

**INVL Technology AB**

(incorporated in Lithuania with limited liability, corporate ID code 300893533)

**Offering of up to 13,885,286 Offer Shares, with a nominal value of EUR 0.29 each and admission of up to 13,885,286 Offer Shares to trading on the Secondary List of NASDAQ OMX Vilnius AB of Public Limited Liability Company INVL Technology**

This document (the "Prospectus") has been prepared for the purpose of (i) offering (the "Offering") of up to 13,885,286 ordinary registered shares in the share capital of Public Limited Liability Company INVL Technology (the "Issuer" or the "Company"), with a nominal value of EUR 0.29 each (the "Offer Shares" or the "New Shares"), and (ii) admission of up to 13,885,286 Offer Shares of the Company to trading on the Secondary List of NASDAQ OMX Vilnius AB (the "OMX"). The Issuer will be offering for subscription up to 13,885,286 New Shares. Once the capital increase of the Company will be registered with the Register of Legal Persons of the Republic of Lithuania (the "Register of Legal Persons"), the New Shares are registered with the Central Securities Depository of Lithuania (the "CSDL") and assimilated with the currently registered issue of Shares, the New Shares will be admitted to trading on the OMX.

The Offering consists of a public offering in Lithuania to: (i) existing shareholders of the Company as indicated in Section 5.6 *The Offering and Plan of Distribution* (the "Existing Shareholders"), (ii) retail investors (the "Retail Investors") and (iii) institutional investors (which term includes entities managing portfolios of securities for their clients and unincorporated organizations) (the "Institutional Investors", and together with the Retail Investors and Existing Shareholders, the "Investors"), in each case in accordance with applicable securities laws. The Offering to Institutional Investors also includes a private placement to Institutional Investors in certain jurisdictions outside of Lithuania and the United States in accordance with Regulation S under the U.S. Securities Act of 1933.

**This Prospectus does not constitute an offer to buy, or the solicitation of an offer to buy, the Offer Shares to any person in any jurisdiction in which it is unlawful to make any such offer to such person. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under any securities laws of any state or other jurisdiction of the United States and are not being offered or sold within the United States or to, or for the account or benefit of, US persons (for more information please see Section 1.8 *Selling Restrictions*).**

The Offer Shares are being offered, as specified in this Prospectus, subject to cancellation or modification of the Offering and subject to certain other conditions.

This Prospectus constitutes a prospectus for the purposes of Article 3 of European Union (EU) Directive 2003/71/EC (the "Prospectus Directive") and has been prepared in accordance with the Law on Securities of the Republic of Lithuania (the "Law on Securities"). The Bank of Lithuania (in Lithuanian *Lietuvos bankas*, the "LB") in its capacity as the competent authority in Lithuania under the Law on Securities has approved this document as a prospectus. The Issuer will be authorised to carry out the Offering to the public in Lithuania, once the LB has approved this Prospectus and after the Prospectus has been made available to the public together with a translation of the summary into the Lithuanian language.

**Please see Section III *Risk Factors* for a discussion of certain considerations to be taken into account when deciding whether to invest in the Offer Shares.**

All the Shares of the Company are currently listed on the Secondary List of OMX. On 2 June 2015 the closing price of Shares in the Company on the OMX was EUR 1.750. No other securities are currently issued by the Company and/or admitted to trading on any regulated market. In connection with the Offering and the issuance of New Shares, based on this Prospectus the Company will apply for listing of the New Shares on the Secondary List of the OMX. The Issuer expects that trading in the New Shares on the OMX will commence till the end of July 2015. Settlement of the Offering is expected to occur on or about 17 July 2015 (the "Settlement Date"). Prospective investors may subscribe for or purchase the Offer Shares during a period which is expected to commence on 10 June 2015 and is expected to end on 26 June 2015 (in case of Existing Shareholders and Retail Investors, placing their subscriptions for less than EUR 50,000) and is expected to commence on 10 June 2015 and is expected to end on 3 July 2015 (in case of Institutional Investors as well as of Existing Shareholders and Retail Investors, placing their subscriptions for at least EUR 50,000) (the "Subscription Period"). The final offer price per one Offer Share in EUR (the "Offer Price") as well as the final number of the Offer Shares, and the final number of Offer Shares allocated to each category of Investors will be determined by the Issuer, upon recommendation of the Offering Broker after completion of Subscription Period amongst Institutional Investors as well as Existing Shareholders and Retail Investors, placing the orders for at least EUR 50,000 not later than on or about 7 July 2015, based on the interest from the Investors. The Offer Price will not be higher than EUR 1.96 (the "Maximum Price").

All the Shares of the Company (including the Offer Shares) are ordinary registered shares and are registered with the CSDL under ISIN code LT0000128860. Shareholders in the Issuer may hold the Shares through the CSDL participants, such as investment firms and custodian banks operating in Lithuania.

**Offer Price: To be determined in EUR and announced no later than on or about 7 July 2015**

Bank Finasta AB (the "Lead Manager" or the "Offering Broker") is the offering broker in Lithuania for the purposes of the Offering and Admission of the New Shares on the OMX.

Offering Broker



The date of this Prospectus is 8 June 2015

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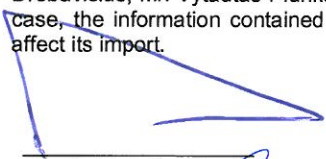
## I IMPORTANT INFORMATION

**Prospectus.** This Prospectus has been prepared by the Company in connection with the Offering and the Admission, solely for the purpose of enabling any prospective investor to consider an investment in the Offer Shares. The information contained in the Prospectus has been provided by the Issuer and other sources identified herein. This Prospectus is a prospectus in the form of a single document within the meaning of the Prospectus Directive and the Prospectus Regulation. This Prospectus has been prepared in accordance with Annex XXV (Proportionate Schedule for Minimum Disclosure Requirements for the Share Registration Document for SMEs and companies with reduced market capitalisation) and Annex III (Minimum Disclosure Requirements for the Share Securities Note) of the Prospectus Regulation. A summary of the Prospectus contains the key information items set out in Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation.


The Issuer decided to use the proportionate schedule set out in Annex XXV of the Prospectus Regulation, following Article 26b of the Prospectus Regulation, as the Company is attributable to medium-sized enterprise. Taking into consideration that the Company has employed less than 250 employees, its annual net turnover does not exceed EUR 40,000,000 and the value of its assets recorded on the balance sheet does not exceed EUR 27,000,000 as of 31 December 2014 and issue date of this Prospectus, the Company decided to use the aforementioned Annex XXV of the Prospectus Regulation.

### 1.1 Responsibility for this Prospectus

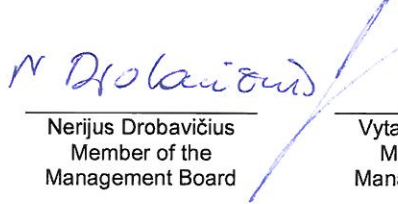
**Persons Responsible.** The person responsible for the information provided in this Prospectus is INVL Technology AB, corporate ID code 300893533, with the registered office at Gynėjų str. 16, Vilnius, Lithuania. The Company accepts responsibility for the information contained in this Prospectus. To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




Kazimieras Tonkūnas  
Chairman of the  
Management Board



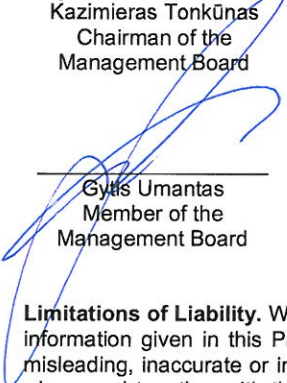
Alvydas Banys  
Member of the  
Management Board



Nerijus Drobavičius  
Member of the  
Management Board



Vytautas Plunksnis  
Member of the  
Management Board



Gytis Umantas  
Member of the  
Management Board

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

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

Neither the Company nor the Lead Manager or the legal advisors will accept any responsibility for the information pertaining to the Offering, the listing of the Shares on the OMX, the Group or its operations, where such information is disseminated or otherwise made public by third parties either in connection with this Offering or otherwise.

By participating in the Offering, investors agree that they are relying on their own examination and analysis of this Prospectus (including the financial statements of the Group which form an indispensable part of this Prospectus) and any information on the Company that is available in the public domain. Investors should also acknowledge the risk factors that may affect the outcome of such investment decision (as presented in Section III *Risk Factors*).

Investors should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus. The delivery of this Prospectus at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's (its Group's) affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

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

## 1.2 Notice to Prospective Investors

The distribution of this Prospectus and the Offering of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions, including those set out under Section 1.8 *Selling Restrictions*. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

As a condition for the purchase of any Offer Shares in the Offering, each purchaser will be deemed to have made, or in some cases be required to make, certain representations and warranties, which will be relied upon by the Company, the Lead Manager and others. The Company reserves the right, at its sole and absolute discretion, to reject any purchase of Offer Shares that the Company, the Lead Manager or any agents believe may give rise to a breach or a violation of any law, rule or regulation. Please see, in particular, Section 1.8 *Selling Restrictions*.

The Offer Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

## 1.3 Presentation of Financial and Other Information

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

For the reasons above, the historical financial statements, as indicated in Section 1.5 *Information Incorporated by Reference* are incorporated to this Prospectus.

Any financial information for the three month period, ended 31 March 2015, presented in the Prospectus is derived from the respective financials, and was not audited nor subject to review.

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

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

**Dating of Information.** This Prospectus is drawn up based on information which was valid on 31 March 2015. Where not expressly indicated otherwise, all information presented in this Prospectus (including the consolidated financial information of the Company, the facts concerning Company's and Portfolio companies' operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than 31 March 2015, this is identified by either specifying the relevant date or by the use of expressions as "*the date of this Prospectus*", "*to date*", "*until the date hereof*" and other similar expressions, which must all be construed to mean the date of this Prospectus (8 June 2015).

