquidity status at the Company.

Long-term liquidity risk is managed by analysing the cash flow projections by taking into account the potential sources of financing. Before approving a new investment project, the Company evaluates the possibilities to attract the required funding. Based on monthly reports, the Company makes projections of monetary income and expenses over the next one year, thereby ensuring an effective planning of the Company's funding.

The Company's financial liabilities based on undiscounted contractual payments consisted of:

	<b>Up to 3 months</b>	<b>4 - 12 months</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Loans to credit institutions with interest	-	-	-	-	-
Other current liabilities	164	-	-	-	164
<b>At 30 June 2021</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164</b>
Loans to credit institutions with interest	-	-	-	-	-
Other current liabilities	144	-	-	-	144
<b>At 31 December 2020</b>	<b>144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144</b>

The company has no liquidity problems and there are no expectations that they will arise in the foreseeable future.

#### Foreign exchange risk

The Company has no material exposures or transactions in currencies other than euro, therefore it is not exposed to foreign currency risk.

### 17.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company carries investments in subsidiaries at fair value, please refer to Note 4 for more details.

The Company's principal financial instruments that are not carried at fair value in the statement of financial position are cash and cash equivalents, trade and other receivables, as well as trade and other payables.

The carrying amount of the cash and cash equivalents, trade and other receivables, as well as trade and other payables of the Company as at 30 June 2021 approximated their fair value because they are short-term and the impact of discounting is immaterial.

**17. Financial risk management (cont'd)**

**17.3 Capital management**

The Company's primary objective when managing capital is to safeguard that the Company will be able to maintain a strong credit health and healthy capital ratios in order to support its business and maximise returns for shareholders. The Company's capital management is conducted through supervision of activities of individual subsidiaries to ensure that their capital is sufficient to continue as a going concern. Management of entities oversee to ensure that the subsidiaries are in compliance with the capital requirements defined in relevant legal acts and loan contracts, and that they provide the Company's management with the necessary information.

The Company's capital comprises share capital, share premium, reserves and retained earnings. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risks specific to its activity. To maintain or adjust the capital structure, the Company may issue new shares, reduce share capital, and adjust the dividend payment to shareholders.

During 2021, no changes were introduced in the objectives of capital management, policies or processes.

The Company is obliged to keep its equity ratio at not less than 50 % of its share capital, as imposed by the Lithuanian Law on Companies. As at 30 June 2021 the Company complied with this requirement.

**18 Impact of COVID-19**

The Company was not significantly affected by the COVID-19 virus pandemic. Due to the quarantine announced in Lithuania, which lasted from 16 March 2020 to 16 June 2020 and from 7 November 2020 to 30 June 2021, Company's operations were not disrupted as the Company and the portfolio Companies can perform all the daily business operations remotely. The Company did not request or received any financial support due to the COVID-19 virus pandemic, as this was not relevant taking into account Company's operations.

**19 Events after the reporting period**

There were no major events.



INVL

TECHNOLOGY

SPECIAL CLOSED-ENDED TYPE PRIVATE CAPITAL INVESTMENT COMPANY'S

INVL TECHNOLOGY

INTERIM REPORT FOR 6 MONTHS OF 2021



## Translation note:

This version of the Interim Report for the 6 months of 2021 is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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## FOREWORD OF THE MANAGING PARTNER OF INVL TECHNOLOGY

INVL Technology's net profit in January-June was EUR 1.31 million.



The equity of INVL Technology, a company that invests in IT businesses, grew 4% (EUR 0.10 per share) in the first half of this year to EUR 35.04 million, or EUR 2.88 per share.

INVL Technology's net profit in January-June was EUR 1.31 million; in the same period of 2020, it had a net profit of EUR 0.26 million.

Compared to the same period last year, the aggregated revenues of the company's business holdings decreased 0.3% in the first half of this year to EUR 16.5 million, while their aggregated EBITDA increased 9.7% to EUR 1.47 million. Comparing the second quarter of 2021 to the same period of 2020, the businesses' aggregated revenues were 5.1% larger, at EUR 9.1 million, and their aggregated EBITDA increased 12.7%, to EUR 1.0 million.

"Contributing significantly to INVL Technology's results was NRD Cyber Security, working in the area of cyber security, whose revenue doubled and whose profit increased by half a million euros – in the first half of this year it earned EUR 441,000 EBIT while in the same period last year it had a loss of EUR 52,000. We're seeing increased demand for cyber security services and products, which we think will continue in the future," said Kazimieras Tonkūnas, INVL Technology's managing partner.

Smaller demand in international markets and a 9% decrease of the US dollar (the average EUR/USD exchange rate in the first half of this year was 1.2051, compared to 1.1014 in the same period of 2020) had a negative effect on business holdings' revenues abroad and on the profitability of projects.

In total, INVL Technology's companies conducted 52 projects in a variety of countries in the first half of 2021.

Looking at the impact of the coronavirus pandemic on the company's operations in the first half of this year, pandemic restrictions and closure of international borders negatively influenced the signing of agreements for new projects and settlement for work on existing projects. To ensure future orders and move forward with existing projects, internal processes at group companies were adjusted. As forecast, the impact of all this on performance has been modest and is expected to remain so until year-end unless conditions change fundamentally.

Kazimieras Tonkūnas  
INVL Technology  
Managing Partner

## I. GENERAL INFORMATION

### 1. Reporting period for which the report is prepared

This Interim Report is prepared for the period from 1 January 2021 until 30 June 2021. The report also includes important events of the company and group occurring after the end of the reporting period. The report was not audited.

### 2. General information about the Issuer and other companies comprising the Issuer's group

#### 2.1. Information about the issuer

<b>Name of the Issuer</b>	Special closed-ended type private capital investment company INVL Technology
<b>Code</b>	300893533
<b>Address</b>	Gynėjų str. 14, LT01109 Vilnius, Lithuania
<b>Telephone</b>	+370 5 279 0601
<b>E-mail</b>	info@invltechnology.lt
<b>Website</b>	www.invltechnology.lt
<b>LEI code</b>	5299006UHD9X339RUR46
<b>Legal form</b>	Public joint-stock company
<b>Type of the company</b>	Closed-ended type investment company
<b>Date and place of registration</b>	27 June 2007. Register of Legal Entities
<b>Date on which the supervisory authority approved the documents on the formation of the collective investment undertaking</b>	14 July 2016
<b>Period of activity of the Company</b>	Till 14 July 2026 (+2 years)
<b>Register in which data about the Company are accumulated and stored</b>	Register of Legal Entities
<b>Management company</b>	INVL Asset Management UAB, code 126263073, licence No. VĮK-005
<b>The depository</b>	SEB Bank, AB, code 112021238, bank licence No. 2

#### 2.2. Information on company's goals, philosophy and strategy

INVL Technology is a specialised company which invests in IT businesses. With investment and development of information technology businesses, INVL Technology contributes to innovations in countries, sectors and companies, as well as advancement of the society.

INVL Technology is managed by the company INVL Asset Management which adheres to the Principles for Responsible Investment. The PRI, founded in 2006 and supported by the UN, aims to assess the investment implications of environmental, social and governance (ESG) factors.

A strategy of INVL Technology is to invest in national-level European IT businesses with high globalisation potential and grow them into global players by utilizing the sales channels and intellectual capital of the managed companies.

INVL Technology's management aims to reduce constraints on the value growth of the managed companies by lowering entry barriers to new markets, accelerating product development, and shortening the learning curve.

INVL Technology finances, controls and supports responsible development of intangible assets in the managed companies. It considers companies' products, experience, research and development projects, project companies' knowledge, expertise in fast growing markets and customer relationships as strategically important for the growth of the value of financial assets.

Intellectual capital is the property of the managed companies. Its commercialization is a principal part of the companies' transformation strategy.

Managed companies have to operate efficiently and grow faster than the sector. Their cooperation is based on market relations. However, managed companies have priority access to each other's know-how and experience.

### 2.3. Information about the issuer's group of companies (after the end of the reporting period):

INVL Technology operates as a cluster of IT businesses working with large corporate and government entities. The classification of companies into 3 functional groups:



**Business climate improvement and e-governance** combine legal, consultancy and information technology skills to address governance and economic digital infrastructure development challenges effectively. They develop national state-of-art registries and provide digital and mobile signature, digital platforms for finance and retail sectors, state taxes, information distribution, digital licences, digital documents and other economic digital infrastructure solutions.

Companies:

- NRD Companies: Norway Registers Development AS with its subsidiaries NRD UAB, ETRONIKA UAB, Norway Registers Development East Africa Ltd, Norway Registers Development Rwanda Ltd, NRD Bangladesh Ltd, and the associated company Infobank Uganda Ltd.;



**The companies of the Novian critical IT infrastructure and software services group** provide both stand-alone and integrated solutions and services relevant to the context of digital transformation in the areas of software, IT infrastructure and digitization.

Combining the capabilities of its companies in the Baltic and Nordic countries, the Novian group acts as an integrator, ensuring clients get a package of services tailored to their needs.

Companies:

- Novian UAB;
- In the technologies area: Novian Technologies UAB with subsidiary Andmevara Services OÜ and its subsidiary Andmevara SRL;
- In the software services area: Novian Systems UAB with subsidiary Andmevara AS;
- In the area of media monitoring and digitization services: Zissor AS.



Cybersecurity companies provide technology consulting, incident response and National Computer Incident Response Teams (CIRTs/SOCs) establishment services. They are focused on the services to law enforcement, national communication regulators, CERTs, and corporate information security departments.

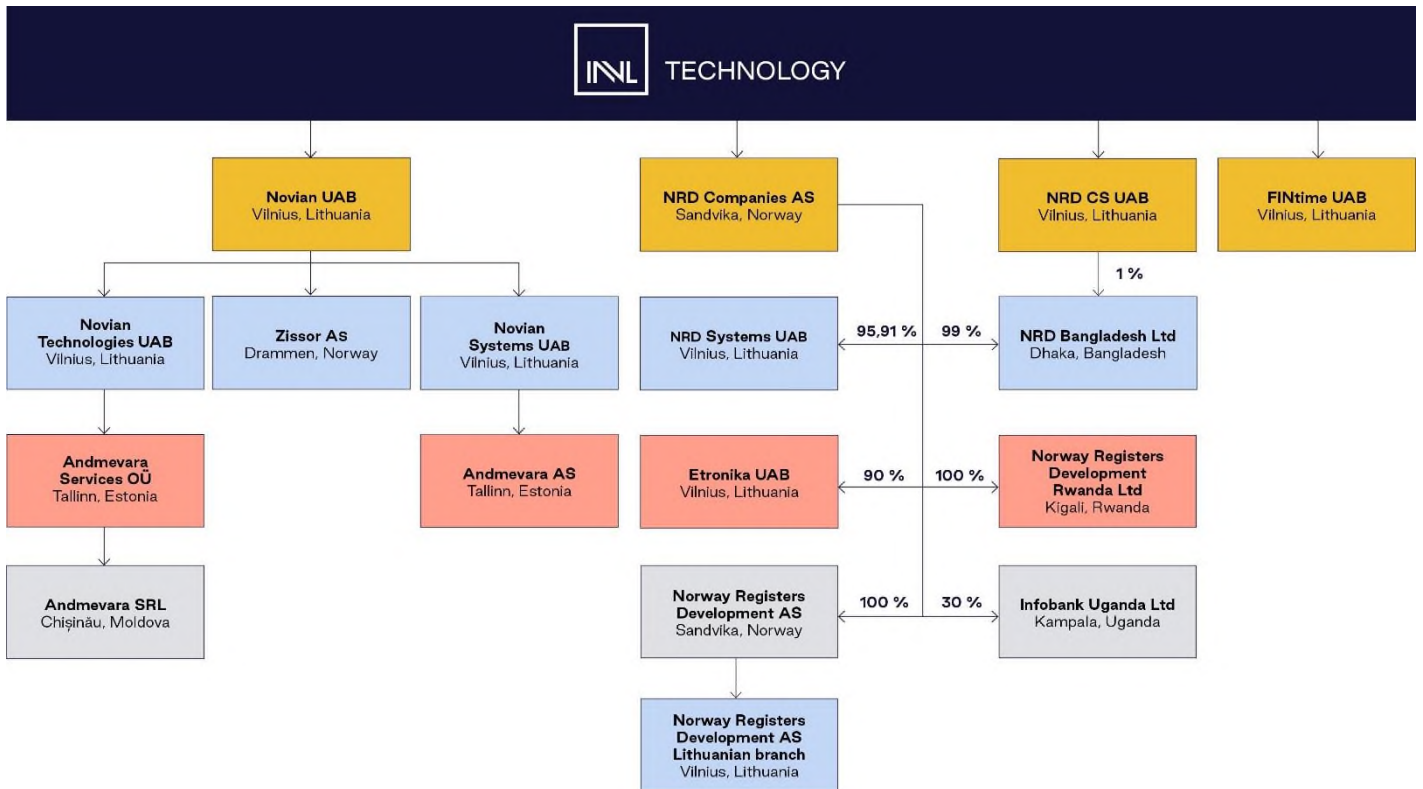
Companies:

- NRD CS UAB.

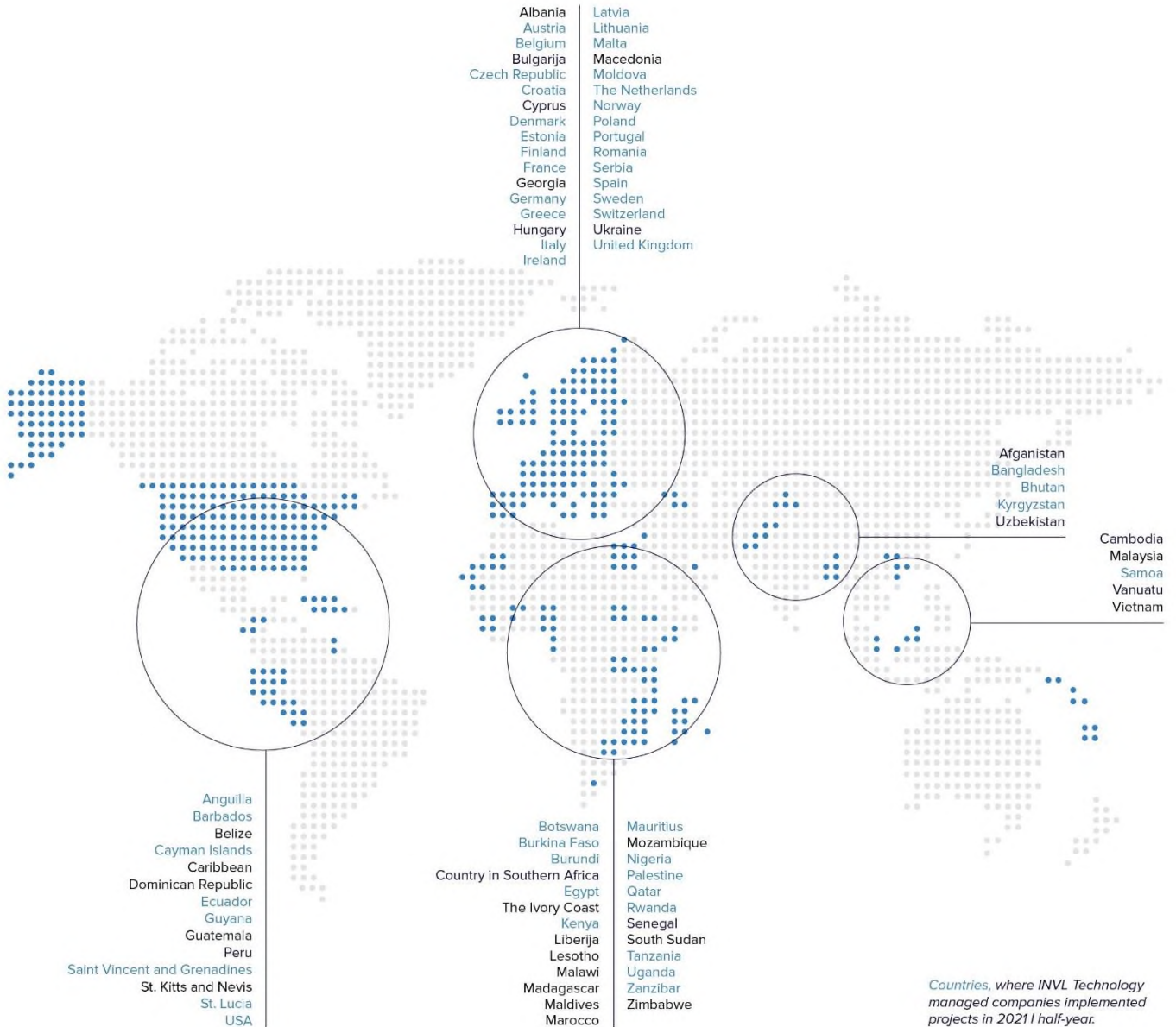


The group also owns the business process outsourcing firm FINtime UAB which provides centralized financial management and accounting services as well as provides front-office services and operates premises of the main office of INVL Technology companies.