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

similar country specific values, information may occasionally be presented in currencies other than EUR. The exchange rates between such currencies and Euro may change from time to time.

**Updates.** The Company will update the information contained in this Prospectus only to such extent, at such intervals and by such means as required by applicable law or considered necessary and appropriate by the Company. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus.

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

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

**Non-IFRS Financial Measures.** The Company uses certain Non-IFRS financial measures, as provided in Section 1.6 *Definitions and Abbreviations*. Non-IFRS Financial measures used in the Prospectus are not audited.

#### 1.4 Forward Looking Statements

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

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

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

#### 1.5 Information Incorporated by Reference

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

- BAIP grupė AB separate and Group's consolidated audited financial statements for the year ended 31 December 2014 together with the consolidated annual report and the independent auditor's report (they may be found at [http://www.nasdaqomxbaltic.com/upload/reports/inc/2014\\_ar\\_en\\_ltl\\_con\\_ias.pdf](http://www.nasdaqomxbaltic.com/upload/reports/inc/2014_ar_en_ltl_con_ias.pdf));
- INVL Technology AB (which ceased to exist after the merger) audited financial statements for the year ended 31 December 2014 together with the annual report and the independent auditor's report (they may be found at [http://www.nasdaqomxbaltic.com/upload/reports/inc/2014\\_ar\\_en\\_ltl\\_solo\\_ias.pdf](http://www.nasdaqomxbaltic.com/upload/reports/inc/2014_ar_en_ltl_solo_ias.pdf));
- unaudited interim financial information of the Company for the three month period ended 31 March 2015 (it may be found at [http://www.nasdaqomxbaltic.com/upload/reports/inc/2015\\_q1\\_en\\_eur\\_con\\_ias.pdf](http://www.nasdaqomxbaltic.com/upload/reports/inc/2015_q1_en_eur_con_ias.pdf));
- Articles of Association of the Company (they may be found at <https://newsclient.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=649002&messageId=806800>).

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

**Documents on Display.** Throughout the lifetime of this Prospectus, the aforementioned documents may also be inspected at the head office of the Company located at Gynėjų str. 16, Vilnius, Lithuania, and at the head office of the Lead Manager at the address Maironio str. 11, Vilnius, Lithuania. Any interested party may obtain a copy of these documents from the Company without charge.

## 1.6 Definitions and Abbreviations

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

<b>Admission</b>	Admission of the New Shares to trading on the OMX
<b>Allotment Date</b>	Date on which the Offer Shares will be allocated to Investors
<b>Articles of Association</b>	Articles of Association of the Company
<b>Audit Committee</b>	Audit Committee of the Company
<b>Offer Shares or New Shares</b>	Up to 13,885,286 Shares of the Company, to be issued by the Company based on the decision of the Extraordinary General Meeting of 10 April 2015, which will be offered to the Investors during the Offering
<b>Company or Issuer</b>	INVL Technology AB (former name BAIP grupė AB), a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 300893533, with its registered address at Gynėjų str. 16, Vilnius, Lithuania, which following the reorganisation as indicated in Section 4.3.1 <i>History and Development of the Group</i> has taken over of all the assets, rights and obligations of the Former parent company, the shares of which are offered under the terms and conditions of this Prospectus
<b>CSDL</b>	Central Securities Depository of Lithuania
<b>Current Ratio</b>	Current Assets/Current Liabilities. The ratio represents the Company's ability to cover short-term liabilities
<b>Debt-to-Equity Ratio</b>	Total Liabilities/Equity. The ratio indicates what proportion of equity and debt the Company is using to finance its assets
<b>Debt Ratio</b>	Total Debt/Total Assets. The ratio indicates what proportion of Company's assets is financed by debt
<b>EBIT</b>	Operating Profit
<b>EBITDA</b>	Operating Profit + Depreciation/Amortization – Share repurchase
<b>EU</b>	European Union
<b>EUR, €, Euro</b>	The lawful currency of the European Union Member States that adopted the single currency, including Lithuania
<b>Existing Shareholders</b>	The shareholders of the Company, holding its shares at the close of 26 June 2015
<b>Former parent company</b>	INVL Technology AB, which existed before the merger to BAIP grupė AB (currently, the Company), which was finalised on 9 February 2015 and which ceased to exist after merger to BAIP grupė AB
<b>Gearing</b>	(Short-term Debt + Long-term Debt + Bank Overdrafts)/Equity. The ratio shows the extent to which the Company's operations are funded by lenders versus shareholders
<b>General Meeting</b>	General Meeting of Shareholders of the Company
<b>Group</b>	Company and all its Subsidiaries collectively
<b>IAS</b>	International Accounting Standards as adopted by the European Union
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>IFRS Financial Statements</b>	Group's consolidated and BAIP grupė AB separate audited financial statements for the year ended 31 December 2014 and INVL Technology AB (which ceased to exist after the merger) audited financial statements for the year ended 31 December 2014
<b>Institutional Investors</b>	Investors, invited by the Offering Broker to make subscriptions as to the acquisition of the Offer Shares under the terms and conditions of this Prospectus, i.e. (i) entities managing securities portfolios on a discretionary basis, acting on behalf of persons whose accounts they manage and for whom they intend to acquire the Offer Shares, (ii) legal persons and organisational units without legal personality with a registered office outside the Republic of Lithuania (except in the United States of America) who are non-U.S. persons within the meaning of Regulation S
<b>Interim Financial Information</b>	Unaudited interim financial information of the Company for the three month period ended 31 March 2015, prepared in accordance with International Accounting Standard 34

	"Interim Financial Reporting"
<b>Investors</b>	Institutional Investors collectively with the Retail Investors and the Existing Shareholders
<b>Key Executives</b>	The Manager (Director), Chief Financial Officer, Chief Operating Officer and Head of Business Development collectively
<b>Law on Collective Investment Undertakings</b>	Law on Collective Investment Undertakings of the Republic of Lithuania (as amended from time to time)
<b>Law on Companies</b>	Law on Companies of the Republic of Lithuania (as amended from time to time)
<b>Law on Securities</b>	Law on Securities of the Republic of Lithuania (as amended from time to time)
<b>LB</b>	The Bank of Lithuania
<b>Lead Manager or Offering Broker</b>	Bank Finasta AB, a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 301502699, with its registered address at Maironio str. 11, Vilnius, Lithuania
<b>Listing Date</b>	First day of trading in the New Shares on the OMX
<b>Major Shareholders</b>	The Company's major shareholders LJB Investments UAB, Irena Ona Mišeikienė, Kazimieras Tonkūnas, Invalda INVL AB, Lucrum investicija UAB and Alvydas Banyš, as indicated in Section 4.16 <i>Major Shareholders</i>
<b>Management</b>	The Management Board and Key Executives of the Company
<b>Management Board</b>	Management Board of the Company
<b>Manager</b>	Manager of the Company (Director)
<b>Maximum Price</b>	The maximum price per each Offer Share established by the Management Board at EUR 1.96, at which the Existing Shareholders and the Retail Investors will place their subscriptions
<b>Member State</b>	A Member State of the European Economic Area
<b>MiFID</b>	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC
<b>Minimum Price</b>	Minimum issue price per each Offer Share, which is equal to EUR 1.56, as established by the decision of the Extraordinary General Meeting, dated 10 April 2015
<b>N/A</b>	'not applicable'
<b>Offering</b>	The offering of the Offer Shares based on this Prospectus
<b>Offer Price</b>	The final price per each Offer Share which will be determined in accordance with the terms and conditions of the Offering
<b>OMX</b>	Nasdaq OMX Vilnius AB (Vilnius stock exchange), a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 110057488, with its registered address at Lvovo str. 25, Vilnius, Lithuania
<b>OMX Corporate Governance Code</b>	Corporate Governance Code for the Companies Listed on the OMX
<b>Placement Agreement</b>	The agreement concluded on 29 May 2015 between the Company and the Lead Manager related to the Offering
<b>Prospectus</b>	This document, prepared for the purpose of the Offering and the Admission, its annex and all the supplements (if any)
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended from time to time)
<b>Prospectus Regulation</b>	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended from time to time)
<b>Register of Legal Persons</b>	Register of Legal Persons of the Republic of Lithuania
<b>Related Parties</b>	As defined in International Accounting Standard 24 <i>Related Party Disclosures</i>
<b>Retail Investors</b>	Individuals and corporate entities (legal persons) and non-corporate entities other than individuals, not being the Institutional Investors and the Existing Shareholders, who intend to purchase Offer Shares in the Offering



<b>Section</b>	A section of this Prospectus
<b>Settlement Date</b>	The date of settlement of payments by the Investors
<b>Shares</b>	Any ordinary registered shares of the Company with the nominal value of EUR 0.29 each issued and outstanding at any time
<b>Subscription Period</b>	The period during which the Investors may submit orders for the subscription of the Offer Shares in accordance with the terms and conditions of this Prospectus
<b>Subsidiaries or Portfolio companies</b>	Subsidiaries of the Company Vitma UAB, BAIP UAB, Acena UAB, NRD UAB, NRD CS UAB, Norway Registers Development AS, Norway Registers Development East Africa Limited, Infobank Uganda Limited, Informatikos pasaulis UAB and Inventio UAB collectively
<b>Summary</b>	The summary of this Prospectus
<b>Takeover Directive</b>	Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids
<b>USD, \$, US\$ or U.S. Dollars</b>	The lawful currency of the United States of America
<b>VAT</b>	The value added tax applicable in the Republic of Lithuania

### 1.7 Use of this Prospectus

This Prospectus is prepared solely for the purposes of the Offering of the Offer Shares and the listing thereof to trading on the OMX; it may not be construed as a warranty or a representation to any person not participating or not eligible to participate in the Offering or trade in the Shares. No public offering of the Shares is conducted in any jurisdiction other than Lithuania and consequently the dissemination of this Prospectus in other countries may be restricted or prohibited by law. The Prospectus cannot be used for any purpose other than for informational. Prior to making a decision to participate or refrain from participating in the Offering or to conduct any trading activities with the Shares on the OMX the prospective investors should read this document. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this document, including the risks involved. It is forbidden to copy, reproduce (other than for private and non-commercial use) or disseminate this Prospectus without express written permission from the Company.

### 1.8 Selling Restrictions

This Prospectus constitutes a prospectus within the meaning of the Prospectus Directive and the Law on Securities (which transposed the Prospectus Directive into the Lithuanian law), for the purpose of giving the information with regard to the Company and the Shares it intends to offer pursuant to this Prospectus, which is necessary to enable prospective Investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

This Prospectus constitutes a prospectus in the form of a single document within the meaning of Article 5.3 of the Prospectus Directive and Article 6 of the Law on Securities. This Prospectus has been filed with, and was approved by the LB, which is the competent authority in Lithuania to approve this document as a prospectus.

#### No Public and Private Offering outside Lithuania

This Prospectus has been prepared on the basis that there will be no offers of the Offer Shares, other than the Offering to the public in the territory of Lithuania in accordance with the Prospectus Directive, as implemented in Lithuania. Accordingly, any person making or intending to make any offering, resale or other transfer within the EEA, other than in Lithuania, of the Offer Shares may only do so in circumstances under which no obligation arises for the Company or the Lead Manager to produce an approved prospectus or other offering circular for such offering. Neither the Company nor the Lead Manager have authorized, nor will any of them authorize, the making of any offer of the Offer Shares through any financial intermediary, other than public Offering in Lithuania made by the Lead Manager under this Prospectus.

No action has been or will be taken by the Company or the Lead Manager in any jurisdiction other than Lithuania that would permit any offering of the Offer Shares, or the possession or distribution of this Prospectus or any other offering material relating to the Company or the Shares in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction.

The distribution of this Prospectus and the Offering in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions on the distribution of this Prospectus and the Offering, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. This Prospectus does not constitute an offer to subscribe for or buy any of the Offer Shares offered hereby to any person in any jurisdiction other than Lithuania.



## **European Economic Area**

This Prospectus has been approved by the LB, being the competent authority in Lithuania. However, in relation to each member state of the EEA (other than Lithuania) which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Lead Manager has represented and agreed that it has not made and will not make any offer of Shares in that Relevant Member State prior to that Relevant Member State's competent authority receiving a certificate of approval of the LB attesting that the Prospectus has been drawn up in accordance with the Law on Securities together with a copy of the Prospectus accompanied, if applicable, by a translation of the summary produced under the responsibility of the Company and the due publication of the Prospectus in accordance with that Relevant Member State's applicable rules.

## **United States**

The Offer Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the US Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the US Securities Act.

The Lead Manager has agreed that it will not offer, sell or deliver the Offer Shares within the United States or to, or for the account or benefit of, US persons and that it will have sent to each dealer to which it sells Offer Shares during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Offer Shares within the United States or to, or for the account or benefit of, US persons.

This Prospectus has been prepared by the Company for use in connection with the public offer and sale of the Offer Shares in Lithuania only and for the listing of the New Shares on the OMX. The Company and the Lead Manager reserve the right to reject any offer to purchase the Offer Shares, in whole or in part, for any reason.

## **Canada**

This Prospectus is not, and under no circumstances is to be construed as, a Prospectus, an advertisement or a public or private offering of the securities described herein in any province or territory of Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence.

## **Japan**

The Shares have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended), and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (which term as used herein includes any corporation or other entity organized under the laws of Japan), or to others for offering or sale, directly or indirectly, in Japan or to, or for the account of, any resident of Japan.

## II SUMMARY

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

### Section A — Introduction and warnings

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

### Section B — Issuer

<i>Element</i>	<i>Title</i>	<i>Disclosure</i>
B.1	Legal and commercial name	Public limited liability company “INVL Technology” and INVL Technology AB respectively.
B.2	Domicile / legal form / legislation / country of incorporation	The Issuer is a public limited liability company with its registered address at Gynėjų str. 16, Vilnius, Lithuania. The Issuer is incorporated and operates under the laws of the Republic of Lithuania.
B.3	Key factors regarding current operations, principal activities, categories of products sold and services performed. Principal markets	<p><b>Principal Activities</b></p> <p><b>INVL Technology AB</b> (the Company) – acts as an investment subject and seeks to invest funds solely for capital appreciation and investment income. The Company actively looks for new acquisitions and seeks to improve structure of its investment portfolio. The Company takes an active role in setting the Portfolio companies’ strategic goals, forming and supervising management teams, business development, acquisition strategy and budgeting process. Furthermore, the Company constantly monitors capital structure, value of its Portfolio companies and takes decisions on value maximizing exit routes, payment of dividends. The Company also seeks to supervise economic and financial activities of Portfolio companies and sets management reporting and corporate governance standards.</p> <p>Activities of the Former parent company correspond to those of the Company.</p> <p>The largest and key investments of the Company currently are investments into companies operating in Lithuania, Norway, Tanzania and Uganda:</p> <p><b>BAIP UAB</b> – a professional IT infrastructure services company offering IT infrastructure strategy and architecture solutions. It also supplies hardware and software needed for the implementation of solutions, and offers IT security and critical IT infrastructure maintenance services.</p> <p><b>Acena UAB</b> – Microsoft licensed company achieved the top Microsoft Gold Certified Partner status. Main services are Microsoft software licensing consulting, software asset management, collaboration and messaging solutions and cloud services.</p> <p><b>Norway Registers Development AS</b> – the company possess broad and in-depth competence in building business enabling environments. These include legal review, legal</p>

drafting and all technical and organizational issues related to registration of business enterprises, secured transactions and intellectual property rights.

**NRD UAB** – Lithuanian information systems design and development company specializing in the designing, development and implementation of legal, institutional and operational framework supporting business enabling environment and the management of property rights governed by law.

**Norway Registers Development East Africa Ltd.** – is Subsidiary company in Tanzania supporting NRD AS and BAIP grupė AB operations in East Africa.

**NRD CS UAB** – designs and implements early warning systems and modern e-crime and fraud management platforms (central IT forensics labs, digital surveillance), consults and develops cyber security capabilities of specialized organisations, provides incident response services.

**Infobank Uganda Ltd** – Norway Registers Development AS Subsidiary in Uganda, established in December 2014. It intends to work with different registries which are currently largely paper based, and provide registries information to financial sector clients via electronic system. Innovative solutions will allow businesses to obtain the required information, use remote services to order and receive information, order official documents and use a spectrum of electronic services despite paper based registries being in operation.

### **Principal Markets**

The Issuer and its Portfolio companies are generally acting in the below listed markets.

#### **IT market**

According to the analysis 2015 Technology Industry Trends, prepared by Strategy&<sup>1</sup>, information technology market is working on a constantly shifting landscape. Recently volatility has increased even more and companies are taking actions to secure their financial position as there are strong threats lurking in the market from disruptive and often well-funded start-ups as well as aggressive competitors. In-depth analysis of the analysts shows that in tech industry in almost all situations revenue sources are the key element for a long-term sustainable growth, while focusing on internal margins improvement gives only short-term results which do not translate into definite survival of the company in the longer future. The analysis was performed based on the data of 47 tech industry companies using a concept called relative value of growth (RVG) introduced in 2005 in the Harvard Business Review<sup>1</sup>. The results show that majority of analysed companies had the ratio of 3 which means that 1% increase in revenue translates in 3 times as much of increase in shareholder value than from 1% increase in profit margin.

#### **IT mergers & acquisitions market**

Complementary to IT market in general for the Issuer it is important to look and analyse development of the IT sector Mergers & Acquisitions market in North and Central Eastern Europe. For the period from the beginning of 2013 to the end of April 2015 clear growing trend can be observed. In 2013 according to Mergermarket research<sup>2</sup> there were 60 disclosed transactions value of which totalled EUR 2.2 billion, however, three biggest transactions accounted for more than EUR 1.6 billion in value. Therefore, most of the transactions in 2013 in terms of value were rather small worth around EUR 6 – 12 million each. In 2014 a significant increase occurred both in terms of the number of transactions and overall size. Number of transactions almost doubled to 110 and the overall size grew more than 5 times to EUR 11.9 billion, three biggest of which amounted to EUR 3.6 billion and other transactions ranging in a wider spread of value. Finally, during the most recent period, during the first 4 months of 2015, the number of disclosed transactions reached 17 while the overall size was more than EUR 3 billion. However, the major share of amount came from a single transaction, where Canon Inc. acquired Axis AB for EUR 2.4 billion, while other transactions spreading around EUR 10-15 million.

#### **Baltics IT market**

According to the semi-annual market research conducted by Prime Investment<sup>3</sup> in 2013, sales of IT services in Baltic countries grew by 8.7% on annual basis. There was a sharp discrepancy between different companies because some of them were growing in double digits while others were declining. Leading companies in terms of growth rate were DEAC, BAIP grupė AB (currently the Company) and Elsis Group.