## 2.3.1. Structure of the portfolio companies of INVL Technology



2.3.2. Geography of INVL Technology portfolio companies:



Geography of INVL Technology companies

(countries written light blue colour, where INVL Technology managed companies implemented projects during the accounting period)



## II. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY

### 3. Key figures of INV L Technology

#### 3.1. Net Asset Value

	31.12.2019	31.12.2020	30.06.2020
NAV	28,958,136	33,725,239	<b>35,037,213</b>
NAV per share	2.3784	2.7700	<b>2.8777</b>

#### 3.2. Key figures of INV L Technology, thous. EUR

	6 months of 2019	6 months of 2020	6 months of 2021
Change in the fair value of financial assets	(157)	470	<b>(847)</b>
Dividends, interest and other incomes	79	92	<b>1,422</b>
Operating expenses	(292)	(298)	<b>737<sup>1</sup></b>
Net profit (loss)	(370)	264	<b>1,312<sup>1</sup></b>

	31.12.2019	31.12.2020	30.06.2021
Financial assets value	25,912	32,652	<b>31,805</b>
Cash and Cash equivalents	1,401	2,191	<b>2,421</b>
Bonds	920	408	-
Loans	808	151	-
Other assets	39	2	<b>1,415</b>
<b>TOTAL ASSETS</b>	<b>29,080</b>	<b>35,404</b>	<b>35,641</b>
Other liabilities	122	1,679	<b>604</b>
Equity	28,958	33,725	<b>35,037</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,080</b>	<b>35,404</b>	<b>35,641</b>

<sup>1</sup> Decrease of success fee provision had an impact of 1,095 thousand EUR for 6 months of 2021 results.

Equity of the Company, after the revaluation of financial assets, as of 30 June 2021 was EUR 35.04 million or EUR 2.88 per share. Investments of the Company into managed companies amounted to EUR 31.8 mln at the end of June 2021

The Company's **net asset value** as of 30 June 2021 was **EUR 35,037,213.09 or EUR 2.8777 per share.**

The priority for the managed companies is new product development as well as increasing their capacity for international operations. Experts of the managed companies also actively organised and took part as presenters and lecturers in various events both in Lithuania and elsewhere in Europe, East Africa and South Asia, cooperated with various international organisations and created new products. That reinforced the intellectual capital of the companies and laid foundation for growth in value.



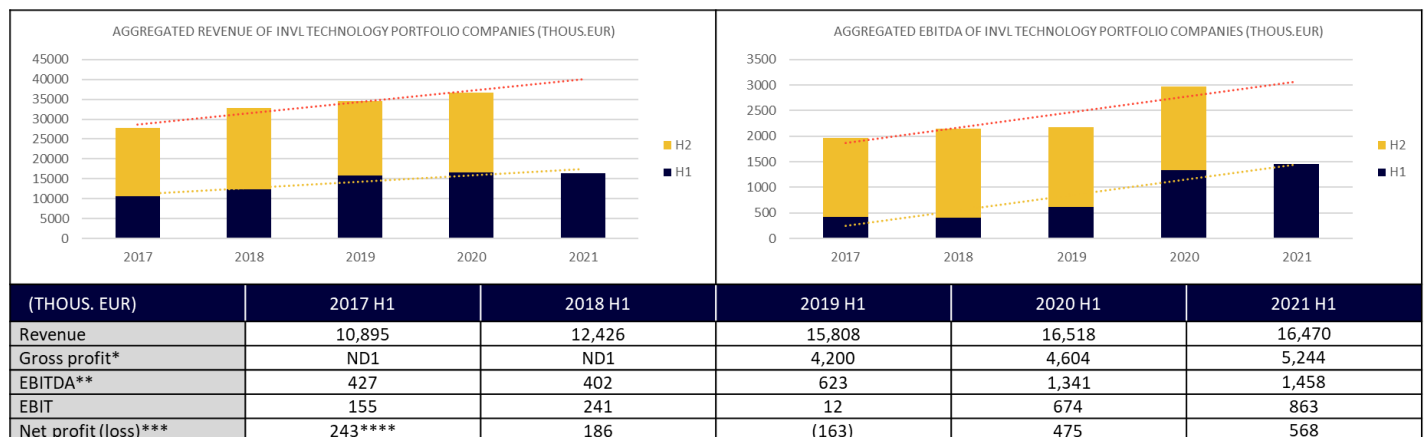
**3.3. Financial assets, thousand EUR**

Company	31.12.2020	30.06.2021
NRD Companies (includes Etronika UAB, NRD Systems UAB, Norway Registers Development AS and others)	7,144	<b>7,165</b>
Novian (includes Novian Technologies UAB, Novian Systems UAB, Andmevara Services OU, Andmevara AS, Andmevara SRL, Zissor AS)	19,740	<b>18,923<sup>2</sup></b>
NRD CS UAB	5,535	<b>5,467<sup>2</sup></b>
„FINtime“ UAB	233	<b>250</b>
<b>TOTAL</b>	<b>32,652</b>	<b>31,805</b>

**3.4. Change in fair value of financial assets, thousand EUR**

<b>Opening balance (2020-12-31)</b>	<b>32,652</b>
Dividends declared <sup>2</sup>	(1,415)
Revaluation (excluding effect of dividends)	568
<b>OPENING BALANCE (2021-06-30)</b>	<b>31,805</b>

<sup>2</sup> During the year of 2021 the following companies have declared dividends: Novian UAB – 915 thousand and NRD CS UAB – 500 thousand. On 30 June 2021 there were 1,415 thousand of receivables dividends.

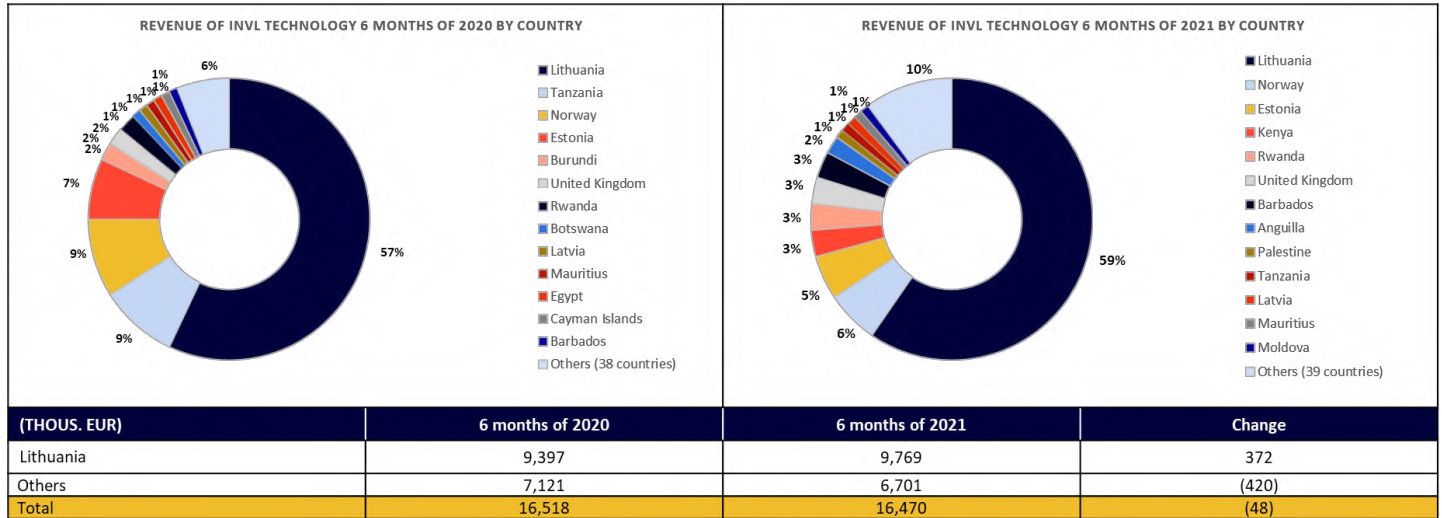
**3.5. Key figures of INVL Technology portfolio companies**
**AGGREGATED INDICATORS OF INVL TECHNOLOGY PORTFOLIO COMPANIES**


\*From 2019 the methodology for calculating gross profit has been changed: by including direct labor costs in the cost. Until 2018, the information was not collected in this section, therefore, due to the lack of comparable data, the data for 2016 - 2017 are not provided.

\*\*From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2016-2018 and 2019-2021 is not directly comparable.

\*\*\* - Net profit (loss) is presented after elimination of dividend income and elimination of one-off and atypical impairments of investments in subsidiaries recognized in standalone company reports.

\*\*\*\* - in that number 135 thousand. EUR - income tax revenue in NRD AS.

**REVENUE OF INVL TECHNOLOGY" BY COUNTRY**


In total, in the first half of 2021, INVL Technology companies implemented projects in 52 countries - income abroad accounted for 41%, and income in Lithuania - 59%. New countries where activities were carried out include Palestine, Qatar. In the first half of 2020, INVL Technology implemented projects in 51 countries - their revenue accounted for 57 percent abroad, in Lithuania - 43 percent.

#### 4. Significant Issuer's events during the reporting period, effect on the financial statement

##### Significant events during the reporting period



##### FINANCIAL REPORTS

- **6 April 2021** INVL Technology announced that on 31 December 2020 the Net Asset Value of the Company was EUR 33,73 million or EUR 2.77 per share. Moreover, the audited results were announced. Audited net profit of INVL Technology for 2020, taking into account a revaluation of financial assets, was EUR 4 767 thousand.
- **30 April 2021** INVL Technology reported preliminary operating results for 3 months of 2021. Equity of the Company and the Company's net asset value as of 31 March 2021 was EUR 34,37 million or EUR 2.82 per share (in the end of 2020 - EUR 33,73 million and EUR 2.77 respectively). Investments of the Company into managed companies amounted to EUR 32.69 million at the end of March 2021 (EUR 32,65 million - at the end of 2020). The net profit of the Company for 3 months of 2021 was EUR 646 thousand (net loss for the same period in 2020 was EUR 119 thousand).



##### General Shareholders Meeting

- **7 April 2021** the Company announced about the convocation of the General Shareholders Meeting on 29 April 2021. The Meeting was held at the premises of the Company, located at Gyneju str. 14, Vilnius. The draft agenda of the General Shareholders Meeting of INVL Technology was announced - which includes the following questions: introduction of shareholders to the Company's 2020 annual report, as well as presentation of the independent auditor's report on the Company's financial statements and annual report. The agenda of the meeting also includes issues related to the approval of the company's financial statements for 2020, profit distribution, introduction to the approval of the remuneration policy, and the establishment of the procedure for repurchasing own shares. Also regarding the formation of the Supervisory Board and the election of new members, the approval of the remuneration policy of the Supervisory Board and the determination of the remuneration of the independent member. The following questions were also included in the agenda: amendment of the company's Articles of Association, approval of the new wording of the Articles of Association and appointment of a person authorized to sign the new wording of the Articles of Association; approval of a new version of the related party transaction policy; election of members of the audit committee; termination of the agreement on the provision of depository services between INVL Technology and AB SEB bankas and conclusion of a new agreement on the provision of depository services with Šiauliai bankas AB.
- **29 April 2021** it was announced about resolutions of the General Shareholders Meeting of INVL Technology. The shareholders of the Company were introduced with the annual report for 2020 and an independent auditor's report on the financial statements and annual report of the Company. The shareholders also approved the approval of the Company's financial statements for 2020, the distribution of the Company's profit, as well as the remuneration policy and the establishment of the procedure for the acquisition of own shares. He also approved the formation of the Supervisory Board and the election of new members, approved the remuneration policy of the Supervisory Board and the determination of the remuneration of the independent member. During the meeting, the amendment of the company's Articles of Association was approved, the new wording of the Articles of Association was approved, and the person authorized to sign the new wording of the Articles of Association was approved; a new version of the related party transaction policy has been approved; members of the audit committee were elected and it was decided to terminate the depository services agreement between INVL Technology and AB SEB bankas and to sign a new depository services agreement with Šiauliai AB.



##### LEGAL REGULATION

- **4 January 2021**, INVL Technology (hereinafter – "the Issuer") received a notification from Invalda INVL AB (hereinafter – "Invalda INVL") by which the Issuer was informed about the plans of Invalda INVL for the 2021 year to conclude transactions regarding the Issuer's shares, following the guidelines for the trading in the Issuer's shares approved by the Board of Invalda INVL, which specify the main conditions for concluding transactions.
- **25 March 2021**, INVL Technology (hereinafter – "the Company") informs that taking into account provisions of the Law on Collective Investment Undertakings of the Republic of Lithuania (hereinafter – "CIU"), the Company operating under the CIU is under an obligation to have a valid prospectus (hereinafter – "the Prospectus") prepared in accordance with the requirements of the CIU or of the Law on Securities of the Republic of Lithuania (hereinafter – "LS"). Considering that the Prospectus should be renewed annually and the fact that at the time of publication of the information there is no grounds that the Company should prepare and own a prospectus complying with the requirements of the LS, the Company in order to meet the said requirement

prepared a renewed version of the Prospectus in compliance with CIU. The Company's Management company approved the Prospectus and approved its publication on 24 March 2021.

- **29 April 2021**, INVL Technology (hereinafter – “the Issuer”) received a notification from Invalda INVL by which the Issuer was informed about the Board decision of Invalda INVL form 29 April to suspend permanently the execution of the guidelines for the trading in the Issuer's shares. Information about the above—mentioned guidelines was announced on 4 January 2021.
- **17 May 2021**, INVL Technology (hereinafter – “the Company”) informs that on 12 May 2021 a new wording of the Articles of Association of Company was registered in the Register of Legal Entities. The new wording of the Articles of Association was approved on 29 April 2021 during the General Shareholders Meeting.
- **19 May 2021**, INVL Technology (hereinafter – “the Company”) informs that on 18 May 2021 applied to the Financial Market Supervisory Authority of the Bank of Lithuania (hereinafter – “the Supervisory Authority”) to suspend the consideration of the Company's application for permission to change the Company's depository until provisions of the Company's agreement with the new depository is clarified.
- **28 May 2021**, INVL Technology (hereinafter – “the Company”) received a notification from the Bank of Lithuania informing that the Company was allowed to change the Articles of Association of the Company.
- **31 May 2021**, INVL Technology (hereinafter – “the Company”) received a notification from the Bank of Lithuania approving the candidatures of the members of the Supervisory Board of the Company.



#### NEWS FROM THE MANAGED COMPANIES

- **4 January 2021** The Novian IT infrastructure and software services group has strengthened its information systems development company Novian Systems. Having merged Acena, a provider of business analytics and process automation solutions, into itself, Novian Systems offers a broader range of software services. Within the group, software services are also provided by the Estonian company Andmevara AS.

Information regarding Significant events of the issuer during the reporting period is published on the Company's web site – „For Investors“ → „Regulated information“. The link to the Company's website:

<https://www.invltechnology.lt/lit/en/news-center?categories=26&years=2021&months=00>

## 5. Significant events of portfolio companies during reporting period

### 5.1. BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE

#### NRD COMPANIES AS

NRD Companies is a global IT and consulting group of companies, specializing in governance and economic digital infrastructure development. Headquartered in Norway, the group unites companies operating in Fintech, GovTech and practice-based consulting areas in aiding countries to reach UN sustainable development goals. NRD companies have a successful track record of implementing projects, such as e-service delivery platforms, national post digitalization, tax administration platforms and other digital solutions, in all 5 continents. The Group is a recognized leader in the industry and is controlled by the INV L Technology UTIB.

NRD Companies is a parent company for the following subsidiary corporations: Norway Registers Development AS, NRD Systems, NRD Rwanda, NRD Bangladesh, ETRONIKA, Infobank Uganda. More information: <http://www.nrdcompanies.com>

#### GROUP COMPANIES\*

**Norway Registers Development** is a consulting, project leadership and know-how hub for the group based in Sandvika, Norway.

**NRD Systems** is an information system development and project delivery company with core competences in state tax systems and state registry modernisation based in Vilnius, Lithuania.

**NRD Rwanda** is a regional sales, project leadership, project support and maintenance company for group projects in Rwanda, Burundi and Democratic Republic of the Congo.

**NRD Bangladesh** is a regional sales, project leadership, project support and maintenance company for group projects in South Asia.

**ETRONIKA** is an award-winning financial technology and retail solutions developer, providing innovative products and solutions for banks, lending institutions, national posts and retailers. Based in Vilnius, Lithuania.

\* Norway Registers Development East Africa Limited has been suspended in March 2020; Infobank Uganda - currently does not perform any activities.

#### NRD COMPANIES STRATEGIC FOCUS AREAS FOR 2020 - 2021

- To proceed to develop own products/platforms for ensuring a rapid and cost-effective custom-designed solutions' launching for government institutions, financial services providers, retailers and national pots all over the world with the main focus on developing countries.
- To provide high-quality practice-based consultancy services for bringing added value to customers and ensure additional revenue streams to stakeholders.
- To proceed with horizontal business integration initiatives of group companies to ensure business growth.

#### NRD COMPANIES RESULTS FOR 6 MONTHS OF 2021

##### KEY PROFIT (LOSS) ITEMS, THOUSAND EUR<sup>3</sup>

	NRD Companies							
			NRD AS <sup>4</sup>		NRD Systems <sup>4</sup>		Etronika <sup>4</sup>	
	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021
Revenue	3,847	3,342	2,462	1,803	1,173	1,332	1,011	895
Gross profit	1,358	1,331	616	669	459	416	319	366
EBITDA	420	204	221	82	157	47	43	72
EBIT	292	71	218	79	102	(4)	(8)	14
Net Profit (Loss)	211	6	184	34	69	(13)	(33)	6

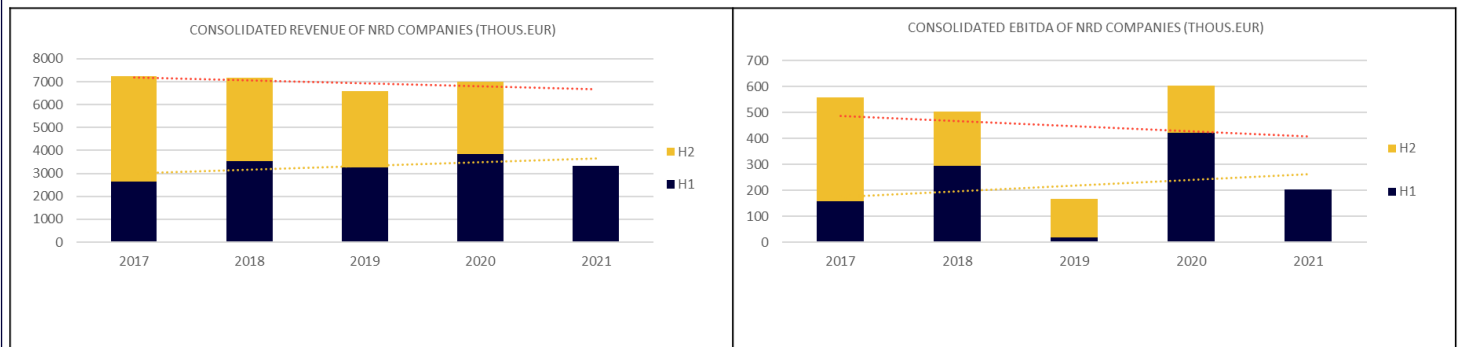
##### KEY BALANCE SHEET ITEMS, THOUSAND EUR<sup>3</sup>

	NRD Companies							
			NRD <sup>4</sup>		NRD Systems <sup>4</sup>		Etronika <sup>4</sup>	
	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021
Tangible assets	259	187	9	7	142	93	106	85
Intangible assets	220	151	14	15	1	1	171	120
Other non-current assets	343	423	307	391	14	14	23	18
Current assets	6,293	5,933	4,107	3,651	2,075	1,963	1,175	1,158
of which cash	927	549	67	109	534	204	218	184
<b>Total assets</b>	<b>7,115</b>	<b>6,694</b>	<b>4,437</b>	<b>4,064</b>	<b>2,232</b>	<b>2,071</b>	<b>1,475</b>	<b>1,381</b>
Equity	1,635	1,663	701	759	369	356	602	608
Non-current liabilities	558	807	-	-	215	480	338	325
Of which financial debt	277	543	-	-	215	480	62	63
Current liabilities	4,922	4,224	3,736	3,305	1,648	1,235	535	448
of which financial debt	782	468	490	100	244	444	48	24
<b>Total liabilities and equity</b>	<b>7,115</b>	<b>6,694</b>	<b>4,437</b>	<b>4,064</b>	<b>2,232</b>	<b>2,071</b>	<b>1,475</b>	<b>1,381</b>

<sup>3</sup>Unaudited consolidated results of NRD Companies are presented.

<sup>4</sup>The results of Etronika UAB and NRD Systems UAB and NRD AS are included into results of NRD Companies. The annual standalone financial statements for 2020 of Etronika UAB and NRD Systems UAB are audited, the audit of NRD AS is in progress.

#### NRD COMPANIES AGGREGATED FINANCIAL FIGURES

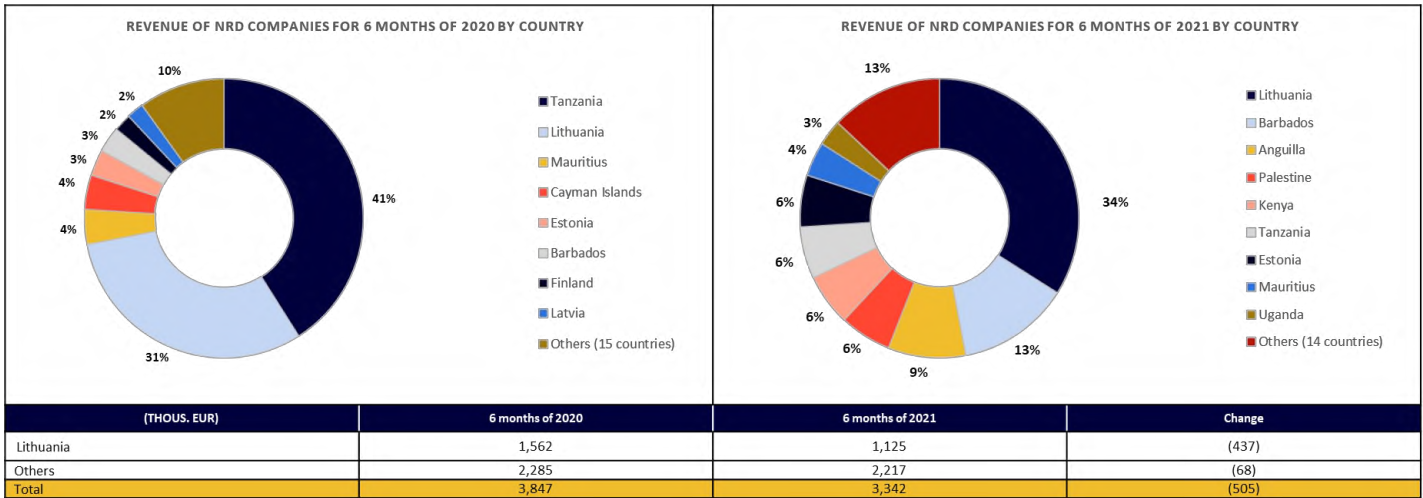


(THOUS. EUR)	2017	2018	2019	2020	2021 H1
Revenue	7,232	7,161	6,596	6,989	3,342
EBITDA*	557	504	166	602	204

\* From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2017-2018 and 2019-2021 is not directly comparable.

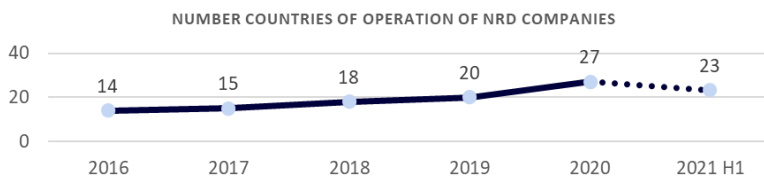
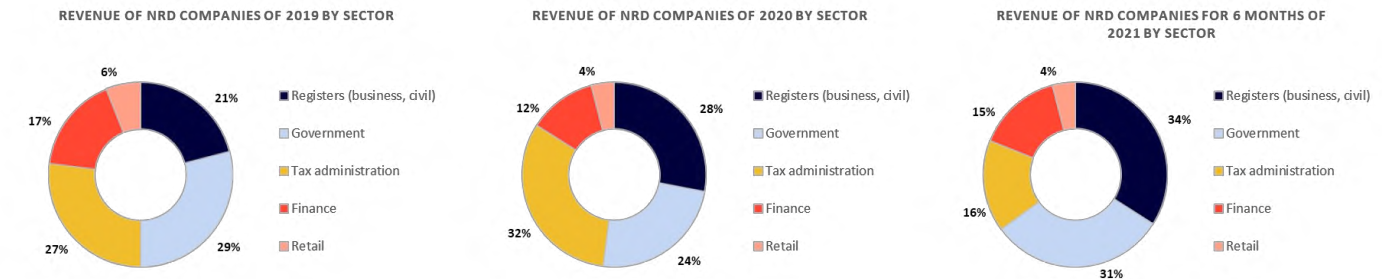
#### PROJECTS

During the reporting period NRD Companies implemented projects in Lithuania, Barbados, Anguila, Palestine, Kenya and other countries.

**REVENUE OF NRD COMPANIES FOR BY COUNTRY\***


\*Consolidated revenue of NRD Companies are represented.

During the reporting period, the group developed project management and implementation methodologies to work effectively with clients remotely. This has ensured seamless collaboration with customers around the world and in countries with limited IT resources, despite the limitations of COVID-19 in 2020.

**NRD COMPANIES REVENUE BY SECTOR AND NUMBER BY COUNTRIES**


Revenues in the government and registries sectors increased significantly in the first half of this year. The group's income was negatively affected by the falling USD exchange rate. Compared to the same period in 2020, the USD exchange rate was lower by ~ 9% and this had a significant impact on the company's revenue and results of operations.

**PRODUCTS AND SERVICES**

**GxP** - Customer-centric public e-service delivery platform. The platform is a tool for governments to proactively support citizens and businesses throughout their customer journey and for their lifetime events. It addresses issues of inter-institutional integrity and allows institutions to independently provide e-services to citizens. GxP provides data-driven insights to transform public e-services in response to changing citizens' needs and patterns of behaviour.

**Consultancy Services** - NRD Companies provides practice-based advisory and consulting services that respond to the needs of the clients and correlate to emerging trends. The core competencies lie in improving public administrative service delivery to citizens and businesses, civil registration and identification, business registries, tax systems, digital banking.

**BUSREG** - internationally proven company / legal entity registration platform. The platform offers not only a fast solution to the customer, but it can also be easily adapted to the needs of different countries. It improves the accessibility and efficiency of services for businesses and investors.

**DIGITAL LOANS** - is a platform for SME and Retail loans used by banks and other financial services providers to increase their loan portfolio in a shorter time, keep the lending management and related costs under control and excel in their operational risk management.

**Banktron** - an award-winning secure and intuitive digital banking platform. It is easily integrated with the latest FinTech solutions.

**KASU RETAIL** - An omnichannel solution to manage and accelerate retail business.

**KASU POST** is a point of sale, counter automation and retail business management solution for the Post offices, focused on maximising the revenue from non-postal operations - financial services, delivery of public services and delivery of integrated 3rd-party commercial offerings.



**Virtual Fiscal Device Management System (VFDMS)** is a new generation online cash register management solution. It addresses the latest VAT tax collection challenges that Tax Authorities face and improves tax revenue collection and reduces informal economy with no burden to businesses.

**KASU Cloud** is a full-fledged cash register hardware (cash register), software (cash register application) and sales network management solution provided to the merchant as a service.

### CONSULTANCY

**Guyana:** E-public service delivery infrastructure assessment (2020-2021)

**Eastern Caribbean States:** Unique ID infrastructure assessment (2020-2021)

**Samoa:** Civil Registry and National ID infrastructure assessment (2020-2021)

**Uganda:** Digital transformation plan for the creation of microfinancing (2020 – 2021)

**Zanzibar:** Consultancy services for a business registry system expansion (2020-2021)

**Palestine:** Legal, Institutional, Business Process and ICT Assessment for Automated Business Registry System at the Ministry of National Economy in Palestine (2021)

### SOLUTIONS IMPLEMENTED

**Zanzibar:** VFD - Virtual fiscal device management system (2019-2021)

**Cayman Islands:** Identity management system (2018-2021)

**Anguilla:** BUSREG business registry e-system implementation (2020-2021).

**Barbados:** GxP - Public e-services provisioning and delivery platform (2020-2021)

**Northern Macedonia:** eGovernment project in Northern Macedonia (2020 - 2021)

**Kyrgyzstan:** KASU POST, an automated retail business management solution for Kyrgyz Post (2018-2021)

#### Lithuania:

- Development and implementation of the state food and veterinary information system (2021)
- Implementation of a mobile application in Medicina bank (2021)
- SEPA Instant Payments implementation into Luminor bank's Digital Channels (2021)

### SUPPORT & MAINTENANCE SERVICES

#### Uganda:

- BUSREG maintenance (2019-2020-2021)
- Investor e-registry system maintenance (2020-2021)

#### Zanzibar:

- Civil registry support and maintenance (2020-2021)
- Business registry system maintenance (2020-2021)

#### Lithuania:

- E-customs system maintenance (2020-2023)
- i.SAF-T Subsystem Implementation Services State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (2020-2022)
- Infrastructure renewal and development works in Siauliu bank (2020-2021)

#### Mauritius:

- BUSREG support and maintenance (2020-2021)
- E-registry system monitoring services (2020-2021)

### SUBCONTRACTING

**Kenya:** Cyber security (2019-2021) –done

**Ecuador:** Cyber security (2019-2021)

**Egypt:** Cyber security (2019-2021)

**Bangladesh:** Cyber security (2018-2021)

**New Caledonia:** Cyber security (2020-2024)

**Bhutan:** Advisory Support for the IT Audit of PFM Information Systems (2020-2021)

**Botswana:** Technical assistance to SADC Secretariat for cybersecurity risk assessment and threat mitigation (2021)

**Guyana:** Payment system security assessment and evaluation 2021

### SIGNIFICANT PROJECTS



During the first half of 2021, the direction and strategy of the NRD Companies consulting business line was refined, and a separate business unit was formed with clearly defined performance indicators. The NRD Companies Consulting Division will develop competencies and provide advice in the following areas: Digital Identity, Civil Registration in Developing Countries, Registration of Legal Entities, e-Government and e-Services for Citizens, Improving the Business Environment in Countries ("Ease of Doing Business").

During the first half of 2021 the go-to-market strategy was improved for achieving higher revenue goals. I.e. consolidation of sales, marketing, HR, finances operations was completed. Back-office functions like project delivery and management, product development, support, R&D functions integration and rationalization was started. Alongside, the elimination of excess capacity was implemented. All of these actions, designed to increase the interoperability of organizations, will contribute to the implementation of the NRD Companies strategy and value creation to stakeholders.

NRD Companies finished developing an action plan for implementing a unique ID system in four Member States of the Organization of Eastern Caribbean States (OECS): the Commonwealth of Dominica, Grenada, Saint Lucia, and Saint Vincent and the Grenadines. The OECS unique ID System seeks to facilitate cross-border movement of people and goods and refine e-governance systems.

NRD Companies has completed a two-part project for the Government of Cayman Islands. One part was the implementation of an Identity and Access Management system to manage access to all of the public eServices provided by the government to both businesses as well as citizens. Another part of the project was the development of data management tools required to consolidate all of the Government's data on physical persons with the aim to build a trusted registry of residents of the Cayman Islands.

NRD Companies started providing consultations for Palestinian Business Registry digitization. The project, initiated by the Ministry of National Economy through its World Bank-funded Innovative Private Sector Development Project (IPSD). The aim is to improve the investment climate through a range of regulatory reforms and digitization of the existing business registry.

In Kyrgyzstan, NRD Companies has implemented KASU POST solution, a postal counter solution that enables a range of non-postal services, e.g. financial operations, as well. Using KASU, the Kyrgyz Post has launched a new money transfer service called "PosTransfer", enabling migrants to transfer funds back to their relatives at home, living in remote regions with no access to financial services. Currently, the service is provided by more than 400 post offices in Kyrgyzstan. Post offices in Kyrgyzstan have been able to quickly organize the implementation of third-party payment service providers and offer customers a wide range of financial services.

A new business register system has been developed and implemented in Anguilla. The Government of Anguilla, acting through its Ministry of Finance, Economic Development, Investment, Trade, Tourism and Information Technology, has chosen the NRD Companies product BUSREG - a system of business registers to improve the country's business environment.

## OTHER EVENTS

### HOSTED EVENTS (WEBINARS):

**May 18-20** NRD Companies showcased its solutions and products to more than 1000 policy makers from more than 100 countries at one of the largest E-Governance conference #EGOV2010.

**May 27** NRD Companies together with Lithuanian tax inspectorate and Lithuanian IT association INFOBAL organized a free webinar for public sector decision-makers "Citizen-centered services. How to pass the quality and performance test?". More than 100 Lithuania government decision makers have learned about our GxP product and how can it ensure that the services provided by the institution proactively reach the right people, at the right time, to the right extent.

### PARTICIPATED:

**April 14-15** NRD Companies were invited to participate at the 5th Growth and Resilience Dialogue and shared experience and practice-based advice about Digital Credentials. On the 14-15th of April, 2021 NRD Companies were invited to participate at the 5th Growth and Resilience Dialogue and shared experience and practice-based advice about Digital Credentials. The event was organized by the Eastern Caribbean Central Bank in collaboration with its partners: the OECS Commission, The World Bank and The University of the West Indies. The target audiences for the Dialogue included parliamentarians; social partners, CEOs; entrepreneurs and business owners; public and private sector officials; financial service providers; high school, college and university students; teachers and lecturers; innovators and thought leaders; youth and community leaders from all around the world.

## 5.2. IT INFRASTRUCTURE SERVICES AND SOFTWARE

### NOVIAN

The Novian group's companies work in IT infrastructure, software services and digitalisation, offering services and solutions for developing an organisation's digital advantage.

Novian's main areas of focus are digital transformation services, data mobilisation, and artificial intelligence and robotics solutions.

The Novian group's advantage is its ability to provide integrated IT services and solutions by combining the capabilities of the group's companies and thus giving clients more value.

Having united the strengths of its companies in the Baltic and Nordic countries, Novian ensures clients get a package of services that is tailored to their needs regardless of which group company they turn to and in which country.

Moreover, integration of IT infrastructure and software services is extremely relevant for being able to create a needed digital solution fast.

The companies working in the group's software services area are Novian Systems in Lithuania and Andmevara AS in Estonia. Working in the technologies area are Novian Technologies in Lithuania along with Andmevara Services OU of Estonia and its subsidiary Andmevara SRL in Moldova. The Norwegian company Zissor is a well-known provider of software for media monitoring and for the segmentation and digitization of printed and scanned documents.

The Novian group's companies are certified according to ISO 9001, ISO 14001, ISO 20000 and ISO 27001. They also use the ITIL and ISKE methodologies.

For more information see [www.novian.io](http://www.novian.io).

### LONG-TERM OBJECTIVES OF THE NOVIAN GROUP

- Novian is an international group of companies that prioritises growth and development in Lithuania, Estonia and the Nordic region.
- The Novian group provides products and services that enable the changes of digital transformation.
- The Novian group creates added value for clients by helping them achieve their goals: increasing business revenue and improving the quality of public sector services.