<sup>1</sup> <http://www.strategyand.pwc.com/perspectives/2015-technology-trends>

<sup>2</sup> <http://www.mergermarket.com/Common/Mergermarket/Deals/Average/Multiples.aspx>

<sup>3</sup> Prime Investment. (2014) Baltic IT Market News

		<p>During the year the average value added per employee, which is calculated by summing EBITDA and total personnel cost of all company activities and then dividing the number by the average number of employees, was EUR 36.5 thousand per employee and grew by 7.4% compared to 2012. Fourteen out of fifteen companies participating in the survey increased average value added per employee. This was achieved by different means because two thirds of the companies increased number of employees while others performed a downsizing. The net increase in total number of employees of surveyed companies was 75 employees or 2%.</p> <p><b>Baltics IT mergers &amp; acquisition market</b></p> <p>Baltics IT mergers and acquisition market is mostly active in seed and growth capital segments. There are quite a number of angel investors and venture capital funds, seeking to fund promising technology start-ups. According to the estimates of the Management, in this part of the market demand currently exceeds supply.</p> <p>According to the Management's estimates, in buy-outs phase, competition for the transactions is less intense – there are only few serial acquirers, like Atea Baltic (subsidiary of Oslo Listed Atea), focusing on IT infrastructure segment of the market and completing several transactions each year, and Nortal, which focuses on software companies. Nortal is funded by largest Central and Eastern Europe private equity group Enterprise Investors.</p> <p><b>Other markets, in which the Subsidiaries are active</b></p> <p>Subsidiaries of the Company are also active in East Africa and South East Asia. Subsidiaries mainly participate in the projects, financed by supra-national donor organizations (World Bank, International Finance Corporation, United Nations, etc.) and by the Government of Norway. The Subsidiaries usually participate in tenders within the countries, where donor organizations provide support and local market analysis is performed only on a case by case basis. Further participation in foreign markets will be driven by foreign policy of Norway as well as by policies of donor organizations.</p>
B.4a	Significant recent trends affecting the industry	<p><b>Economic conditions in the markets in which the Issuer and the Portfolio companies operate, which might have impact of profitability of the Issuer and its Portfolio companies</b></p> <p>Target markets of the Company (CEE and MEA regions) are among the fastest growing markets enjoying 2-3 times higher than world average growth rates.</p> <p>However, as expected, the growth of domestic demand is gradually slowing down, because for some time now expectations of both the population and corporates have deteriorated. Statistics<sup>4</sup> show that, despite the current circumstances, the pace of economic development in the Baltic countries, will remain one of the largest in the European Union – it is estimated that in 2015 Lithuania's economy will grow by 2.6 percent, Latvia's – 2.4 percent, while Estonia's – 2.2 percent.</p> <p>In IT market, according to the Department of Statistics of Lithuania<sup>5</sup>, the number of employees in the IT services sector keeps growing significantly, a three-digit growth is also observed in IT services exports since 2008. Specialist wages are also on the rise, the biggest demand in the market is noticed for highly qualified specialists.</p> <p>According to Gartner study<sup>6</sup>, IT spending in 2014 worldwide increased by 2.1 percent and reached US \$ 3.7 trillion. During 2015-2018 IT costs in CEE are forecasted to increase by 7-8%; spending in MEA is forecasted to grow by 7-12%.</p>
B.5	Group description. Position of the Company within the Group	<p>The Issuer does not belong to the group of companies as it is described in the applicable Lithuanian laws, i.e. the Issuer is not controlled by any persons, as it is indicated in the Law on Companies – none of shareholders of the Company has shares thereof, entitling to more than 1/2 of votes in the General Meeting.</p> <p>The Company (formerly BAIP grupė AB) has invested into such Portfolio companies, which till the change of the status of the Company to investment entity, comprised the Group:</p>

<sup>4</sup> [Eastern European Outlook by SEB bank, published on March 25, 2015. http://sebgroup.com/siteassets/corporations\\_and\\_institutions/prospectuses\\_and\\_downloads/research\\_reports/eastern\\_european\\_outlook/2015/eastern\\_european\\_outlook\\_201503\\_eng.pdf](http://sebgroup.com/siteassets/corporations_and_institutions/prospectuses_and_downloads/research_reports/eastern_european_outlook/2015/eastern_european_outlook_201503_eng.pdf)

<sup>5</sup> [Lietuvos statistikos departamentas 2014. Information Technologies in Lithuania. ISSN 2029-3615](http://www.stat.gov.lt)

<sup>6</sup> [Gartner, December 2014. https://www.gartner.com/doc/2939218/it-key-metrics-data-](https://www.gartner.com/doc/2939218/it-key-metrics-data-)



		Company (the year of acquisition)	Registration country	as at the date of the Prospectus																																																			
				Share of the stock held by the Group (%)																																																			
		Informatikos pasaulis UAB (2007)	Lithuania		100																																																		
		Vitma UAB (2007)	Lithuania		100																																																		
		BAIP* UAB (2007)	Lithuania		100																																																		
		Acena UAB (2008)	Lithuania		100																																																		
		Norway Registers Development AS (2011)	Norway		100																																																		
		NRD* UAB (2011)	Lithuania		76.50																																																		
		Norway Registers Development East Africa Ltd (2011)	Tanzania		70																																																		
		Infobank Uganda Ltd. (2014)	Uganda		30																																																		
		NRD CS UAB (2013)	Lithuania		100																																																		
		<i>* indirectly owned Subsidiaries</i>																																																					
B.6	Persons, directly or indirectly, having interest in the Company's capital or voting rights notifiable under Lithuanian law and the amount of such interest. Voting rights of major shareholders. Direct or indirect control of the Company	<p>On the day of this Prospectus the authorised capital of the Company is EUR 1,773,267.06 and is divided into 6,114,714 ordinary registered Shares with a nominal value of EUR 0.29 each. All the Shares issued by the Company entitle to equal voting rights to their holders.</p> <p>In the table below the information is provided on shareholders of the Company having more than 5% of authorised capital of the Company on the date of this Prospectus:</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Directly owned shares and votes</th> <th>Percentage owned directly, %</th> <th>Percentage owned indirectly, %</th> <th>Total, %</th> </tr> </thead> <tbody> <tr> <td>LJB Investments UAB</td> <td>1,224,152</td> <td>20.02</td> <td>0</td> <td>20.02</td> </tr> <tr> <td>Irena Ona Mišeikienė</td> <td>1,162,421</td> <td>19.01</td> <td>0</td> <td>19.01</td> </tr> <tr> <td>Kazimieras Tonkūnas</td> <td>840,452</td> <td>13.75</td> <td>32.79<sup>(†)</sup></td> <td>46.54</td> </tr> <tr> <td>Invalda INVL AB</td> <td>504,509</td> <td>8.25</td> <td>0</td> <td>8.25</td> </tr> <tr> <td>Lucrum investicija UAB</td> <td>327,928</td> <td>5.36</td> <td>1.32<sup>(**)</sup></td> <td>6.68</td> </tr> <tr> <td>Alvydas Banys</td> <td>308,745</td> <td>5.05</td> <td>41.49<sup>(***)</sup></td> <td>46.54</td> </tr> <tr> <td>Gytis Umantas</td> <td>236,270</td> <td>3.86</td> <td>42.68<sup>(****)</sup></td> <td>46.54</td> </tr> <tr> <td>Nerijus Drobavičius</td> <td>0</td> <td>0</td> <td>46.54<sup>(*****)</sup></td> <td>46.54</td> </tr> <tr> <td>Vytautas Plunksnis</td> <td>0</td> <td>0</td> <td>46.54<sup>(*****)</sup></td> <td>46.54</td> </tr> </tbody> </table> <p><i>Source: the Company</i></p> <p><i>* According to Parts 6 and 10 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that Kazimieras Tonkūnas has votes of Alvydas Banys and Gytis Umantas, members of the Management Board of the Company, as well as of his spouse.</i></p> <p><i>** Lucrum Investicija UAB has 1.32% of votes according to a repurchase agreement.</i></p> <p><i>*** According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that Alvydas Banys has votes of LJB Investments UAB, a company controlled by him, and of Kazimieras Tonkūnas and Gytis Umantas, members of the Management Board of the Company.</i></p> <p><i>**** According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that Gytis Umantas has votes of Alvydas Banys and Kazimieras Tonkūnas, members of the Management Board of the Company.</i></p> <p><i>***** According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that each of Nerijus Drobavičius and Vytautas Plunksnis has votes of Alvydas Banys, Kazimieras Tonkūnas and Gytis Umantas, members of the Management Board of the Company.</i></p> <p>As it was indicated in the notification on material event of the Company of 27 November 2014, INVL Technology AB (the Former parent company, which ceased to exist after the reorganisation) and the following persons have signed the Shareholders' Agreement, dated 26 November 2014: LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė (the shareholders of INVL Technology AB who together managed 89.68% of this company at that time), and Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus, shareholders of BAIP grupė AB (currently – the Company), who together managed 20% of BAIP grupė AB at that time (Former parent company owned the rest 80% at that time).</p> <p>The Shareholders' Agreement foreseen that:</p> <p>(i) INVL Technology AB and BAIP grupė AB will merge. After the merger the company (the "New company") will continue its activities under the name INVL Technology (currently the Company) and its shares will further be listed on OMX;</p> <p>(ii) until the merger BAIP grupė AB will issue new shares for the total amount of LTL 1.71 million (EUR 0.5 million). BAIP grupė AB shareholders will acquire these shares and increase owned stake up to 34.3%;</p> <p>(iii) the New company will apply to the LB for the closed-end investment company</p>				Shareholder	Directly owned shares and votes	Percentage owned directly, %	Percentage owned indirectly, %	Total, %	LJB Investments UAB	1,224,152	20.02	0	20.02	Irena Ona Mišeikienė	1,162,421	19.01	0	19.01	Kazimieras Tonkūnas	840,452	13.75	32.79 <sup>(†)</sup>	46.54	Invalda INVL AB	504,509	8.25	0	8.25	Lucrum investicija UAB	327,928	5.36	1.32 <sup>(**)</sup>	6.68	Alvydas Banys	308,745	5.05	41.49 <sup>(***)</sup>	46.54	Gytis Umantas	236,270	3.86	42.68 <sup>(****)</sup>	46.54	Nerijus Drobavičius	0	0	46.54 <sup>(*****)</sup>	46.54	Vytautas Plunksnis	0	0	46.54 <sup>(*****)</sup>	46.54
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Vytautas Plunksnis	0	0	46.54 <sup>(*****)</sup>	46.54																																																			

		<p>licence. Once the licence is granted INVL Technology will be managed by the asset management company controlled by Invalda INVL AB;</p> <p>(iv) the New company will aim to raise not less than EUR 10 million (LTL 34.5 million) through a new share issue. The money will be used for investments into new technology companies;</p> <p>(v) the parties of the Shareholders' Agreement are obliged not to sell shares of INVL Technology, BAIP grupė AB and the New company until the capital raise (except for the INVL Technology shares acquired by Invalda INVL AB according to the precedent trading plan and shares of the New company that may be sold by BAIP grupė AB shareholders for the total amount of LTL 684 thousand (EUR 198 thousand));</p> <p>(vi) until the Company receives closed-end investment company licence, the Board will consist of 5 members. The Board will pass the key decisions by unanimous vote.</p> <p>Apart from the information, indicated in this Section, the Company has no information about any other possible control over the Issuer.</p>																																																																																																
B.7	<p>Selected historical key financial information. Narrative description of significant change to the Company's financial condition and operating results subsequent to the period covered by selected historical key financial information</p>	<p>Selected financial information for the periods ended on 31 December 2014 and earlier for convenience purposes is converted to Euro at official exchange rate of LTL 3.4528 to EUR 1. The following tables provide selected financial information of the Company (EUR thousand) as of 31 March 2015 after the merger (derived from quarterly interim reports for the period ended 31 March 2015, incorporated by reference in this Prospectus). The Company considers that after the merger it continues activities of INVL Technology AB (the Former parent company) as investment subject, thus, interim comparative financial information for the period ended 31 March 2014 is of former INVL Technology AB, which ceased to exist following the merger.</p> <table border="1"> <thead> <tr> <th></th> <th>31 March 2015</th> <th>31 December 2014</th> </tr> </thead> <tbody> <tr> <td><b>ASSETS</b></td> <td></td> <td></td> </tr> <tr> <td><b>Non-current assets</b></td> <td>15,135</td> <td>7,828</td> </tr> <tr> <td><b>Current assets</b></td> <td>354</td> <td>25</td> </tr> <tr> <td><b>Total assets</b></td> <td>15,489</td> <td>7,853</td> </tr> <tr> <td><b>EQUITY AND LIABILITIES</b></td> <td></td> <td></td> </tr> <tr> <td><b>Total equity</b></td> <td>11,801</td> <td>7,847</td> </tr> <tr> <td><b>Liabilities</b></td> <td></td> <td></td> </tr> <tr> <td><b>Non-current liabilities</b></td> <td>1,174</td> <td>-</td> </tr> <tr> <td><b>Current liabilities</b></td> <td>2,514</td> <td>6</td> </tr> <tr> <td><b>Total liabilities</b></td> <td>3,688</td> <td>6</td> </tr> <tr> <td><b>Total equity and liabilities</b></td> <td>15,489</td> <td>7,853</td> </tr> </tbody> </table> <p><i>Source: Interim Financial Information</i></p> <table border="1"> <thead> <tr> <th></th> <th>31 March 2015</th> </tr> </thead> <tbody> <tr> <td><b>Continuing operations</b></td> <td></td> </tr> <tr> <td><b>Total Revenue</b></td> <td>49</td> </tr> <tr> <td>Operating costs</td> <td>(94)</td> </tr> <tr> <td><b>Operating loss</b></td> <td>(45)</td> </tr> <tr> <td>Costs from financial activities</td> <td>(62)</td> </tr> <tr> <td><b>Profit for the reporting period before tax</b></td> <td>(107)</td> </tr> <tr> <td>Income tax (costs)</td> <td>25</td> </tr> <tr> <td><b>Net (loss) for the reporting period</b></td> <td>(82)</td> </tr> </tbody> </table> <p><i>Source: Interim Financial Information</i></p> <table border="1"> <thead> <tr> <th></th> <th>31 March 2015</th> </tr> </thead> <tbody> <tr> <td>Profit (loss) for the reporting period</td> <td>(82)</td> </tr> <tr> <td>Net cash flow from operating activities</td> <td>(63)</td> </tr> <tr> <td>Net cash flow from investing activities</td> <td>(1)</td> </tr> <tr> <td>Net cash flow from financing activities</td> <td>41</td> </tr> <tr> <td>Impact of currency exchange</td> <td>-</td> </tr> <tr> <td><b>Net change</b></td> <td>(23)</td> </tr> <tr> <td><b>Opening balance</b></td> <td>25</td> </tr> <tr> <td><b>Closing balance</b></td> <td>2</td> </tr> </tbody> </table> <p><i>Source: Interim Financial Information</i></p> <p>The following tables set out selected financial information of BAIP grupė AB (currently the Company) for the year ended 31 December 2014 (EUR thousand), extracted from the IFRS Financial Statements and converted to Euros.</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">The Group</th> <th colspan="2">The Company</th> </tr> <tr> <th>2014</th> <th>2013</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td><b>ASSETS</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Non-current assets</b></td> <td>15,100</td> <td>4,693</td> <td>15,100</td> <td>4,567</td> </tr> <tr> <td><b>Current assets</b></td> <td>371</td> <td>4,866</td> <td>371</td> <td>42</td> </tr> </tbody> </table>		31 March 2015	31 December 2014	<b>ASSETS</b>			<b>Non-current assets</b>	15,135	7,828	<b>Current assets</b>	354	25	<b>Total assets</b>	15,489	7,853	<b>EQUITY AND LIABILITIES</b>			<b>Total equity</b>	11,801	7,847	<b>Liabilities</b>			<b>Non-current liabilities</b>	1,174	-	<b>Current liabilities</b>	2,514	6	<b>Total liabilities</b>	3,688	6	<b>Total equity and liabilities</b>	15,489	7,853		31 March 2015	<b>Continuing operations</b>		<b>Total Revenue</b>	49	Operating costs	(94)	<b>Operating loss</b>	(45)	Costs from financial activities	(62)	<b>Profit for the reporting period before tax</b>	(107)	Income tax (costs)	25	<b>Net (loss) for the reporting period</b>	(82)		31 March 2015	Profit (loss) for the reporting period	(82)	Net cash flow from operating activities	(63)	Net cash flow from investing activities	(1)	Net cash flow from financing activities	41	Impact of currency exchange	-	<b>Net change</b>	(23)	<b>Opening balance</b>	25	<b>Closing balance</b>	2		The Group		The Company		2014	2013	2014	2013	<b>ASSETS</b>					<b>Non-current assets</b>	15,100	4,693	15,100	4,567	<b>Current assets</b>	371	4,866	371	42
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<b>Total assets</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>11,921</b>	<b>2,287</b>	<b>11,921</b>	<b>668</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>	<b>1,143</b>	<b>323</b>	<b>1,143</b>	<b>1,030</b>
<b>Current liabilities</b>	<b>2,407</b>	<b>6,948</b>	<b>2,407</b>	<b>2,910</b>
<b>Total liabilities</b>	<b>3,550</b>	<b>7,271</b>	<b>3,550</b>	<b>3,940</b>
<b>Total equity and liabilities</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>

Source: the Company

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

Statement of the comprehensive income, EUR thousand

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

Source: the Company

	The Group		The Company	
	2014	2013	2014	2013
Profit (loss) for the reporting period	9,295	407	10,757	(281)
Net cash flow from operating activities	2,236	(273)	(11)	185
Net cash flow from investing activities	(1,239)	(218)	422	(191)
Net cash flow from financing activities	(1,248)	(79)	(352)	(5)
Impact of currency exchange	-	(87)	-	-
<b>Net change</b>	<b>780</b>	<b>(704)</b>	<b>59</b>	<b>(12)</b>
<b>Opening balance for the period</b>	<b>324</b>	<b>1,028</b>	<b>14</b>	<b>26</b>
<b>Closing balance for the period</b>	<b>1,104</b>	<b>324</b>	<b>73</b>	<b>14</b>

Source: The Company

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

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

Source: the Company

		<b>2014</b>
		<b>EUR thousand</b>
		<b>Income</b>
		Net changes in fair value of financial assets 2,920
		<b>Total net income 2,920</b>
		<b>Total operating expenses (28)</b>
		<b>Operating profit 2,892</b>
		<b>Profit before income tax 2,892</b>
		Income tax expenses
		<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2,892</b>
		<i>Source: the Company</i>
		<b>2014</b>
		Profit (loss) for the reporting period 2,892
		Net cash flow from operating activities (21)
		Net cash flow from investing activities 120
		Net cash flow from financing activities (74)
		Impact of currency exchange -
		<b>Net change 25</b>
		<b>Opening balance for the period -</b>
		<b>Closing balance for the period 25</b>
		<i>Source: the Company</i>
B.8	Selected key pro forma financial information	Not applicable. The Prospectus does not contain pro forma financial information.
B.9	Profit forecast	Not applicable. The Issuer has not made a decision to include the profit forecasts or estimates in the Prospectus.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit reports on the historical financial information incorporated by reference to this Prospectus.
B.11	Working capital	The working capital available to the Company is not sufficient to meet its present requirements for at least the next 12 months following the date of the Prospectus. However, the Company has received support letter from its biggest creditor and one of the Major Shareholders Invalda INVL AB (amount outstanding as of 31 March 2015 – EUR 1.9 million) stating that Invalda INVL AB will support the Company financially, including prolongation of loan terms (if needed). Furthermore, taking into consideration that the Company holds interests in its Subsidiaries, which have granted the loans to the Company (amount outstanding as of 31 March 2015 – EUR 1.7 million), the Company believes it can renegotiate terms of loans from Subsidiaries, including prolongation of loan terms (if needed).