### GROUP COMPANIES

#### **Technologies area**

The Novian companies which operate in the technologies area focus heavily on high-performance computing clusters, open source cloud technologies, document digitization, data archiving, and the provision of highly skilled continuous managed services for the maintenance and support of critical IT infrastructure.

The Novian technologies-area business Novian Technologies was known until the end of 2020 as BAIP. Active in Lithuania and other countries around the world, it focuses on new technological opportunities for business and the public sector, emphasizing smooth IT operations and alignment of IT infrastructure with new technological possibilities.

Standing out as extremely promising is the field of high-performance computing device clusters, popularly known as supercomputers, whose use in diverse areas has been growing recently. Novian's technology companies are active in the areas of critical IT infrastructure services and modern digital workplaces. They also offer project management general contracting and other services.

Working in the Novian group's technologies area are the Novian Technologies subsidiary Andmevara Services OÜ in Estonia and the Moldovan company Andmevara SRL. These technology companies are ready to join forces with Novian's software service companies and create the right integrated solutions for both businesses and the public sector.

For more information – [www.novian.io](http://www.novian.io) and [www.andmevara.ee](http://www.andmevara.ee).

#### **Software services area**

The Novian group companies which operate in the area of software services develop information systems as well as business analytics and process automation solutions for business and the public sector.

The Novian group software services company Novian Systems was known until the end of 2020 as Algoritmu Sistemios. Novian Systems, a Lithuanian company, and its Estonian subsidiary Andmevara AS are recognized as reliable developers of customized information systems and IT solutions, especially for the public sector. Following the merger of Acena, a provider of business analytics and process automation solutions, into Novian Systems, as of 2021 Novian Systems has expanded the range of software services it offers.

Novian's professionals are highly experienced in developing tax administration systems and have also worked actively in e-health, environmental protection, smart cities, e-government and other areas. Our know-how from work with public sector organizations is helpful in identifying solutions for businesses as well.

The group's companies focus on developing complex customized information systems for state institutions and large and medium-sized companies as well as solutions for business process digitalization and business analytics. They also carry out integrated projects together with the Novian group's other companies.

For more information – [www.novian.io](http://www.novian.io) and [www.andmevara.ee](http://www.andmevara.ee).

### Media monitoring and digitization area

Zissor is a Norwegian company which in the space of 20 years has become a world-leading provider of media monitoring solutions and media digitization software and services. It became part of the Novian group in 2019.

Zissor's media monitoring software gives the media monitoring companies a complete end to end solution for automatic production of press clippings with segmentation of articles automated and client searching as well as flexible distribution.

Zissor's digitization software gives libraries, archive institutions and publishers a solution for digitization their paper and microfilm archives, including an automated segmentation and metadata extraction plus flexible export of images and XML for long term preservation and search and retrieval.

Zissor also take on digitization projects as a service for their clients.

In 2020 Zissor expanded its portfolio of services with the software and IT infrastructure services and solutions of the Novian group's other companies.

For more information – [www.zissor.com](http://www.zissor.com).

### KEY EVENTS

- At the end of 2020, the Novian group changed the names of its main companies in Lithuania to Novian Technologies and Novian Systems (they previously operated as BAIP and Algoritmu Sistemas, respectively). The group now offers the market a set of services in line with clients' needs, combining the capabilities of the group's companies in IT infrastructure, software services, digitization and other areas.
- Evaldas Rėkus, the head of Novian, took the role of CEO of Novian Systems and Andmevara AS as of 16 June 2021, replacing Elena Vengrienė, who went on temporary leave for family reasons.
- Novian Technologies introduced critical IT infrastructure managed services on the Norwegian market in the first half of 2021.
- Novian Technologies was recognized by partners with a Dell Technologies award for 'Excellence in New Business Development' and an IBM award as 'Partner of the Year 2020'.
- Novian Technologies achieved the RedHat Advanced partnership level and the Dell Titanium partnership level.
- A representative of Novian Technologies took part in a roundtable discussion with Dell founder and CEO Michael Dell.

### NOVIAN GROUP RESULTS FOR 6 MONTHS OF 2021

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

	Novian <sup>5</sup>											
			Technologies area				Software services area				Media monitoring and digitization area	
			Novian Technologies, UAB		Andmevara Services OU/ Andmevara SRL <sup>6</sup>		Novian Systems, UAB <sup>7</sup>		Andmevara AS		Zissor AS	
	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021	6 months of 2020	6 months of 2021
Revenue	10,547	9,881	7,822	7,158	297	334	1,602	1,544	533	362	293	484
Gross profit	2,553	2,526	1,265	1,309	297	334	485	339	239	181	268	364
EBITDA	813	642	763	694	23	29	45	2	10	(9)	22	102
EBIT	412	315	478	476	13	24	(19)	(70)	(21)	(40)	13	102
Net Profit (Loss)	313	98	420	297	5	14	(28)	(63)	(43)	(74)	12	102

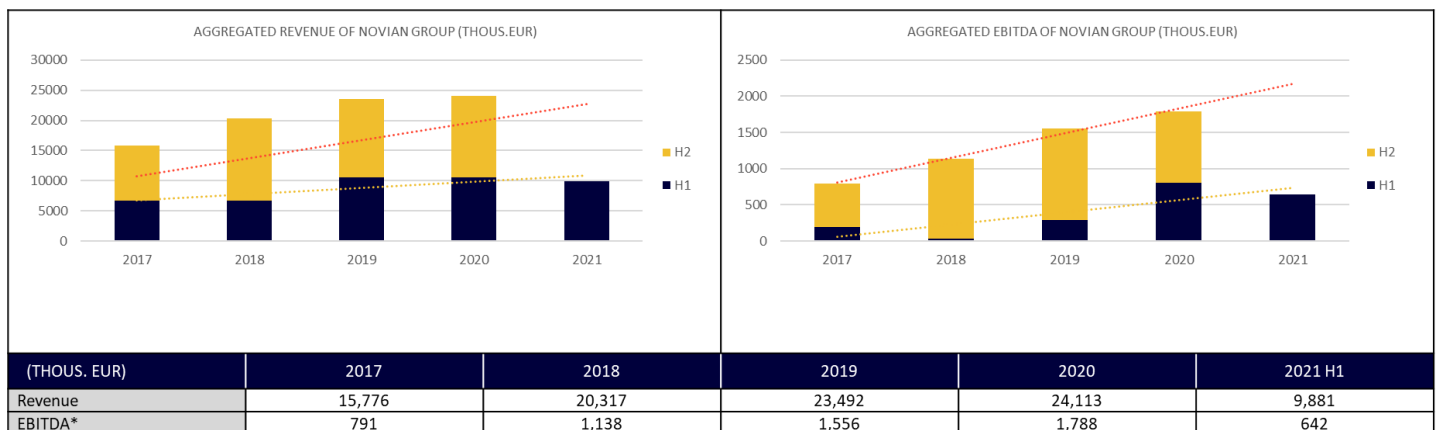
**KEY BALANCE SHEET ITEMS, THOUSAND EUR**

	Novian <sup>5</sup>											
	Technologies area						Software services area				Media monitoring and digitization area	
	Novian Technologies, UAB		Andmevara Services OU/ Andmevara SRL <sup>6</sup>		Novian Systems, UAB <sup>7</sup>		Andmevara AS		Zissor AS			
	31-12-2020	30-06-2021	31-12-2020	30-06-2021	31-12-2020	30-06-2021	31-12-2020	30-06-2021	31-12-2020	30-06-2021		
Tangible assets	1,006	754	611	443	19	17	233	179	138	108	3	3
Intangible assets	1,969	1,937	62	44	3	3	1,902	1,890	1	-	-	-
Other non-current assets	711	499	512	329	-	-	151	144	-	-	104	107
Current assets	9,820	10,171	7,021	5,984	134	177	2,491	2,602	248	258	426	404
<i>of which cash</i>	2,344	757	1,323	421	37	24	496	27	21	8	274	251
<b>Total assets</b>	<b>13,506</b>	<b>13,361</b>	<b>8,206</b>	<b>6,800</b>	<b>156</b>	<b>197</b>	<b>4,777</b>	<b>4,815</b>	<b>387</b>	<b>366</b>	<b>533</b>	<b>514</b>
Equity	5,836	5,032	3,365	2,161	(19)	(5)	2,892	2,829	(592)	(666)	365	382
Non-current liabilities	751	688	175	154	-	-	450	415	86	86	40	33
<i>Of which financial debt</i>	360	353	147	147	-	-	87	87	86	86	40	33
Current liabilities	6,919	7,641	4,666	4,485	175	202	1,435	1,571	893	946	128	99
<i>of which financial debt</i>	1,042	906	209	98	50	50	495	591	729	810	-	-
<b>Total liabilities and equity</b>	<b>13,506</b>	<b>13,361</b>	<b>8,206</b>	<b>6,800</b>	<b>156</b>	<b>197</b>	<b>4,777</b>	<b>4,815</b>	<b>387</b>	<b>366</b>	<b>533</b>	<b>514</b>

<sup>5</sup>Presented unaudited aggregated Novian group results. . The value of investments in subsidiaries was eliminated by aggregating balance sheet items, income of dividends was eliminated by aggregating Net profit (loss). The annual standalone financial statements for 2020 of Novian Technologies UAB, Novian Systems UAB and Zissor AS are audited.

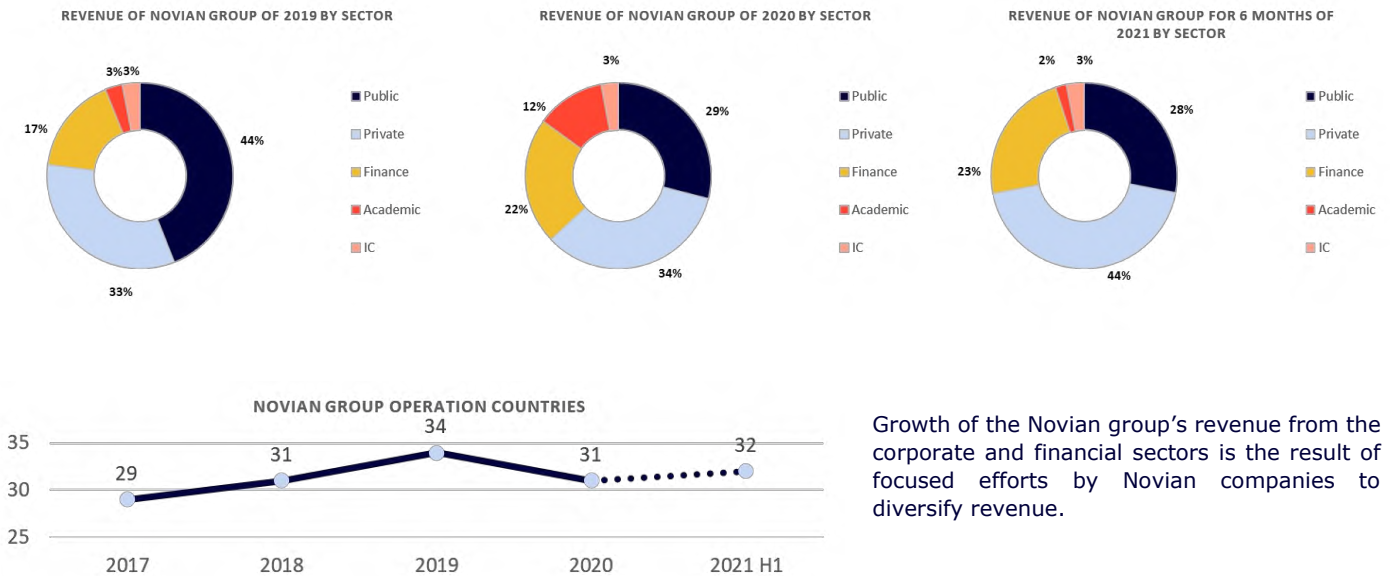
<sup>6</sup>Represents results of Andmevara Services OU and Andmevara SRL.

<sup>7</sup>Acena UAB was merged into Novian systems UAB on 31 December 2020. Aggregated Profit (loss) statement are presented of 2020.

**NOVIAN GROUP MAIN FINANCIAL FIGURES**


\* From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2017-2018 and 2019-2021 is not directly comparable.

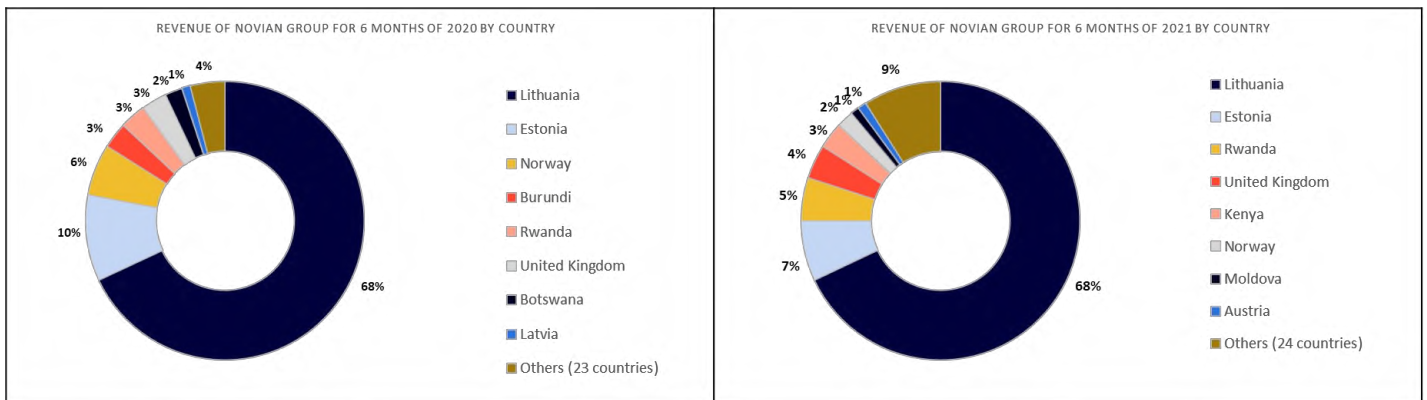
The pandemic also had an impact on disparity of market needs, due to which some projects were slow to start. That also affected the Novian group's results.

**NOVIAN GROUP REVENUE BY SECTOR AND NUMBER OF COUNTRIES**


Growth of the Novian group's revenue from the corporate and financial sectors is the result of focused efforts by Novian companies to diversify revenue.

**PROJECTS**

During the reporting period, Novian group companies carried out projects in the Lithuania, Rwanda, Kenya, UK, Estonia, and other countries.

**NOVIAN GROUP REVENUE BY COUNTRY**


(THOUS. EUR)	6 months of 2020	6 months of 2021	Change
Lithuania	7,193	6,684	(509)
Others	3,354	3,197	(157)
<b>Total</b>	<b>10,547</b>	<b>9,881</b>	<b>(666)</b>

The main countries where the Novian group operates remained Lithuania and Estonia. The geography of the group's activities covered 32 countries in 2021.

**TECHNOLOGIES BUSINESS AREA**
**SERVICES, INDUSTRIES AND TECHNOLOGIES**

Solutions and services:	Industries where active:	Technologies and methodologies:
<ul style="list-style-type: none"> <li>Critical IT infrastructure design, deployment and maintenance</li> <li>Critical IT infrastructure maintenance managed services</li> <li>Cloud computing strategy and transformation implementation</li> </ul>	<ul style="list-style-type: none"> <li>Finance and insurance</li> <li>Wholesale and retail trade</li> <li>Logistics and warehousing</li> <li>ITT</li> <li>Energy</li> <li>Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>Methodologies: CIMF v.3, Migritis</li> <li>Technology partners: Dell EMC, NVIDIA, Lenovo, IBM, Cisco, Zabbix, Prometheus, Oracle</li> </ul>

- Data storage, recovery and archiving solutions
- Modern digital workplace strategy and implementation
- Supply-chain and infrastructure lifecycle management
- Public sector
- Scientific institutions
- Microsoft Azure, Google Cloud, RedHat
- Openshift
- Commvault, Veritas, Quantum
- Mobile Iron, Solarwinds, Kyocera.

### KEY EVENTS FOR 6 MONTHS OF 2021

In May 2021, Novian Technologies held its seventh-annual conference “Technology and Resilience 2021: Changes that Create Value” intended for executives, heads of IT, and other employees involved in making IT-related decisions. A study of the Lithuanian IT market was also presented at the event.

In the first quarter of 2021, Novian Technologies launched a “Red Hat TechClub” with monthly meetings and online trainings for technology professionals.

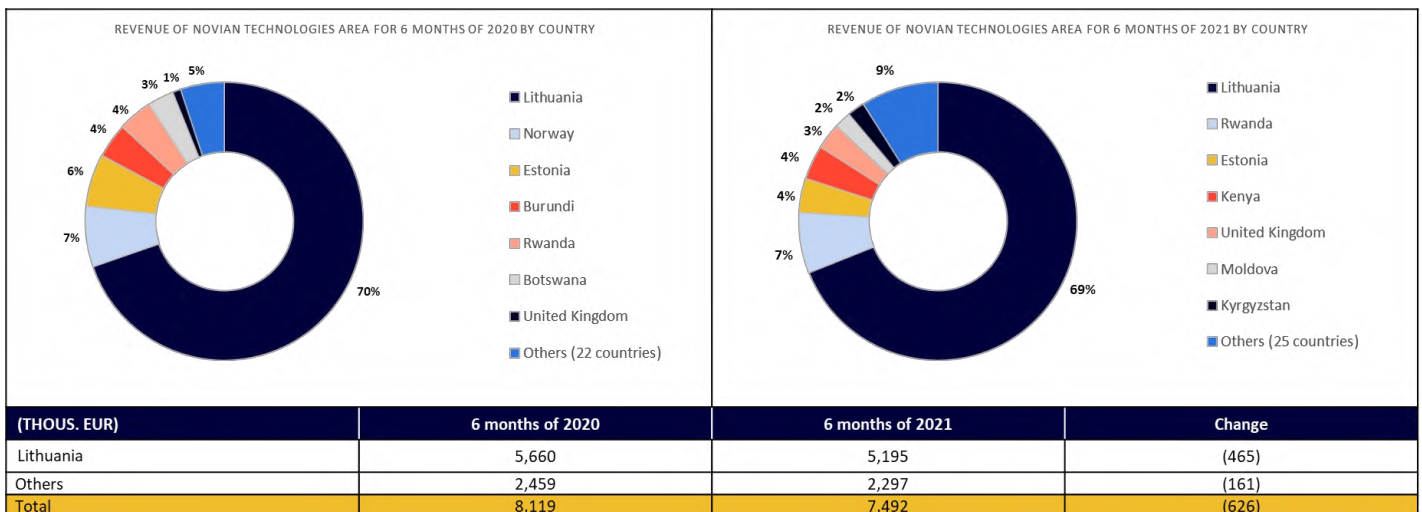
The following webinars were held:

- “Presentation of digitization services for the Lithuanian, Estonian and Norwegian markets”;
- “Presentation of digitization services and products for Lithuanian libraries”;
- “Presentation of the Red Hat InnoLab for the Lithuanian market”.

### GEOGRAPHY OF OPERATIONS

In the first half of 2021, Novian’s technology companies carried out projects in Lithuania, Rwanda, Estonia, Kenya, the United Kingdom, and other countries.

### REVENUE OF NOVIAN TECHNOLOGIES AREA BY COUNTRY



Novian Technologies focused heavily this year on expansion in the Baltic and Nordic countries.

### KEY PROJECTS

**Vilnius University (VU) Faculty of Mathematics and Informatics: installation of high-performance computing cluster completed:** a complex high-performance computing cluster was designed and installed using the most advanced HPC technologies. A business plan was created, as were a catalog of services and a system accounting module. The cluster’s overall computing power increased 12 times. Compute and storage resources exchange information twice as fast. The solution will enable VU to take part in EuroHPC and similar projects.

**Phase I of GovCloud installation project completed:** Oracle virtualization platform, backup and recovery solution, and centralized monitoring system installed. The project aims to host the infrastructure for state information resources on cloud service infrastructure that has been created so they can be operated and managed using cloud services.

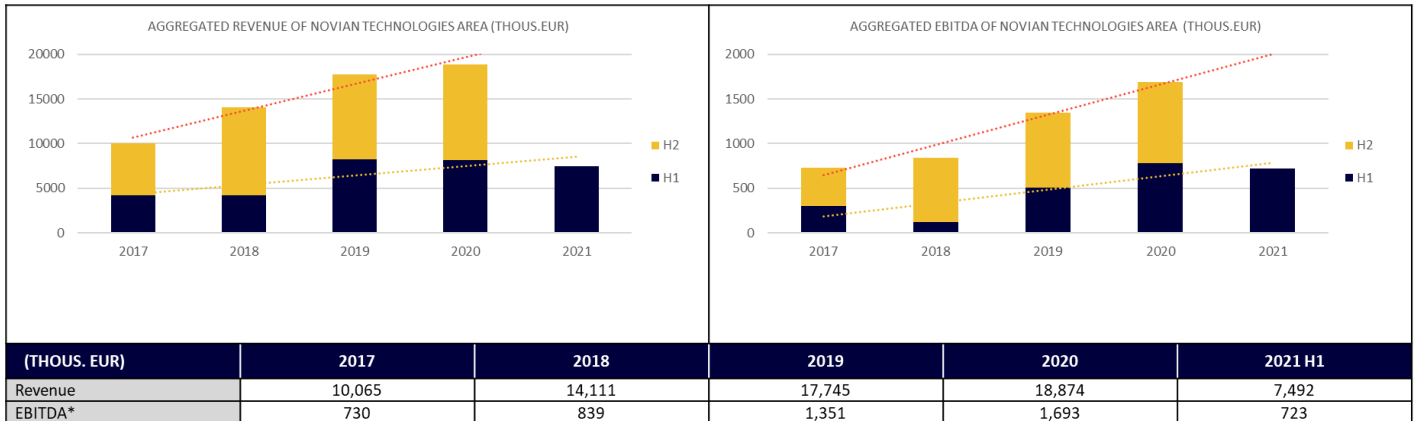
**Digitization of documents at Vilnius city companies Vilniaus Vandenys and Vilniaus Šilumos Tinklai AB:** Novian Technologies is conducting projects for digitization and upload of the documents to relevant systems, together with fellow Novian group companies Andmevara Services OU and Zissor. Digitized documents will enable performance optimization at the companies – they will be easier to access, allowing information to be found more quickly and speeding up work processes.

**Kyrgyz postal system modernized:** Novian Technologies together with the INVL Technology group company Etronika digitalized the Kyrgyzstan postal operator’s provision of financial services to people in the country. During the project and in complicated



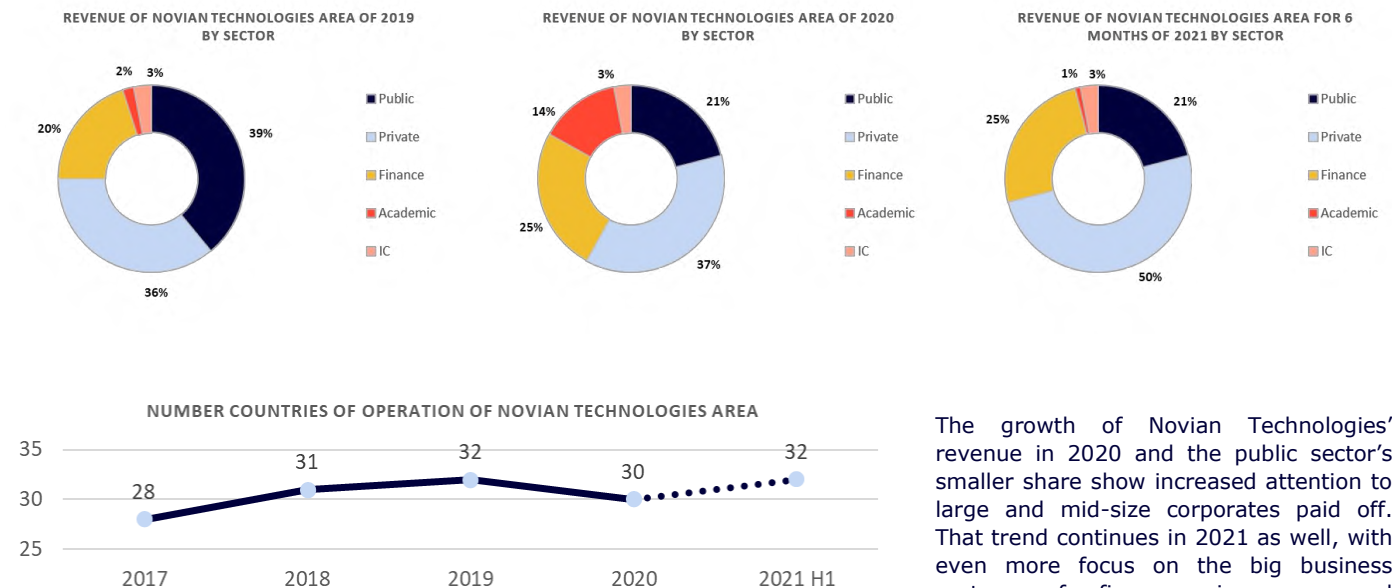
conditions, the companies fully installed and modernized 550 postal offices: they developed modern core IT infrastructure along with back-up infrastructure to ensure business continuity, upgraded workstations and security systems, deployed an app solution for integrated services, upgraded the postal operator's financial accounting system, and integrated the system with the new solutions. Novian Technologies served as the project's general contractor and lead implementer.

**Hyperconverged infrastructure solution for Lithuanian Railways:** the project will involve installation of a hyperconverged infrastructure (HCI) platform. That is LTG's core IT infrastructure. Additionally, maintenance of the created platform will be provided throughout the contract period, for 48 months, with the possibility of extending that for one more year. The project aims to increase the capacity, performance and reliability of virtualization infrastructure, more easily and efficiently boost the capacity of equipment, reduce operating costs, and simplify the management of virtualization infrastructure.

**NOVIAN TECHNOLOGIES AREA MAIN FINANCIAL FIGURES**


\* From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2017-2018 and 2019-2021 is not directly comparable.

Despite the pandemic's effect on the technology market, Novian Technologies essentially maintained last year's scale of operations in the first half of 2021.

**NOVIAN TECHNOLOGIES AREA REVENUE BY SECTOR AND NUMBER OF COUNTRIES**


The growth of Novian Technologies' revenue in 2020 and the public sector's smaller share show increased attention to large and mid-size corporates paid off. That trend continues in 2021 as well, with even more focus on the big business sectors of finance, insurance and wholesale and retail trade.

**SOFTWARE SERVICES BUSINESS AREA**

Solutions and services:	Industries where active:	Technologies and methodologies:
<ul style="list-style-type: none"> <li>Development and maintenance of information systems</li> <li>Information systems integration</li> <li>Business process digitization</li> </ul>	<ul style="list-style-type: none"> <li>E-governance</li> <li>E-tax</li> <li>Regulatory institutions</li> <li>E-health</li> </ul>	<ul style="list-style-type: none"> <li>Programming in Oracle /Java and Microsoft.NET</li> <li>Low code solutions with Microsoft Power Apps</li> </ul>

- Performance analytics solutions
- Environmental protection
- Process robotization
- Robotic process automation
- Smart cities
- Big data and performance analytics, artificial intelligence
- Big data
- Corporations
- Consulting
- Scientific institutions

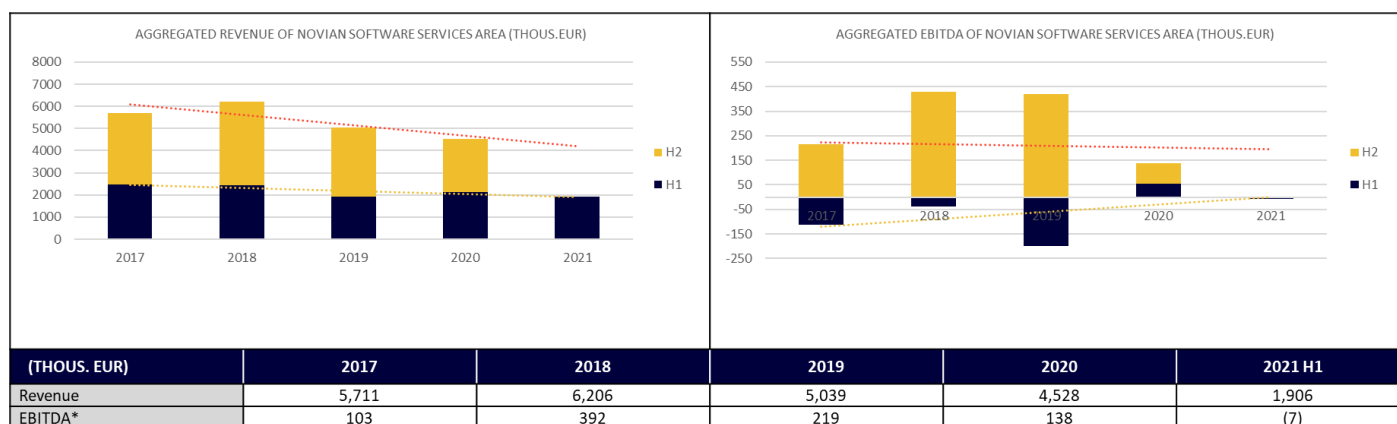
**KEY EVENTS FOR 6 MONTHS OF 2021**
Webinars organized:

“Use of microservice architecture in the development of information systems. Pluses and minuses”;

“Vacation requests: How to effectively manage them remotely?”;

“How to save time or what robots can do in court proceedings”;

“How to easily submit information to the Tax Inspectorate: a solution for financial market participants”.

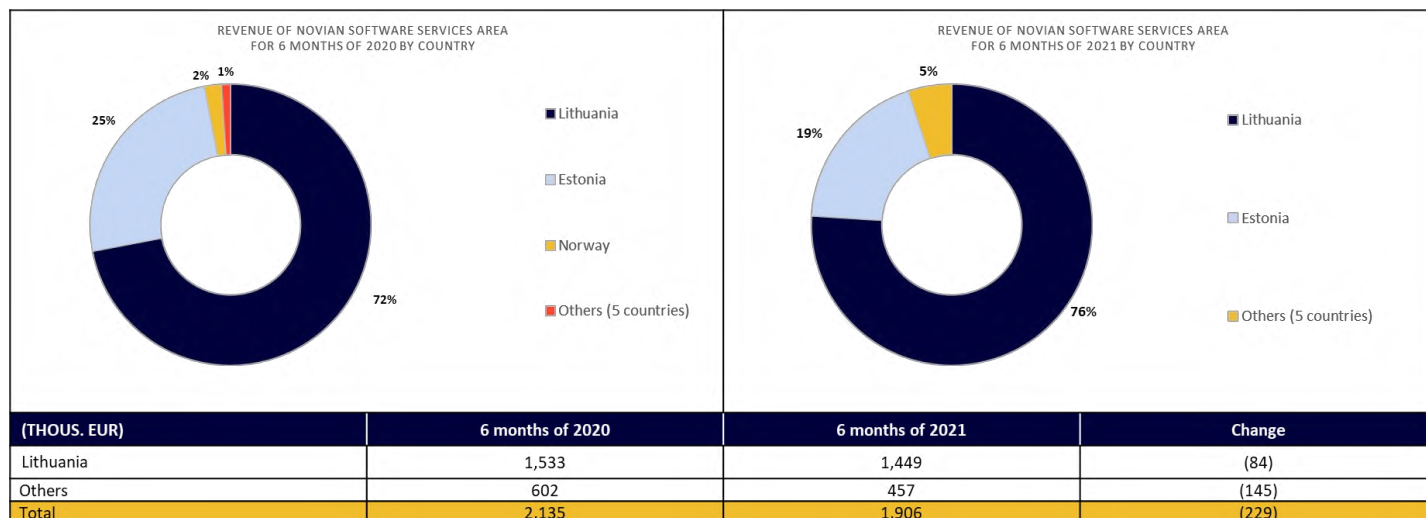
**NOVIAN SOFTWARE SERVICES AREA COMPANIES MAIN FINANCIAL FIGURES**


\* From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2017-2018 and 2019-2021 is not directly comparable.

Novian Systems’ results for the first half of 2021 were affected by the delayed start of some projects due to quarantine-related market uncertainties. This year we are seeing recovery of the market.

**GEOGRAPHY OF OPERATIONS**

During the reporting period, Novian software services area companies carried out projects in Lithuania, Estonia, and other countries.

**NOVIAN SOFTWARE SERVICES AREA REVENUE BY COUNTRY**

**KEY PROJECTS**

**Development of Taxpayer Electronic Education, Consulting and Information Service System (ESKIS):** during the project to modify and integrate ESKIS with information systems and registers of the Tax Inspectorate and other state institutions, new



services for taxpayers were created and existing ones modified in the authenticated and non-authenticated parts of the portal. The solutions were adapted to changes in ICT and the information environment. Better-quality access to e-services for taxpayers and integration with other information systems and registers making use of existing technical and technological solutions.

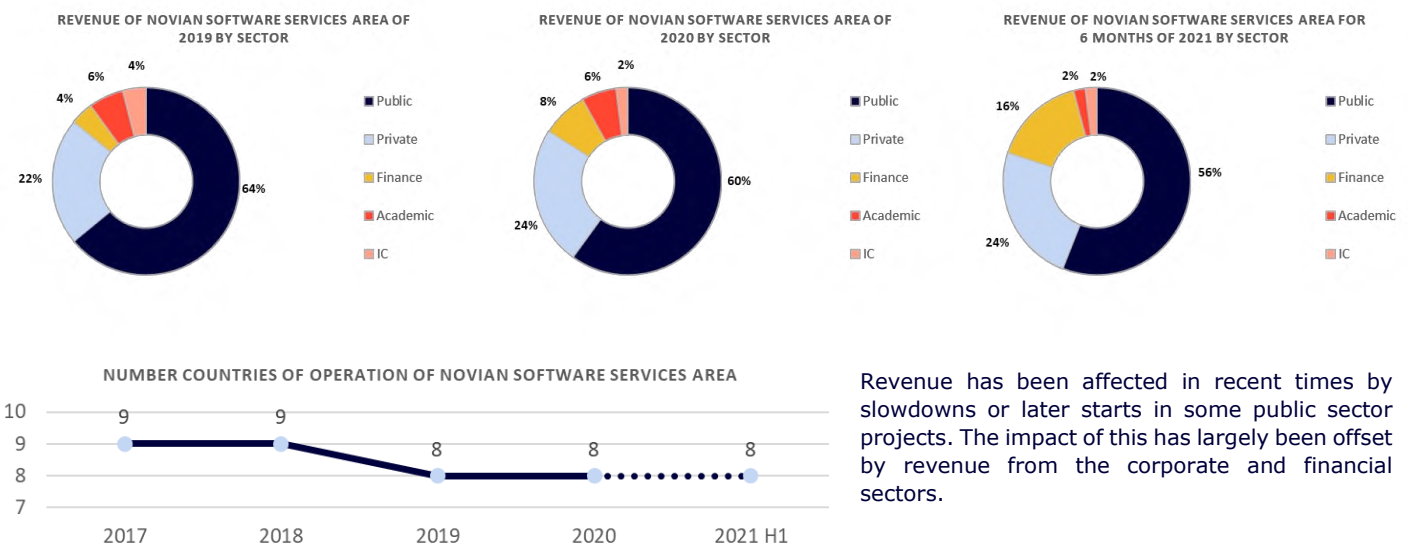
**Vacation process automation at the company Mantinga:** automation of the company’s vacation request process with the help of Microsoft Power Apps and Microsoft Automate. Helps speed up vacation queries and gives details of number of vacation days available, approved and rejected vacations, and planned vacations on a team. For employees and HR managers.