### Section C – Securities

<i>Element</i>	<i>Title</i>	<i>Disclosure</i>
C.1	Type and class of securities and security identification number	The Shares are ordinary registered Shares with a nominal value of EUR 0.29 each. The security identification number is LT0000128860. After the assimilation of the previous issue, ISIN number of the New Shares will be the same as the number of Shares, already admitted to trading on the OMX – LT0000128860.
C.2	Currency of the issue	EUR
C.3	Number of shares issued and fully paid / issued but not fully paid. Nominal value per share	As of the day of this Prospectus the authorised capital of the Company is EUR 1,773,267.06 and is divided into 6,114,714 ordinary registered Shares with a nominal value of EUR 0.29 each. As of the day of this Prospectus all the Shares issued are fully paid and there are no other types of shares issued by the Company.
C.4	Rights attached to the securities	The rights conferred by the Shares of the Company are as follows: <ul style="list-style-type: none"> <li>– to receive a part of the Company's profit (dividend);</li> <li>– to receive the Company's funds when the share capital of the Company is reduced in order to pay out the Company's funds to its shareholders;</li> <li>– to receive shares gratis in the event the share capital is increased from the Company's own funds, except cases indicated in the Law on Companies;</li> <li>– the pre-emptive right over each new issue of the Company's shares or convertible bonds, except when pursuant to the procedure laid down in the Law on Companies the General Meeting has made a decision to withdraw the said right for all shareholders (this decision has to be adopted by a ¾ majority vote of shareholders present at the General Meeting);</li> </ul>



		<ul style="list-style-type: none"> <li>– to lend the funds to the Company under the procedure prescribed by the applicable Lithuanian law;</li> <li>– to receive a part of the residual assets of the Company in liquidation;</li> <li>– to attend the General Meetings;</li> <li>– to give questions to the Company in advance relating to the items on the agenda of the General Meetings;</li> <li>– to vote at the General Meetings in accordance with the rights attached to shares;</li> <li>– to receive information about the Company following the procedure prescribed by the Law on Companies;</li> <li>– to apply to the court for the compensation of damages caused by the Management Board members or the Manager of the Company by non-performance or improper performance of their duties prescribed by the laws of the Republic of Lithuania and the Articles of Association, as well as in other cases provided by laws;</li> <li>– other property and non-property rights, indicated in the applicable Lithuanian laws.</li> </ul> <p>All the Shares confer equal rights to all the shareholders.</p>
C.5	Restrictions on free transferability of securities	There are no restrictions on transfer of Shares (including the Offer Shares) as they are described in the applicable Lithuanian laws.
C.6	Admission to trading / Name of the regulated market	<p>All the Shares of the Company are already admitted to trading on the Secondary List of the OMX. The Issuer intends to execute all the actions for admission of the Offer Shares to the same regulated market (OMX).</p> <p>The Issuer will not be seeking to apply for listing of temporary share receipts, such as “rights to shares”. No entity has a commitment of any kind to act in secondary trading in the Shares or provide liquidity through bid and offer rates.</p> <p>Trading in the Shares is expected to commence till the end of July 2015.</p>
C.7	Dividend policy	<p>The Company does not have an approved policy on dividend distributions and any restrictions thereon. Decision on distribution of dividends to shareholders is adopted by the General Meeting.</p> <p>The Company's and the Group's current priority was to use profits for the development of the Group, rather than for the distribution of dividends and it has not paid out dividends in the last two full financial years.</p>

#### Section D – Risks

Element	Title	Disclosure
D.1	Key risks specific to the Company, to the Group or the industry	<p><b>General risk factors in the business field where the Group operates:</b></p> <p><i>Increase of salaries.</i> Labour costs make a considerable part of the cost of the Group's services. Willing to remain competitive and retain its employees, the Issuer may be forced to increase its labour costs at a faster pace than it used to do previously.</p> <p><i>Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group.</i></p> <p><b>Risk factors characteristic of the Group:</b></p> <p><i>Dependence on external financing.</i></p> <p><i>Dependence on the team of top managers.</i></p> <p><i>Transactions with related parties.</i> There are quite a few transactions with related parties among the Group companies. In spite of the fact that the Management uses all efforts in order to ensure the conformity with the arm's length standard, a theoretical taxation risk remains here. Besides, neither the Company nor its Subsidiaries have approved their pricing policy.</p> <p><i>Dependence on Subsidiaries.</i></p> <p><i>Success of former, current and future investment projects.</i> Though the Company and its employees, when forecasting investments, rely on all the information and analytical resources they have, there is no guarantee that all the information, which was relied on when planning investments, was full and correct. Besides, there is no guarantee that investment plans and investments will earn the expected or planned return or that the investment will not cost more than planned.</p> <p><i>Group's performance also depends on its ability to attract qualified and semi-qualified labour force.</i></p> <p><i>Issuer's business can be adversely affected by loss of major customers.</i></p> <p><i>Company's liquidity.</i> The Company calculates and presents comparative values of the current ratio (calculated as Current Assets/Current Liabilities) and the quick ratio (calculated as (Current Assets – Inventories)/Current Liabilities). Though the values of the current ratio and the quick ratio of the Company for 3 months of 2015 are 0.14 and 0.14 respectively (for</p>

		<p>12 months of 2014 – 0.15 and 0.15 respectively), still a theoretical risk remains that circumstances could appear in which the Company would fulfil their current obligations only partially. The Company also calculates and presents comparative values of the debt-to-equity ratio (calculated as Total Liabilities/Equity) and the debt ratio (calculated as Total Debt/Total Assets). The values of the debt-to-equity ratio and the debt ratio of the Company for 3 months of 2015 are 0.31 and 0.24 respectively (for 12 months of 2014 – 0.30 and 0.23 respectively). A theoretical risk remains that circumstances could appear in which credit institutions can request that the Company offer additional guarantees for credits given to the Subsidiaries or for new credits that could be given.</p> <p><i>Investments illiquidity risk.</i></p> <p><i>The Group is party to public sector contracts, which may be affected by political and administrative decisions, and the success and profitability of such contracts may be influenced by political considerations.</i></p> <p><b>Legal and taxation risk factors:</b></p> <p><i>Legal requirements and regulations of the markets, in which the Group operates, may be changed.</i></p> <p><i>Risk factor, related to possible change of the legal status of the Company.</i> The Company intends to apply for a closed-end investment company license, to be issued by the LB. If issued, this would lead to changes in the protection of Company's shareholders and certain operating restrictions, as established in the Law on Collective Investment Undertakings, e.g. the Shares of the Company will be replaced with investment units, the Company will be entitled to invest the managed funds, certain limitations of the applicable laws shall be applied to the Company with regards its investments, their diversification, etc. Furthermore, the Company's operating expenses might be increased because of the requirements to conduct periodic property's assessment, protect the Company's property in the depository and other.</p>
D.3	Key risks that are specific to the Shares	<p><b>Risk factors related to the Company's Shares:</b></p> <p><i>The price of the Company's Shares may fluctuate significantly.</i></p> <p><i>Turmoil in emerging markets could cause the value of the Shares to suffer.</i></p> <p><i>There is no guarantee that the Company will pay dividends in the future.</i></p> <p><i>Liquidity of the Issuer's shares is not guaranteed.</i></p> <p><i>The Offering may be delayed, suspended or cancelled; the Investors are not guaranteed that they will be allotted the number of Offer Shares to be subscribed by them, if at all.</i></p>

#### Section E – Offer

Element	Title	Disclosure
E.1	Total net proceeds. Estimate of total expenses of the Offering (including estimated expenses charged to the investor)	<p>The Offering consists solely of the subscription of the New Shares. As a result of the Offering, the Issuer would receive maximum amount of proceeds of EUR 27,215,160.56 assuming all the Offer Shares are sold for the Maximum Price (EUR 1.96). All net proceeds from the Offering shall be received by the Issuer.</p> <p>Following the preliminary calculations, the Issuer's expenses, related to this issue, shall comprise of up to 3% from the gross proceeds from the placement of the Offer Shares (including the fees for the Lead Manager, the legal counsel, fees to the LB for approval of the Prospectus, fees to the CSDL and OMX and fees for the preparation of the Prospectus).</p> <p>The Issuer agreed to pay all commissions and expenses in connection with the Offering. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.</p>
E.2a	Reasons for the Offering / Use of proceeds / Estimated net amount of proceeds	<p>At the mid-point range of the Offering (assuming that all the Offer Shares are subscribed for the issue price, which is average of Maximum Price (EUR 1.96) and Minimum Price (EUR 1.56)), the Company plans to raise EUR 24,438,103.</p> <p>Part of the proceeds will be used to retire indebtedness to Invalda INVL AB (amount outstanding as of 31 March 2015 – EUR 1.9 million) and to Portfolio companies (amount outstanding as of 31 March 2015 – EUR 1.7 million).</p> <p>Remaining funds will be used to finance acquisitions of locally and regionally operating IT companies. The Company has identified pipeline of more than 30 acquisitions amounting to about EUR 50 million, mainly in the business-to-business and business-to-government segment. Usually only part of projected pipeline turns into realized transactions and the Company expects to complete investments in only part of identified targets. According to the Management estimates, this pipeline is sufficient to successfully employ the capital raised during the Offering in upcoming 3-5 years. Main criteria for acquisitions are:</p> <ul style="list-style-type: none"> <li>– rational valuation parameters;</li> </ul>