**Modernization of the Central Public Procurement Information System (CVP IS):** the project’s goal is to create a new CVP IS – the SAULÉ information system. Links with the information systems of other institutions are being developed along with functionality for tracing potential conflicts of interest and other digital tools. The project seeks to boost the efficiency of e-procurement, automating the procurement process from planning to contract signing and develop tools for increasing the visibility of information.

**Automated solution for municipal waste collection:** installation of specialized equipment and software based on RFID (radio-frequency identification) technology on municipal waste collection vehicles and placement of RFID tags on waste containers. The solution will reduce the cost of waste collection. It will enable automated tracking of when containers are emptied, optimization of collection schedules, and real-time monitoring of waste collection.

**Digitization and automation of the milk collection waybill process:** use of the Microsoft Power Apps and Microsoft Power Automate technologies to create a solution for processing gathered data and automatically integrating them into a Navision accounting system. On implementation of the project, paper waybills will be digitized and the data automatically transferred to the central accounting system. This type of low-code platform solution will allow the project to be implemented in much less time than if traditional coding was used.

#### NOVIAN SOFTWARE SERVICES BUSINESS AREA COMPANIES REVENUE BY SECTOR AND NUMBER OF COUNTRIES



#### MEDIA MONITORING AND DIGITIZATION AREA

##### Solutions and services:

- Media (press, online, broadcast, social networks) monitoring software
- Software to segment and digitize the contents of printed and/or scanned documents
- Medi a PDF file conversion to XML for other communication channels

##### Industries where active:

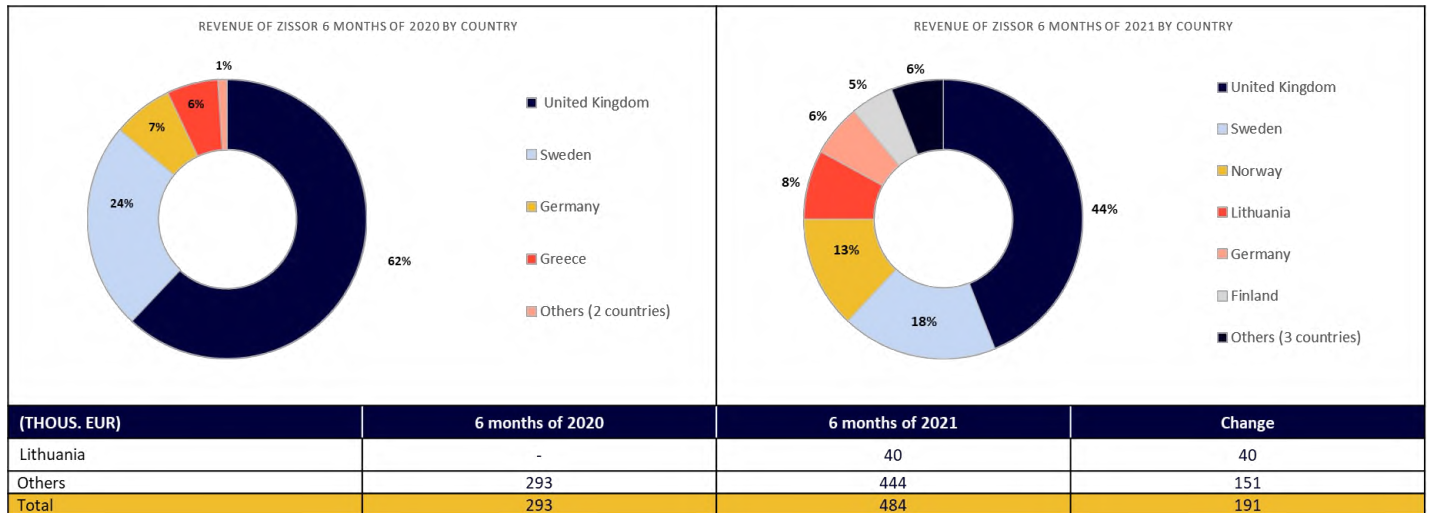
- Providers of media monitoringservices
- Magazine and newspaper publishers
- National archives and libraries

##### Technologies:

- Zissor intellectual products

#### GEOGRAPHY OF OPERATIONS

During the reporting period, Zissor AS carried out projects in the United Kingdom, Sweden, Norway, Germany and other countries.

**ZISSOR AS REVENUE BY COUNTRY**

**KEY PROJECTS**

**Digitization of the Norwegian newspaper Vesterålen's archives:** Zissor digitized the full archive of 200 000 newspaper pages for the period 1921-2010 for the Norwegian newspaper Bladet Vesterålen. The digitized content was delivered by end-May 2021. The newspaper will add this digitized archive to their e-paper solution for their subscribers to search and view.

**Collaboration with Visiolink to digitize German newspapers:** Zissor started a daily service digitizing two German newspapers. The goal is to convert their full PDF pages to articles and pictures and generate XML files for them. The two German newspapers will receive articles that are formatted and easily readable.

**Digitization of the Danish newspaper Ingeniøren:** Zissor has signed up the Danish newspaper Ingeniøren for an ongoing service to digitize the full-page PDF of their newspaper into articles and pictures. The XML will be produced for their e-paper solution.

### 5.3. CYBERSECURITY

#### NRD CYBER SECURITY (NRD CS)

NRD Cyber Security (NRD CS) establishes cybersecurity capacity and enhances cyber resilience to nations and organizations. The company specializes in the establishment and modernization of cybersecurity teams (CSIRTs) and security operations centers (SOCs) as well as cyber threat intelligence and managed security services. Also, company's experts actively participate in international cybersecurity community, develop and improve methodologies for strengthening cyber resilience.

Cybersecurity operations build-out, incident detection and handling, establishment and support of Computer Security Incident Response Teams (CSIRTs) and cyber capacity enhancement at organizational and national levels.

NRD Cyber Security certificates: ISO / IEC 27001 and ISO 9001.

#### NRD CYBER SECURITY STRATEGINIAI TIKSLAI

NRD Cyber Security's value creating strategy is to expand the activities of consulting and integration projects with repetitive services and developed products.

##### Long term goals:

- Development of NRD CIRT and CyberSOC in Baltic and Scandinavian regions;
- Development of geographical and sectoral sales;
- Development of own products and R&D;
- Development of NRD CS products.

#### NRD CYBER SECURITY RESULTS FOR 6 MONTHS OF 2021

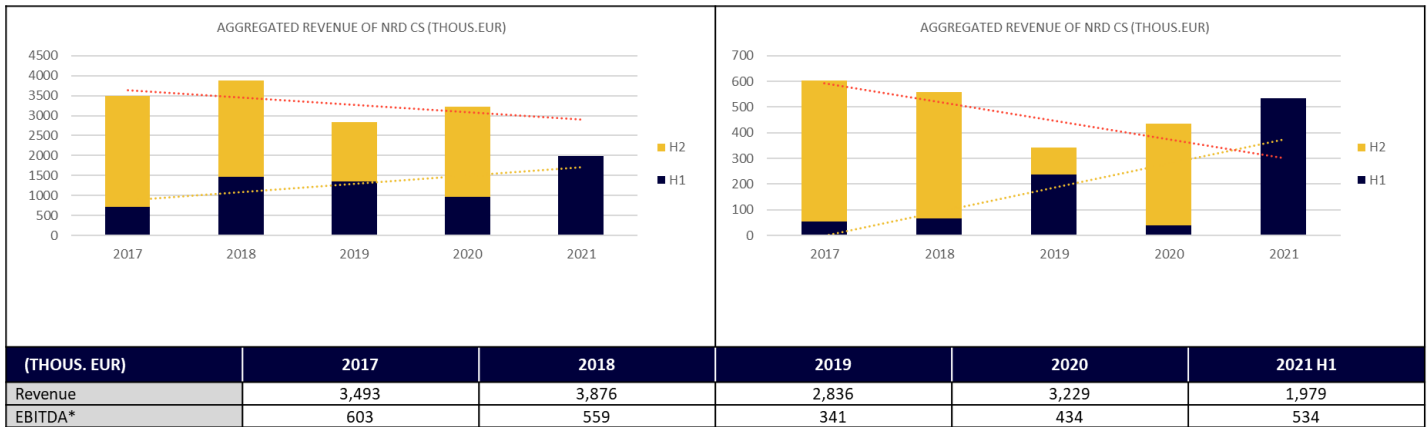
##### KEY PROFIT (LOSS) ITEMS, THOUSAND EUR<sup>8</sup>

	NRD CS	
	6 months of 2020	6 months of 2021
Revenue	962	1,979
Gross profit	496	1,087
EBITDA	41	534
EBIT	(52)	441
Net Profit (Loss)	(57)	432

##### KEY BALANCE SHEET ITEMS, THOUSAND EUR<sup>8</sup>

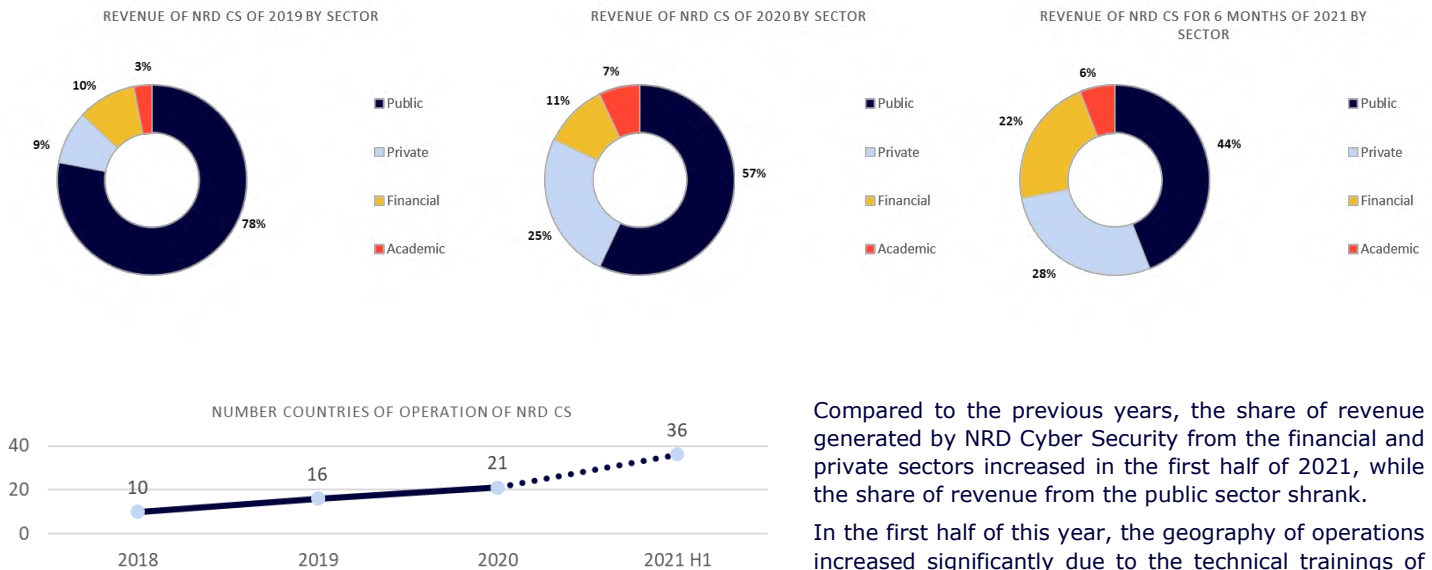
	NRD CS	
	31.12.2020	30.06.2021
Tangible assets	181	136
Intangible assets	46	22
Other non-current assets	140	145
Current assets	2,079	3 207
<i>of which cash</i>	654	770
<b>Total assets</b>	<b>2,446</b>	<b>3,510</b>
Equity	1,390	1,322
Non-current liabilities	57	86
<i>Of which financial debt</i>	57	57
Current liabilities	999	2,102
<i>of which financial debt</i>	44	22
<b>Total liabilities and equity</b>	<b>2,446</b>	<b>3,510</b>

<sup>8</sup>Financial statements for the year ended 31 Dec 2020 are audited.

**NRD CYBER SECURITY MAIN FINANCIAL FIGURES**


\* From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2017-2018 and 2019-2021 is not directly comparable.

NRD Cyber Security revenue and EBITDA for the first half of 2021 were the highest compared to the first halves of the previous years. The trend line for annual revenue and EBITDA is declining, as there is only the first half-year result of 2021 available so far. By the end of 2021, this line is projected to straighten and move in the direction of growth.

**NRD CYBER SECURITY REVENUE BY SECTOR AND NUMBER BY COUNTRIES**


Compared to the previous years, the share of revenue generated by NRD Cyber Security from the financial and private sectors increased in the first half of 2021, while the share of revenue from the public sector shrank.

In the first half of this year, the geography of operations increased significantly due to the technical trainings of CSIRT provided together with Northern Ireland Co-operation Overseas.

\*Number of countries in which projects have been implemented.

**NRD CYBER SECURITY SERVICES AND TECHNOLOGIES**
**CSIRT/SOC ESTABLISHMENT AND MODERNISATION**

Security risk assessment  
 Compliance assessment and assurance\*  
 Cybersecurity maturity assessment  
 Cloud infrastructure security assessment  
 Penetration and vulnerability assessment  
 Business and IT continuity check

**NATIONAL CYBER CAPACITY BUILDING**

National, governmental and sectorial CSIRT/SOC establishment  
 National cybersecurity strategy and legislative framework development  
 Development of frameworks for Critical Information Infrastructure (CII) protection  
 National cybersecurity maturity capacity assessment  
 Cybersecurity capacity review for nations with Oxford CMM)

**ORGANIZATIONAL CYBER CAPACITY BUILDING**

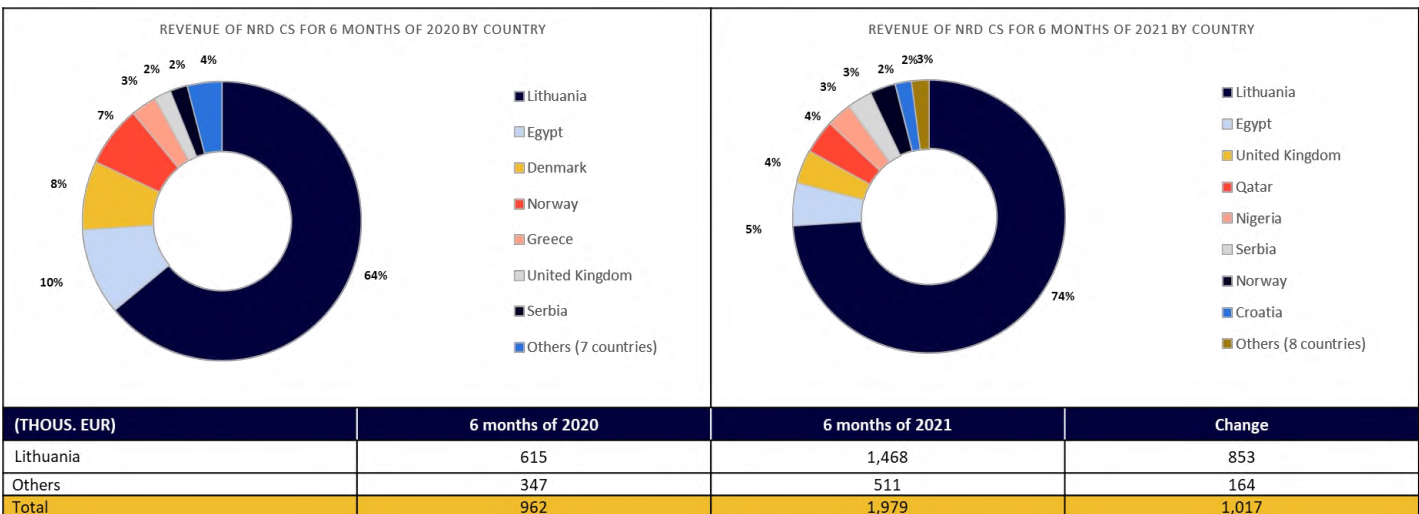
Security incident handling  
 Digital forensics services

**TECHNOLOGY SOLUTIONS**

Sensors for national Critical Infrastructure (CI) Intelligence automation and data modelling  
 Open Source Intelligence (OSINT)  
 Cyberlabs for digital forensics investigations

**PROJECTS**

During the reporting period, NRD Cyber Security implemented projects and signed new contracts in Lithuania, Egypt, United Kingdom, Qatar, Nigeria other countries.

**NRD CYBER SECURITY (NRD CS) REVENUE BY COUNTRY**

**CSIRT/SOC ESTABLISHMENT AND MODERNISATION**

**Egypt.** Fin-CIRT set up  
**Nigeria.** Fin-CIRT set up

**NATIONAL CYBER CAPACITY BUILDING**

**ENISA.** Development of a methodology for assessing the maturity of cooperation between EU institutions in crisis situations and proposed guidelines for cooperation.

**Serbia (UNOPS).** Cybersecurity ecosystem assessment.

**NI-CO (Cyber4Dev).** Advanced CSIRT training course. Trainings implemented for national CSIRTs from different countries: Dominican Republic, Botswana, The Organization of American States.