		<ul style="list-style-type: none"> <li>- industry and geography focus match;</li> <li>- evidence of sustainability of products and services in in local markets;</li> <li>- strong management team.</li> </ul>
E.3	Terms and conditions of the Offering	<p>This Offering consists of a public offering in Lithuania to: (i) existing shareholders of the Company (the “Existing Shareholders”), (ii) retail investors (the “Retail Investors”) and (iii) institutional investors (which term includes entities managing portfolios of securities for their clients and unincorporated organizations) (the “Institutional Investors”, and together with the Retail Investors and Existing Shareholders, the “Investors”). The Offering to institutional investors also includes a private placement to Institutional Investors in certain jurisdictions outside of Lithuania and the United States in accordance with Regulation S under the U.S. Securities Act of 1933.</p> <p>The Existing Shareholders and Retail Investors, who place their subscription orders for at least EUR 50,000 are entitled to participate in this Offering generally on the same terms, as the Institutional Investors, i.e. they may participate in the Offering, indicating the price of the Offer Shares, at which they will be willing to subscribe thereof.</p> <p>The Existing Shareholders and Retail Investors, who place their subscription orders for less than EUR 50,000 will have to participate this Offering on the general terms, as provided in this Section for these categories of Investors, i.e. they will place their subscription orders and pay thereof at the Maximum Price.</p> <p>Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their orders (before the end of the Subscription Period) have opened securities accounts with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania.</p> <p>For the purposes of the Offering no tranches of the Investors are being established. However, each of the Existing Shareholders is entitled and is guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares at a price, which will be not less than the final Offer Price), such an Existing Shareholder will be allocated the Offer Shares <i>pro rata</i> to the nominal value of its shareholding in the Company as at the close of 26 June 2015 or any lesser number of Offer Shares, in case it places an order for less Offer Shares at a price, which will be not less than the final Offer Price, than indicated above (the “Guaranteed amount of Offer Shares”). The Retail Investors and the Institutional Investors (as well as the Existing Shareholders in case such Investors provide subscription orders for more Offer Shares, than the Guaranteed amount of Offer Shares to a respective Existing Shareholder at a price, which will be not less than the final Offer Price – with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount) shall have no guarantees as to acquisition of the Offer Shares, i.e. they may be allotted a lower number of Offer Shares than the number specified in such Investors’ subscription orders, or may be not allotted any Offer Shares at all, pursuant to the terms and conditions set forth in the Prospectus (with the exception regarding the allotment to the Existing Shareholders, having participated in the Offering, which will be allotted the Guaranteed amount of Offer Shares to the respective Existing Shareholder in such case).</p> <p>The Offer Shares are being offered at the Offer Price, which will be determined as indicated below and expressed in EUR. The final number of the Offer Shares allotted to the Investors will be set by the Issuer in agreement with the Lead Manager after the Offer Price is determined, but will not be higher than 13,885,286.</p> <p><b>Place of Subscription</b></p> <p>Subscriptions will be accepted at the offices of the Offering Broker, at the address Maironio str. 11, Vilnius, Lithuania.</p> <p>Subscriptions will be accepted on a subscription form in Lithuanian or in English (for persons who are not Lithuanian residents). Retail Investors and Existing Shareholders are allowed to submit a copy of a signed subscription form to the Offering Broker by fax or email prior to submitting an original document to the office of the Offering Broker. The original document has to be submitted to the Offering Broker until the end of subscription period for the Retail Investors and Existing Shareholders, as indicated below. Institutional Investors are allowed to submit a signed copy of a subscription form by fax or email and are not required to submit an original document. The Existing Shareholders, which are attributed to the Institutional Investors as such, are also not required to submit an original copy of the subscription form.</p> <p>Subscriptions will be accepted if Investors have a brokerage account agreement with the Offering Broker or other entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania. The subscription forms will be available at the office of the Offering Broker and on the webpage of the Offering Broker (<a href="http://www.finasta.com">www.finasta.com</a>).</p>

Firms managing securities portfolios on a discretionary basis should place subscription orders for the Offer Shares by submitting the subscription order form along with a list of investors on whose behalf the subscription order is placed. The list must include details required to be included in the subscription order form with respect to each investor listed, and must be signed by persons authorised to represent the firm.

**Expected timetable of the Offering**

The expected timetable below lists expected key dates relating to the Offering on or around which the events listed below should occur. The Issuer reserves the right to change the timetable of the Offering. Should the Issuer decide to adjust the dates set out in the timetable, the Issuer will provide the LB with the relevant supplement to the Prospectus for the approval and publish such information (upon the approval of supplement) in compliance with applicable regulations, as well as market practices in Lithuania.

from 10 till 26 June 2015 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Existing Shareholders and the Retail Investors, placing the orders for less than EUR 50,000 and payment for the Offer Shares at Maximum Price by such Existing Shareholders and the Retail Investors
from 10 June till 3 July 2015 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Institutional Investors as well as from the Existing Shareholders and the Retail Investors, placing the orders for at least EUR 50,000 and payment for the Offer Shares at the price, indicated by such Investors (not lesser than EUR 1.56 and not higher than EUR 1.96 per Offer Share)
from 10 June till 3 July 2015	Roadshow
on or about 7 July 2015	Determination and announcement of the final Offer Price, final number of the Offer Shares and the allotment between the Existing Shareholders and the Retail and Institutional Investors (the "Allotment Date")
on or about 17 July 2015	Delivery of the Offer Shares to Investors and closing of the Offering ("Settlement Date")
till the end of July 2015	Trading in Offer Shares is expected to commence on the OMX 2015

All times and dates referred to in this timetable may be adjusted by the Issuer, in consultation with the Offering Broker, if deemed necessary for the successful completion of the Offering and Admission. In particular, the Issuer upon recommendation from the Offering Broker, may extend the subscription period for the Offer Shares, based on monitoring the market. An extension of the subscription period will result in the postponement of the allotment date of the Offer Shares, as well as in the postponement of the date of listing of the New Shares on the OMX.

**Maximum Price, Offer Price and final number of Offer Shares**

The Offer Price will not be set at higher than EUR 1.96 (the "Maximum Price"). Minimal issue price of the Offer Shares shall not be less than EUR 1.56 (the "Minimal Price").

During the subscription period amongst Institutional Investors as well as Existing Shareholders and Retail Investors, placing the orders for at least EUR 50,000, such Investors interested in subscribing for the Offer Shares will indicate the number of the Offer Shares they will be willing to acquire and the price, not higher than the Maximum Price (and not less than the Minimum Price), they will be willing to pay. Retail Investors and Existing Shareholders, which are not attributable to the Institutional Investors as well as who will place the orders for less than EUR 50,000 will not participate in this process and will place their subscriptions at a Maximum Price.

The Offer Price will be determined by the Issuer in agreement with the Lead Manager and will not be higher than the Maximum Price (and lower than the Minimum Price). The Offer Price will be determined based on: (i) the volume and price sensitivity of the demand estimated in the subscription process of the Institutional Investors as well as Existing Shareholders and Retail Investors, placing the orders for at least EUR 50,000 as indicated above; (ii) the current and forecast situation in the capital markets; and (iii) development outlook, risk factors and other information concerning the Company's business. If possible and to the extent, needed by the Issuer, the Offer Price will be established also aiming to increase the liquidity of Company's Shares on the OMX. The Offer Price will be the same for Existing Shareholders, Retail Investors and Institutional Investors.



## **Subscription Procedure**

Each Investor may subscribe for the minimum of one Offer Share.

### ***Existing Shareholders' subscription procedure***

Each of the Existing Shareholders are entitled and are guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares at a price, which will be not less than the final Offer Price), such an Existing Shareholder will be allocated the Offer Shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 26 June 2015 or any lesser number of Offer Shares, in case it places an order at a price, which will be not less than the final Offer Price for less Shares, than indicated above (Guaranteed amount of Offer Shares). Thus, persons, being shareholders of the Company at the close of 26 June 2015 (the Existing Shareholders) generally are entitled to acquire all the Offer Shares of the Company, in case all the Existing Shareholders will participate in the Offering at a price, which will be not less than the final Offer Price and will subscribe for the number of Offer Shares, not less than *pro rata* to the nominal values of their shareholdings in the Company as at the close of 26 June 2015.

Pro rata to the nominal value of Shares of the Company, held by the shareholders of the Company as at the close of 26 June 2015, the number of Offer Shares that a relevant shareholder is guaranteed to be allotted by the Issuer during this Offering subject to the aforementioned conditions shall be calculated according to this formula:  $A = 13,885,286 \times k$ , in which:

A – the number of Offer Shares, which a respective Existing Shareholder is guaranteed to acquire and which the Company shall allot to the respective shareholder, in case it subscribes for not less than such number of Offer Shares at a price, which will be not less than the final Offer Price;

k – coefficient, indicating which part of the Offer Shares is guaranteed by the Issuer to be allotted to the particular Existing Shareholder of the Company, which shall be calculated according to the following formula:  $k = S/6,114,714$ , where S – number of Shares, held by the respective Existing Shareholder of the Company at the close of 26 June 2015. The value of coefficient k shall be rounded to eight digits after the comma, following the general arithmetic rules.

Calculated number of Offer Shares, which the particular Existing Shareholder is entitled to acquire during this Offering and which the Company shall allot to such shareholder, in case it subscribes for not less than such a number of Offer Shares at a price, which will be not less than the final Offer Price shall be rounded to the whole number according to the general arithmetic rules, in case it is with fractional part.

The Existing Shareholder of the Company at his own discretion may subscribe and acquire also any lesser number of Offer Shares than the number, calculated according to the aforementioned formula, which the respective Existing Shareholder would be allotted by the Company based on the indicated rules (in which case such Existing Shareholder would be allotted all such lesser number of Offer Shares). The Existing Shareholder may also not participate in the Offering and not subscribe for Offer Shares.

Furthermore, the Existing Shareholder may place a subscription order for any higher number of Offer Shares than the number, calculated according to the indicated formula. In such case the Existing Shareholder will be safely allotted the number of Offer Shares, calculated according to the aforementioned formula. The number of Offer Shares, exceeding the number, calculated according to the formula, shall be allotted following the general allocation order, and there is no guarantee that the Existing Shareholders shall be allotted with all (or any of) the Offer Shares, exceeding the number thereof, calculated according to the aforementioned formula, it has placed a subscription for.

In any case, disregarding the number of Offer Shares that a relevant Existing Shareholder intends to acquire (either the Guaranteed amount of Offer Shares, or the number, which is lesser or higher than the Guaranteed amount of Offer Shares), he/she/it may place a single subscription order for all the number of Offer Shares he/she/it intends to acquire.

Existing Shareholders, placing the subscription orders for less than EUR 50,000 will place their subscriptions at the Maximum Price, indicating the number of Offer Shares they will be willing to buy.