**United Kingdom.** National capacity maturity assessment for one of African countries.

**Guyana.** Security assessment services to the Bank of Guyana.

**Bhutan.** Technical audit of financial management systems and conclusions for the Ministry of Finance, Royal Government of Bhutan.

**Qatar.** Development of frameworks for Critical Information Infrastructure (CII) protection.

## TECHNOLOGY SOLUTIONS

**Egypt.** CollectiveSight sensors

## SIGNIFICANT PROJECTS

NRD Cyber Security signed a contract with the UK Home Office. NRD Cyber Security, in collaboration with the University of Oxford, will use the Cybersecurity Capacity Model for Nations (CMM) to assess cybersecurity capacity maturity in one of the African countries. Such assessments have already been carried out in Georgia, Ecuador, and Bangladesh.

In the first half of this year, NRD Cyber Security signed an agreement with the European Union Agency for Cybersecurity (ENISA). The goal of this project is to develop a methodology for assessing the maturity of cooperation between the European Union institutions in crisis situations, and to propose guidelines for successful cooperation at operational and technical levels.

NRD Cyber Security will provide security assessment services to the Bank of Guyana. The agreement was signed in the first half of this year.

NRD Cyber Security together with the United Nations Project Management Agency (UNOPS), has completed the provision of the consultancy services for the assessment of the cybersecurity ecosystem of the Republic of Serbia.

NRD Cyber Security has completed the project with the Ministry of Finance, Royal Government of Bhutan. The aim of the project was to conduct a comprehensive technical audit of the current financial management systems under the Ministry of Finance and present its findings to the management of the Ministry.

NRD Cyber Security has been running two projects with the Central Bank of Nigeria. The first project is aimed at creating an integrated cybersecurity centre for the financial sector. The second project - implementing threat intelligence sharing technical platform and providing relevant training - is already completed.

NRD Cyber Security is nearing the end the project with the Central Bank of Egypt, configuration work is currently underway. The aim of the project is to help developing a CSIRT for incident coordination and management of 40 local banks. The project includes installation of a product developed by NRD Cyber Security - CollectiveSight sensors.

NRD Cyber Security implemented a joint project with NI-CO, delivering technical CSIRT trainings for advanced users to national CSIRTs from different countries and regions: Dominican Republic, Botswana, OAS (The Organization of American States). Representatives of 17 different countries participated in the training for the OAS.

NRD Cyber Security is nearing the end the project with Kahramaa in Qatar. NRD Cyber Security is supporting cyber security for national smart meters systems.

## NRD CYBER SECURITY RESEARCH AND EXPERIMENTAL DEVELOPMENT

The company is currently working on three research and experimental development projects.

**IntEye.** It is a unique solution in the world, aimed at processing various types of complex and large scale data more efficiently and thus speeding up decision-making in state institutions and business organisations. The developed system will be based on the principles of artificial intelligence and open source intelligence, will be distinguished by the fact that it will "learn" from the analyst and will proactively search for information relevant to them.

Currently, the R&D team of NRD Cyber Security not only works on product development and testing of various functionalities, but also actively consults with potential buyers and users of the tool.

**CySystem.** It is a system aimed at creating three prototype systems through research activities. After the project is complete, they should be further developed to the product level and introduced to the market. The following technologies are being developed during the project:

- CyberSensors (CollectiveSight) is a sensor system for the identification, monitoring and analysis of national, sector-specific or multinational corporations' critical infrastructure in the context of cyber threats.
- CyberSituation is a system that collects internet data from a country or its critical infrastructure - website parameters, internet connection routes, their changes and assesses anomalies and vulnerabilities.
- CySystem is a system that combines the functionality of CyberSensors and CyberSituation systems with an integrated detailed view of the public internet map and internal anomalies of critical infrastructure.

The products will be available to critical infrastructure security regulators and cybersecurity centres around the world. The main purpose of the products is to help automate and standardise the processes of Computer Security Incident Management Teams (CSIRTs) of organisations, focusing on critical cybersecurity and resilience topics: monitoring and assessing the state of the security situation, and early warning and response.

These technologies treat sector organisations as a whole (as a sector or as critical infrastructure). The project is implemented together with a partner - the Baltic Institute of Advanced Technology (BPTI).

**CyberSET.** It is a set of technologies and operational procedures allowing the integration and automation of typical Security Operations Centre (SOC) functions for the security service providers (MSSPs) that manage them.

The aim is to develop a prototype CyberSET product through research activities, which is then further developed up to product level and placed on the market. The product is intended for small IT service providers around the world that also want to provide managed cybersecurity surveillance services (MSSP).

The main purpose of the product is to help IT companies to start providing MSSP services in the short term by offering a complete set of technological and procedural instruments at affordable prices, thus addressing the shortage of cybersecurity service providers. The product being developed will substantially reduce the entry barrier to the MSSP market and provide a technological set of software, methods, procedures and information that will allow the MSSP to be launched very quickly (within about 60 days) and several times less expensively than is currently possible with the solutions available on the market.

## OTHER EVENTS

### Hosted events (webinars):

**May 27** NRD Cyber Security organised a remote conference on Cyber Incident Management, promoting the Security Operations Centre service (CyberSOC). A total of 265 participants attended the event, including current and potential future customers.

**Participated:** During the first half of the year, Vilius Benetis, the CEO of NRD Cyber Security, was actively participating in various events and sharing knowledge with the global audiences on how to create / modernize CSIRTs and SOCs.

### Awards:

IBM Business Partner Awards for 2020 was held in spring. NRD Cyber Security has been nominated and received an award as a fast-growing partner in cybersecurity.



### III. INFORMATION ABOUT SECURITIES

#### 6. The order of amendment of Issuer's Articles of Association

The Articles of Association of INVL Technology may be amended by resolution of the General Shareholders' Meeting, passed by more than 3/4 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania).

During the reporting period the Articles of Association were amended once. The Articles of Association of the Company have been amended in order to comply with the relevant provisions of the legal acts regulating the activities of the Company - the Law on Companies of the Republic of Lithuania and the Law of the Republic of Lithuania on Collective Investment Undertakings.

Currently actual wording of the Articles of Association of INVL Technology is dated as of 12 May 2021. The Articles of Association is available on the Company's website. e (Section in the website For investors → Legal documents → Articles of Association. Link: <https://www.invltechnology.lt/lit/en/for-investors/articles-of-association>)

#### 7. Structure of the authorized capital

*Structure INVL Technology authorised capital as of 30 June 2021*

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, EUR	Total nominal	Nominal value, EUR
Ordinary registered shares	12,175,321	12,175,321	0.29	3,530,843.09	100

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

##### *Information about the Issuer's treasury shares*

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

Company used no services of liquidity providers during the reporting period. Starting 8 August 2016 Šiaulių bankas acts as market maker for INVL Technology shares. Under the agreement, Šiaulių bankas will provide liquidity on both bid and ask sides around the INVL Technology spread at least 85 percent of the trading time on the stock exchange, increasing market depth in this way.

#### 8. 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

Main characteristics of INVL Technology shares admitted to trading

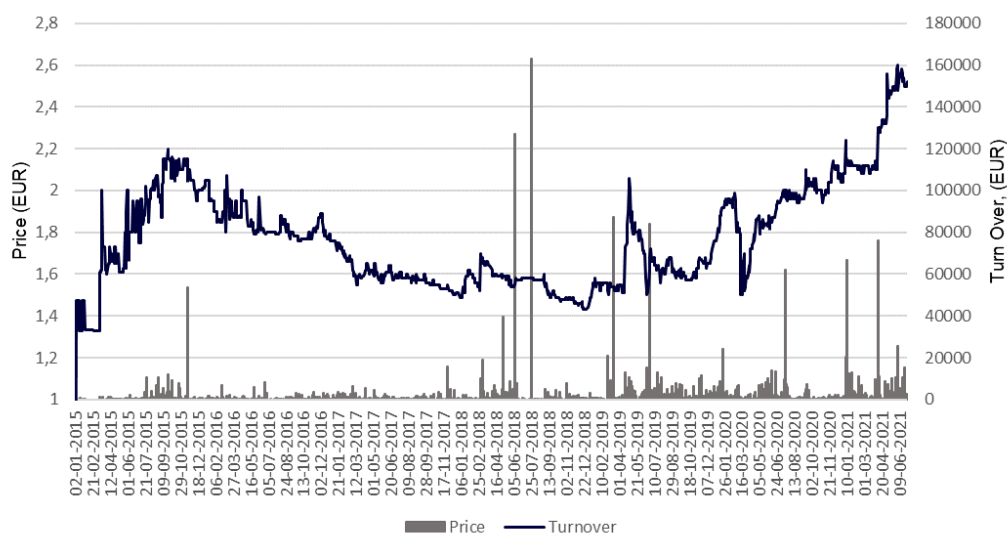
**INC1L**  
Nasdaq Baltic Listed

<b>Shares issued, units</b>	12,175,321
<b>Shares with voting rights, units</b>	12,175,321
<b>Nominal value, EUR</b>	0.29
<b>Total nominal value, EUR</b>	3,530,843.09
<b>ISIN code</b>	LT0000128860
<b>LEI code</b>	5299006UHD9X339RUR46
<b>Name</b>	INC1L
<b>Exchange</b>	AB Nasdaq Vilnius, XLIT
<b>List</b>	Baltic Secondary list
<b>Listing date</b>	4 June 2014

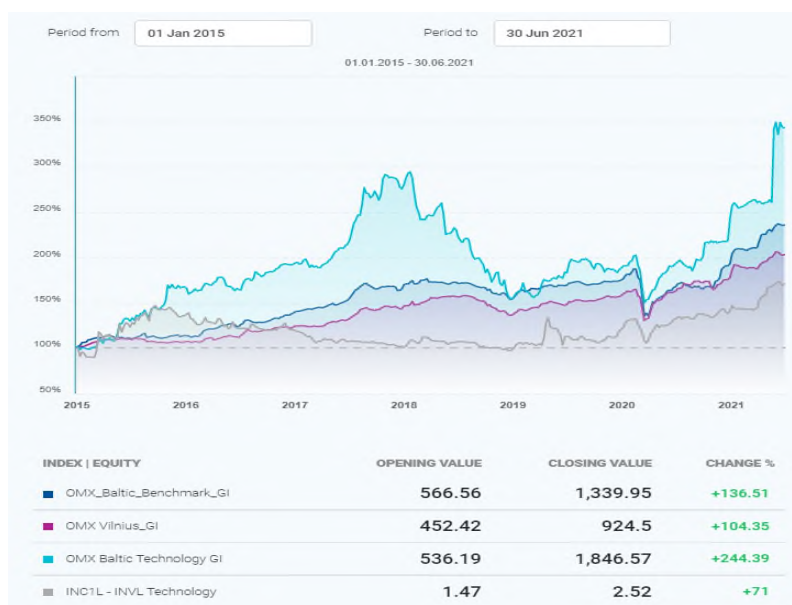


Trading in shares 2019 H1 – 2021 H1

Price, EUR (if not stated otherwise):	1H 2019	1H 2020	1H 2021
- open	1.44	1.76	<b>2.12</b>
- high	2.10	1.99	<b>2.74</b>
- low	1.44	1.50	<b>2.06</b>
- medium	1.61	1.85	<b>2.27</b>
- last	1.72	1.94	<b>2.52</b>
Turnover, units	265,627	158,327	<b>243,256</b>
Turnover, EUR	428,753.01	293,296	<b>549,374.86</b>
Traded volume, units	305	502	<b>811</b>



Turnover and share price of INVL Technology



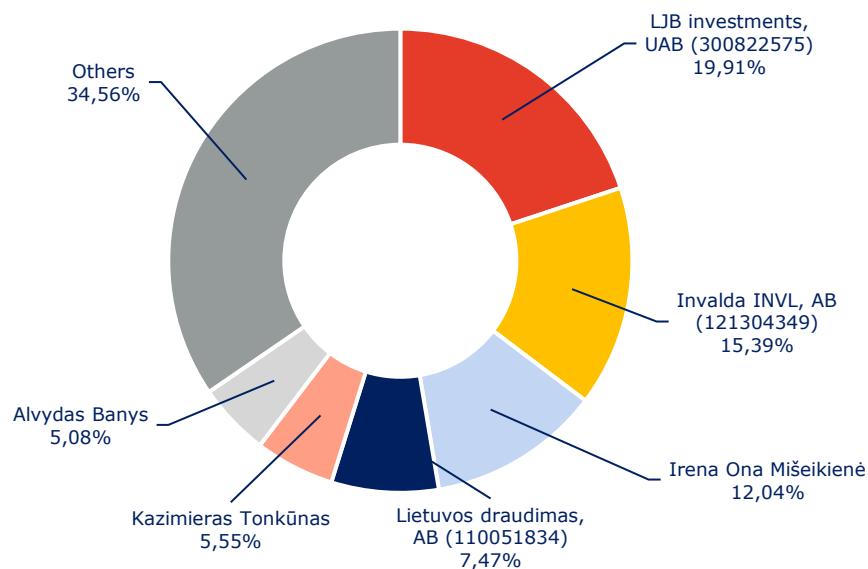
Change of share price of INVL Technology and indexes

**9. Shareholders**
**9.1. Information about Company's shareholders**

Shareholders who held title to more than 5% of INVL Technology authorised capital and/or votes as of 30 June 2021.

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, kodas 300822575, A.Juozapavičiaus g. 9A, Vilnius	2 424 152	19.91	19,91	-	19,91
Invalda INVL, AB, code 121304349, Gynėjų g. 14, Vilnius	1 873 675	15.39	15.39	1,83 <sup>1</sup>	17,22
Irena Ona Mišeikienė	1 466 421	12.04	12,04	-	12,04
Lietuvos draudimas, AB, code 110051834, J.Basanavičiaus g. 12, Vilnius	909 090	7.47	7,47	-	7,47
Kazimieras Tonkūnas	675 452	5.55	5,55	1,53 <sup>2</sup>	7,08
Alvydas Banys	618 745	5.08	5,08	19,91 <sup>3</sup>	24,99

The total number of shareholders in INVL Technology was 3,530 on 30 June 2021 (3,438 was 31 December 2020). There are no shareholders entitled to special rights of control.



Votes as of 30 June 2021

<sup>1</sup> It is considered that Invalda INVL has votes of controlled company INVL Asset Management UAB.

<sup>2</sup> It is considered that Kazimieras Tonkunas has votes of his spouse.

<sup>3</sup> It is considered that Alvydas Banys has votes of LJB Investments, UAB a company controlled by him.

Distribution of securities by investors' groups as of 30 June 2021.

Investors	Shareholders		Share of votes given by the owned shares	
	Amount	Part %	Amount	Dalis, proc.
Private persons	3,497	99.07	5,195,577	42.67
Legal persons (private corporations, Financial institutions and insurance corporations and their clients)	33	0.93	7,979,764	57.33

Distribution of securities by investors' groups as of 30 June 2021.

Regions	Shareholders		Share of votes given by the owned shares	
	Amount	Part %	Amount	Part %
Lithuania	3,439	97.42	12,040,549	98.89
Other EU members	63	1.79	122,580	1.01
Non- EU countries	28	0.79	12,192	0.10
<b>Total</b>	<b>3,530</b>		<b>12,175,321</b>	

## IV. ISSUER'S MANAGING BODIES

### 10. Structure, authorities, the procedure for appointment and replacement

In its activities the Company follows the Law on Companies, the Law on Securities, the Law relating to collective investment undertakings, Articles of Association of the Company and other legal acts of the Republic of Lithuania.

The management of INVL Technology was assumed by the management company INVL Asset Management on 14 July 2016, when the Bank of Lithuania issued approval for the closed-ended type investment company (CEF) activities and the rights and duties of the Board and the head of the Company transferred to the Management Company. Since 28 May 2021 the company has formed a collegial supervisory body - the Supervisory Board.

Investment Committee was established for operational efficiency and investment control by the decision of the Board of the Management Company INVL Asset Management. Investment Committee is the collegial investment and management decision-making body responsible for adopting decisions on the management of the Company's assets and for the representation and protection of the Company's interests. Upon decision of the management company the Supervisory Board was established also.

Investment Committee consists of 4 members: Kazimieras Tonkūnas (Chairman of the IC), Vida Tonkūnė, Vytautas Plunksnis and Nerijus Drobavičius. They are appointed and can be removed by resolution of the board of the Management Company. Functions, rights and duties of the Investment Committee are detailed in the rules of the investment committee for the closed-ended investment company INVL Technology.

### 11. Information about the members of the Board of the Company, members of the Supervisory Board, the company providing accounting services, members of the Audit Committee

#### 11.1. The Managing bodies of the Issuer

The management of INVL Technology was assumed by the management company INVL Asset Management on 14 July 2016, when the Bank of Lithuania issued approval for the closed-ended type investment company (CEF) approval and the rights and duties of the Board and the head of the Company transferred to the Management Company. On 14th January 2019 the Board of Management Company was re-elected for the new 4 years of office, after the Bank of Lithuania granted their permission. The composition of the Board remained unchanged: Darius Šulnis (the Chairman), Nerijus Drobavičius and Vytautas Plunksnis. During the reporting period the Board of the Management company remained unchanged.

The General Manager of the Management company is Laura Križinauskienė.

For operational efficiency and investment control, the company's Investment Committee was formed by the decision of the Board of the management company INVL Asset Management. The Investment Committee is a collegial decision-making body for investment and management that is responsible for making decisions on corporate asset management and for representing and protecting the company's interests

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



**Kazimieras Tonkūnas** - Chairman of the Investment Committee  
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) INVL Technology Managing Partner

#### Educational background and qualifications

Vilnius University, master's degree in economics and mathematics with a specialisation in systemic economic analysis.

#### Owned amount of shares in INVL Technology

675,452

#### Participation in other companies

Norway Registers Development AS (code NO 985 221 405, Lokketangen 20 B, 1337 Sandvika, Norway) – Chairman of the Management Board;  
Norway Registers Development AS (code No 985 221 405, Lokketangen 20 B, 1337 Sandvika, Norway) – Chairman of the Management Board;  
NRD CS, UAB (code 303115085, Gynėjų g. 14, Vilnius) – Chairman of the Management Board;

Novian Technologies UAB (code 301318539, Gynėjų g. 14, Vilnius) – Chairman of the Management Board;  
Zissor AS (code: 986 845 550, Bragernes Torg 6, 3017 Drammen, Norway) – Chairman of the Supervisory Board.



**Vytautas Plunksnis** – Member of the Board  
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Head of Private Equity

**The term of office** 2018 – 2022 m.

**Educational background and qualifications** Graduated the studies in economics at Kaunas University of Technology in 2001, gained Bachelor's degree in Management. Financial broker's licence (General) No. G091.

**Work experience**  
Since 2016 - INVL Asset Management, UAB, Head of Private Equity Funds  
2009 – 2015 Fund Manager at Invalda INVL, AB  
2006 – 2009 Finasta Asset Management, UAB – analyst, fund manager, strategic analyst  
2004 ELTA redactor (business news)  
2002 – 2004 Baltic News Service business journalist

**Owned amount of shares in INVL Technology** 5,259

**Participation in other companies**  
INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member  
Eco Baltia AS (Maskavas str. 240-3, Rīga, Latvia 40103446506) – Chairman of the Supervisory Board  
PET Baltija AS (Aviācijas Str. 18, Jelgava, Latvia 42103029708) – Chairman of the Supervisory Board  
Montuotojas, UAB (code 121520069, Granito g. 3-10, Vilnius) – Member of the Board  
BSGF Salvus UAB (Gynėjų str. 14, Vilnius, Lithuania 305160086) - Consultant  
INVL Technology, CEF (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee  
Norway Registers Development AS (code NO 985 221 405 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board  
NRD Systems, UAB (code 111647812, Gynėjų str. 14, Vilnius) – Member of the Board  
NRD CS, UAB (code 303115085, Gynėjų str. 14, Vilnius) – Member of the Board  
Novian Systems, UAB (code 125774645, Gynėjų str. 14, Vilnius) – Chairman of the Board  
NRD Companies AS (code NO 921 985 290 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board (from January 2019)  
BC Moldova-Agroindbank SA (MAIB) (code 1002600003778, Constantin Tănase str. 9/1, Chisinau, Moldova) – Chairman of the Supervisory Board  
Investuotoju Asociacija (code 302351517, Konstitucijos pr. 23, Vilnius) – Chairman of the Board



**Vida Tonkūnė** – Member of the Investment Committee  
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str.14, Vilnius) INVL Technology Managing Partner

**Educational background and qualifications**

Kaunas University of Technology, bachelor's degree in business administration (1998). Baltic Management Institute (BMI), International Executive Master of Business Administration (MBA) (2019).

**Owned amount of shares in INVL Technology**

186,270

**Participation in other companies**

Norway Registers Development AS (code 985 221 405 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board;  
NRD Systems, UAB (code 111647812, Gynėjų g. 14, Vilnius) – Member of the Board;  
NRD CS, UAB (code 303115085, Gynėjų g. 14, Vilnius) – Member of the Board;  
Novian Systems, UAB (code 125774645, Gynėjų g. 14, Vilnius) – Member of the Board;  
Etronika, UAB (code 125224135, Gynėjų g. 14, Vilnius) Chairman of the Board;  
NRD Companies AS (code 921 985 290, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board.



**Nerijus Drobavičius** – Member of the Board  
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Private Equity Partner

**The term of office**

2018 – 2022 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 INVL, AB group  
Since 2015 till August 2018 Head of Finance unit of INVL Asset Management, UAB. From August 2018 – Private Equity Partner of INVL Asset Management, UAB  
2012 – 2014 Independent financial expert  
2007 – 2011 CFO in Sanitas Group  
2001 – 2007 Sampo Bank. Head of Accounting and Reporting unit, later – CFO of the bank

**Owned amount of shares in INVL Technology**

4,472

**Participation in other companies**

INVL Technology, CEF (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee  
Inservis, UAB (code 126180446, A. Juozapavičiaus str. 6, Vilnius) – The Chairman of the Board  
Imoniu grupe Inservis, UAB (code 301673796, Gynėjų str. 14, Vilnius) – The Chairman

of the Board  
 Jurita, UAB (code 220152850, Justiniškių str. 64, Vilnius) – The Chairman of the Board  
 BSGF Sanus, UAB (code 304924481, Gynėjų str. 14, Vilnius) – Director  
 UAB „InMedica“ (codas 300011170, L. Asanavičiūtės str. 20-201, Vilnius) – The Chairman of the Board  
 INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member  
 MBL A/S (CVR-no 12825242) – Member of the Board  
 MBL Poland Sp. z.o.o. (ul. Sulejowskiej 45d, 97-300 Piotrków Trybunalski, Polska, KRS 0000065219) – Member of the Supervisory Board

**Issuer's Supervisory bodies**

The Company's Supervisory Board has been operating since 28 May 2021. The task of the Supervisory Board is to verify the representation of the interests of INVL Technology and its shareholders, the accountability of this body to shareholders and the objective and impartial supervision of INVL Technology's activities. The Supervisory Board consists of:



**Audrius Matikiūnas** -  
 Member of the Supervisory Board

**The term of office** Since 2021 till 2025

**Educational background and qualifications**  
 2008 - 2010 Mykolas Romeris university, Master of Laws  
 2004 - 2008 Mykolas Romeris university, Bachelor of Laws

**Work experience**  
 Since 2021 Alternative Investment Selection Team Leader at INVL Asset Management, UAB  
 Since 2020 member of the Feeder CIU's investment committee at INVL Asset Management, UAB  
 Since 2020 manager of sub-fund INVL Sustainable timberland and farmland fund II – Capital fund of INVL Alternative Assets Umbrella Fund, a closed-ended composite investment fund for informed investors  
 Since 2019 member of the Board at Informacinio verslo paslaugų įmonė, UAB  
 Since 2018 manager of sub-fund INVL Baltic Sea Growth Capital Fund of INVL Alternative Assets Umbrella Fund, a closed-ended composite investment fund for informed investors  
 Since 2018 member of the Board at investment manager Mundus, UAB  
 Since 2017 member of investment committee at sub-fund INVL Partner Energy and Infrastructure Fund of INVL Alternative Assets Umbrella Fund II, a closed-ended composite investment fund for informed investors  
 Since 2016 Head of Legal and Product Management team in Private Equity unit at INVL Asset Management, UAB  
 2012 - 2016 compliance officer at SEB bankas, AB  
 2010 - 2012 lawyer bankas Finasta, AB  
 2007 - 2010 lawyer at SEB bankas, AB

**Information on how the candidate's activities are related to INVL Technology and other legal entities related to the INVL Technology:**

- the candidate is an employee of Technology management company UAB INVL Asset Management;
- the candidate does not own any shares in INVL Technology;
- the candidate holds a managerial position in companies controlled by INVL Technology shareholder AB Invalda INVL, which holds more than 5 percent of the authorized capital and / or votes of INVL Technology:

member of the Board at Informacinio verslo paslaugų įmonė, UAB  
 member of the Board at investment manager Mundus, UAB





**Indrė Mišeikytė** -  
Member of the Supervisory Board

**The term of office** Since 2021 till 2025

**Educational background and qualifications** Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture

**Work experience** Since 2018 INVL Baltic Farmland, AB - Member of the Board Since May  
2012 Invalda INVL, AB – Advisor  
2013 - 2019 Invalda Privatus Kapitalas, AB – Advisor  
2002 Inreal Valdymas, UAB – Architect  
2000 - 2002 Gildeta, UAB – Architect

**Information on how the candidate's activities are related to INVL Technology and other legal entities related to the INVL Technology:**  
- the candidate owns 112,287 shares in INVL Technology.



**Gintaras Rutkauskas** -  
Member of the Supervisory Board

**The term of office** Since 2021 till 2025

**Educational background and qualifications** 2005 Baltic Management Institute (BMI), International Executive Master of Business Administration (MBA)  
2001 m. Financial broker's licence Nr. S031 (consultant)  
1988 - 1993 m. Kaunas University of Technology, Radio Electronics Engineer

**Work experience** More than 20 years of experience in managing various types of financial investments. During the career, was working for international and Lithuanian financial institutions representing their interests in the Baltic, Eastern European, and Middle Eastern markets: Since 2005 Lietuvos Draudimas's Investment Director 2001 – 2005 Head of Financial Instruments Sales Department Nordea bank 1998 – 2001 m. Treasury Manager at Societe Generale bank, Vilnius

**Information on how the candidate's activities are related to INVL Technology and other legal entities related to the INVL Technology:**  
- the candidate owns 23,229 shares in INVL Technology.



### 11.2. Information about the Audit committee of the company

The Audit Committee consists of 2 (two) independent members. The members of the Audit Committee are elected by the decision of the General Shareholders' Meeting. The members of the Audit Committee are proposed by the Management company and the shareholders of the company. The Audit Committee is elected for a four-year term of office.

The main functions of the Audit Committee are the following:

- provide recommendations to the Management company with selection, appointment, reappointment and removal of an external audit company of the Company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit of the Company;
- 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 Management company directly related to the management of the Company. Once a year review the need of the dedicated internal audit function for the Company within the Management company;
- monitor if the Management company gives due consideration to the recommendations or comments provided by the audit company regarding management of the Company;
- The Audit Committee reports its activities to the Company's ordinary General Shareholders Meeting by submitting a written report on Audit Committee activities during the last financial year.

Any member of the Audit Committee should have the right to resign upon submitting a 14 (fourteen) days written notice to the Management company. When the Management company receives the notice of resignation of a member of the Audit Committee and considers all circumstances related to the resignation, it may decide - either to convene an Extraordinary General Shareholders Meeting to elect new member of the Audit Committee, or to postpone the question on the election of the new member of the Audit Committee till the next General Shareholders Meeting of the Company. The new member is elected till the end of term of office of the operating Audit Committee.

### 11.3. The Audit committee bodies

The General Shareholders Meeting which took place on 29 April 2021 decided to elect Dangutė Pranckėnienė, partner and auditor of Moore Stephens Vilnius, UAB and T. Bubinas for the Audit Committee for the 4 (four) years of office term. Both members are independent, upon confirmation of its independence demonstrating certificate.



**Tomas Bubinas** –  
Independent Member of the Audit Committee

**The term of office**

Since 2021 till 2025

**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)  
 2004 - 2010 CFO for Baltic countries, Teva Pharmaceuticals  
 2001 - 2004 m. CFO, Sicor Biotech  
 1999 - 2001 Senior Manager, PricewaterhouseCoopers  
 1994 - 1999 Senior Auditor, Manager, Coopers & Lybrand.

**Owned amount of shares in INVL Technology**

-



**Dangutė Pranckėnienė** –  
Independent Member of the Audit Committee

**The term of office** Since 2021 till 2025

**Educational background and qualifications** 1995 - 1996 Vilnius Gediminas Technical University, Master of Business Administration.  
1976 - 1981 Vilnius University, Master of Economics.  
The International Coach Union (ICU), professional coucher name, license No. E-51.  
Lithuanian Ministry of Finance, the auditor's name, license No. 000345.

**Work experience** since 1997 the Partner at Moore Mackonis, UAB (previous name Moore Stephens Vilnius and Verslo auditas)  
1996 - 1997 Audit Manager, Deloitte & Touche  
1995 - 1996 Lecturer, Vilnius Gediminas Technical University  
1982 - 1983 Lecturer, Vilnius University

**Owned amount of shares in INVL Technology** -

#### 11.4. Information about accounting services company

14 July 2016 the Bank of Lithuania issued approval for the closed-ended type investment company activities. Accounting services from this date are provided by the management company INVL Asset management (code 126263073, address Gyneju str. 14, Vilnius) and FINtime, UAB (code 304192355, address Gyneju str. 14, Vilnius).

#### 12. 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

Since 14 July 2016 the management of INVL Technology was assumed by INVL Asset Management. The management fee will be payable to the management company. The management fee during investment period for a full quarter shall be 0.625 percent while after its end it shall be 0.5 percent of the weighted average capitalisation of the company. In addition, a Success fee may be paid to the management company in accordance with the Articles of Association. During the reporting period EUR 278 thousand management fee was calculated for the management company, success fee and deferred management fee, which are payable only with the success fee were restated by EUR 1,095 thousand.

The members of the Board of the Management Company and the members of the Investment Committee do not receive remuneration for these duties. They are paid the salary according to the employment contract with the Management Company. During 6 months of 2021 company's management bodies 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 company's management. No special benefits were also provided to the management bodies of the company.

In 6 months of 2021, the company paid no remuneration to the Management Company for accounting services, these services are included in the management fee.

## V. OTHER INFORMATION

### 13. References to and additional explanations of the data presented in the annual financial statements

All data is presented in the explanatory notes of the company's financial statements for 6 months of 2021.

### 14. Agreements with intermediaries on public trading in securities

INVL Technology has the agreement with Šiaulių bankas AB (Seimyniskiu str. 1, Vilnius, Lithuania, tel. +370 5 203 2233) – on management of securities accounting and the agreement on dividends payment.

The company has the agreement with SEB Bank (Gedimino av. 12, Vilnius, Lithuania, tel. +370 5 268 2800) regarding depository services. This agreement came into force 14 July 2016.

### 15. Information on Issuer's branches and representative offices

INVL Technology has no branches or representative offices.

### 16. 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 Management company and the Members of the Investment Committee and Supervisory Board, 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.

### 17. A description of the principal advantages, risks and uncertainties

The main risk factors associated with the activity and securities of INVL Technology were described in the annual report for 2020 and they didn't change.

### 18. Significant investments made during the reporting period

There were no significant investments during the reporting period. The company is interested in specialized IT companies working in robotics, analytics and other fields. INVL Technology will seek to implement new investments through its currently managed companies.

### 19. Information about significant agreements to which the issuer is a party, which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder

There are no significant agreements of the company which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder during reporting period.

### 20. Information related to the compliance with the Governance Code

During the 6 months of 2021 there were no significant changes in principles and recommendations contained in the Governance Code rather than disclosed in the latest annual report of the Company.

### 21. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in Clause 15 of explanatory notes of financial statements for 6 months of 2021.

### 22. Disclosure of the impact of the COVID-19 pandemic

The Company was not significantly affected by the COVID-19 virus pandemic. Due to the quarantine announced in Lithuania, which lasted from 16 March 2020 to 16 June 2020 and from 7 November 2020 to 30 June 2021, Company's operations were not disrupted as the Company and the portfolio Companies can perform all the daily business operations remotely. The Company did not request or received any financial support due to the COVID-19 virus pandemic, as this was not relevant taking into account Company's operations.

### 23. Information regarding transactions with related parties

In addition, information regarding Transactions with Related Parties, according to the Law on Companies article 37 (2) , is published on the Company's web site – "For Investors" → "Legal documents". The link to the Company's web site: <https://invltechnology.lt/lit/en/for-investors/documents>.

Related party transaction policy was approved during the General Shareholders Meeting held on 29th April 2021.

The policy is published on the Company's website: <https://www.invltechnology.lt/lit/en/for-investors/documents/documents>

At the time of publishing the report, information on the Company's transactions with related parties was published on the Company's website:

Related party	Company's relationship with the counterparty	Date and value of the transaction	Other information
UAB FINtime Company code 304192355, Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	100% controlled company by INVLT Technology	8 November 2018 INVLT Technology acquired bonds of Fintime UAB for the amount of EUR 160,000. Maturity date – 30 April 2020, which extended up to 28 February 2020 Redemption date - 26 February 2021.	-
UAB FINtime Company code 304192355, Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	100% controlled company by INVLT Technology	10 May 2019 INVLT Technology acquired bonds of Fintime UAB for the amount of EUR 75,000. Maturity date – 30 April 2020, which extended up to 28 February 2020 Redemption dates – EUR 40,000 on 26 February 2021 and EUR 35,000 on 1 March 2021	-
UAB FINtime Company code 304192355, Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	100% controlled company by INVLT Technology	24 May 2019 INVLT Technology acquired bonds of Fintime UAB for the amount of EUR 50,000. Maturity date – 30 April 2020, which has been extended until 28 February 2021. Redemption date 1 March 2021.	-
UAB FINtime Company code 304192355, Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	100% controlled company by INVLT Technology	5 June 2019 INVLT Technology acquired bonds of FINtime for the amount of EUR 120,000. Maturity date – 30 April 2020, which extended up to 28 February 2021 Redemption date - 1 March 2021.	-
UAB NRD Systems Company code 111647812 address Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	Norway Registers Development AS is 100% controlled by INVLT Technology and controls 95.91% of NRD Systems, UAB	13 March 2020 INVLT Technology signed loan agreement with NRD Systems UAB for EUR 150,000. The loan was repaid on 1 January 2021.	-

### 24. Employees

At the end of 30 June 2021, as well as in 2020 INVLT Technology did not have any employees because after the Bank of Lithuania issued the closed-ended type investment company operating license for Company on 14 July 2016, the management and all the functions earlier performed by the Company's employees were transferred to the Management Company.

INVLT Technology Managing Partner

Kazimieras Tonkūnas