Existing Shareholders, placing the subscription orders for at least EUR 50,000 may place their subscriptions, indicating the number of the Offer Shares they are be willing to acquire and the price, not higher than the Maximum Price (and not less than the Minimum Price), they will be willing to pay. However, if the final Offer Price will be established higher than

the price, indicated in subscriptions, placed by any of such Existing Shareholders, the subscriptions of the respective Existing Shareholders will be fully rejected and such Existing Shareholders will not be allotted any Offer Shares.

***Retail and Institutional Investors' subscription procedure***

The Retail Investors, placing the subscription orders for less than EUR 50,000 will place their subscriptions at the Maximum Price, indicating the number of Offer Shares they will be willing to buy.

Retail Investors, placing the subscription orders for at least EUR 50,000 may and the Institutional Investors will place their subscriptions, indicating the number of the Offer Shares they are willing to acquire and the price, not higher than the Maximum Price (and not less than the Minimum Price), they will be willing to pay. However, if the final Offer Price will be established higher than the price, indicated in subscriptions, placed by any of such Retail Investors or the Institutional Investors, the subscriptions of the respective Investor will be fully rejected and such Investors will not be allotted any Offer Shares.

Institutional Investors are also entitled to place multiple subscription orders.

**Procedure and dates for payment for the Offer Shares**

***Payment by the Existing Shareholders and the Retail Investors, placing the subscriptions for less than EUR 50,000***

Subscriptions for the Offer Shares by the Existing Shareholders and the Retail Investors, who have placed their subscriptions for less than EUR 50,000 have to be fully paid for no later than until end of the Subscription Period for these Investors (26 June 2015). The full payment by the indicated Existing Shareholders and the Retail Investors means a payment equal to the number of the Offer Shares indicated in the subscription order multiplied by the Maximum Price, indicated in this Prospectus. Payments by these Investors can be made by wire transfer and has to be made in EUR, as indicated in this Prospectus, to the account indicated in the subscription order.

The Existing Shareholders, which are attributed to the Institutional Investors as such, as well as the Retail Investors and the Existing Shareholders, placing their subscriptions for at least EUR 50,000 shall fully pay the Offer Shares as indicated in Section below.

***Payment by the Institutional Investors as well as by the Existing Shareholders and the Retail Investors, placing the subscriptions for at least EUR 50,000***

By submitting a subscription, an Institutional Investor shall authorize and instruct the broker operating the Institutional Investor's cash account connected to its/his/her securities account to block the whole transaction amount on the Institutional Investor's cash account until the settlement is completed or funds are released in accordance with these terms and conditions. The transaction amount to be blocked will be equal to the price the respective Institutional Investor wishes to pay, multiplied by the number of Offer Shares which the respective Institutional Investor wishes to acquire. An Institutional Investor must ensure, that no later than on 3 July 2015, 5 p.m. (Vilnius time) there are sufficient funds on its/his/her cash account connected to securities account with the broker to cover the whole transaction amount, as indicated above.

Subscriptions for the Offer Shares by the Existing Shareholders and the Retail Investors, who have placed their subscriptions for at least EUR 50,000 have to be fully paid for no later than until the end of the Subscription Period. The full payment by the indicated Existing Shareholders and the Retail Investors means a payment equal to the number of the Offer Shares indicated in the subscription order, which the respective Investor wishes to acquire multiplied by the price, the respective Investor wishes to pay. Payments by these Investors can be made by wire transfer and has to be made in EUR, as indicated in this Prospectus, to the account indicated in the subscription order.

Retail Investors and Existing Shareholders who have not been allotted any Offer Shares or whose subscriptions have been reduced will receive reimbursements of the payment made upon placing the subscription order in accordance with instructions provided by each such Retail Investor or Existing Shareholder, as required under the procedures applicable in the investment firm with which the subscription order was placed. The reimbursement will take place within 10 business days as from the end of the Subscription Period for these Investors or from the date of the publication of the supplement to the Prospectus on the cancellation of the Offering. Moreover, any overpayments resulting from determination of the Offer Price will be returned within 10 business days as from the end of the Subscription Period for these Investors. The payments shall be returned without any reimbursement for costs incurred by the investors in the course of subscribing for the Offer Shares, and shall

		<p>be net of all transfer expenses and without interest.</p> <p><b>Rules of Offer Shares allocation</b></p> <p>The Offer Shares will be allotted in accordance with the following principles:</p> <ul style="list-style-type: none"> <li>– first, the Offer Shares will be allotted to the Existing Shareholders, having participated in the Offering and placed their subscription orders for a price, not lesser than the final Offer Price <i>pro rata</i> to the nominal values of their shareholdings in the Company as at the close of 26 June 2015 – the number of the Offer Shares will be allotted based on subscription orders placed by the Existing Shareholders, but no more than the number of the Offer Shares that the Company guarantees each of the Existing Shareholders will be allotted according to the formula, indicated above (Guaranteed amount of Offer Shares to a respective Existing Shareholder). The Issuer will not give preferential treatment or discriminate against and between the Existing Shareholders, while allotting the Offer Shares as indicated in this item;</li> <li>– next, the remaining Offer Shares after allocation thereof to the Existing Shareholders as indicated in item above, will be allotted to the Retail and Institutional Investors as well as to the Existing Shareholders (with regards to the number of Offer Shares, subscribed by the Existing Shareholders at a price, not lesser than the final Offer Price, exceeding the Guaranteed amount of Offer Shares to a respective Existing Shareholder) at an absolute discretion of the Issuer and the Offering Broker, i.e. the total number of the Offer Shares allotted to the Retail Investors and the Institutional Investors, as well to the Existing Shareholders (having placed the subscriptions at a price, not lesser than the final Offer Price for more Offer Shares than the Guaranteed amount of Offer Shares to a respective Existing Shareholder, with regards to such exceeding number of Offer Shares), including a specific number of Offer Shares, allocated to any individual Investor, will be determined by the Issuer with the Offering Broker at their absolute discretion. In case the Offer Shares will be allotted also to the Retail Investors, the Issuer will not give preferential treatment or discriminate against and between the Retail Investors, and in case for the purposes of allocation the subscription of any of such Investors will be reduced, the subscriptions of all other Retail Investors, having placed the subscriptions at a price, not lesser than the final Offer Price will also be subject to reduction in accordance with the proportionate reduction principle. The aforementioned rule shall not be applied towards the Existing Shareholders, in case they place the subscription for acquisition of the Offer Shares at a price, not lesser than the final Offer Price in excess of the Guaranteed amount of Offer Shares to a respective Existing Shareholder with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount. Thus, none of such Existing Shareholders, participating in the allotment of Offer Shares according to this item is guaranteed that it/he/she will be allocated the number of Offer Shares, indicated in its/his/hers order (it may be allotted less Offer Shares, in any case not lesser than the Guaranteed amount of Offer Shares to a respective Existing Shareholder as indicated above). Fractional allocations (after the proportional reduction, if any) will be rounded down to the nearest integer value, and the remaining Offer Shares will be allocated to the Retail Investor who subscribed for the largest number of the Offer Shares.</li> <li>– As at the date of this Prospectus, there is no restriction on the amount of Offer Shares that will be allocated to each category of Investors. However, the Issuer intends to allocate approximately 10% of the final number of the Offer Shares to the Retail Investors, unless there is insufficient demand to allocate the remaining Offer Shares to the Existing Shareholders and Institutional Investors at the set Offer Price, and vice versa, in which case this proportion may be altered by the Issuer acting in agreement with the Lead Manager.</li> </ul> <p>Subject to the exception of allocation to the Offer Shares to the Existing Shareholders which have placed their subscription orders for a price, not lesser than the final Offer Price, as indicated above, the Issuer and the Offering Broker are not obliged to allocate any Shares to any Investors participating in the Offering. Furthermore, there is no target minimum individual allotment to the Investors.</p>
E.4	Interests material to the Offering / Conflicting interests	<p>The Offering Broker has a contractual relationship with the Issuer in connection with the Offering and the Admission, and has been mandated to act as the offering agent for the Offering of the Offer Shares and listing thereof on the OMX.</p> <p>The Offering Broker and its affiliates have engaged in and may in the future engage in advisory services and other commercial dealings in the ordinary course of business with the Company and any of their affiliates. The Offering Broker and its affiliates have received and may in the future receive customary fees and commissions for these transactions and services.</p>
E.5	Name of the person or entity offering to sell the security.	<p>Not applicable, as there is no selling securities holder, participating in the Offering and all the New Shares will be issued solely by the Company.</p> <p>Furthermore, no lock-up agreements will be signed with respect to the Offering.</p>

	<p>Lock-up agreements: parties involved; period of lock-up</p>	<p>However, following the Shareholders' Agreement, dated 26 November 2014: LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė (the shareholders of Former parent company who together managed 89.68% of this company at that time), and Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus, shareholders of BAIP grupė AB (currently – the Company), who together managed 20% of BAIP grupė AB at that time (Former parent company owned the rest 80% at that time), have inter alia agreed that for the term of validity of the agreement, the parties will not transfer the Shares of the Company to third persons (not being a party to the agreement). This limitation shall not be applicable to the Shares, acquired by Invalda INVL AB when executing the advanced trade plan, as well as to other Shares of the Company, freely traded on the regulated market and acquired by the parties to the agreement after conclusion thereof. These Shares may be traded without any limitations.</p> <p>Furthermore, on 27 May 2015 the parties to Shareholders' Agreement agreed that after registration of the increased share capital of the Company with the Register of Legal Persons, based on the decisions of the General Meeting, dated 10 April 2015, and subject to the condition that during this Offering the Company will raise not less than EUR 10,000,000, Invalda INVL AB will acquire for the final Offer Price in total 551,523 Shares of the Company from Kazimieras Tonkūnas (165,000 Shares), Gytis Umantas (85,000 Shares), Artūras Milašauskas (50,000 Shares), Vida Juozapavičienė (50,000 Shares), Marius Leščinskas (55,000 Shares), Rokas Ralys (95,893 Shares) and Tomas Šeikus (50,630 Shares). Furthermore, these shareholders agreed after execution of this transaction (if it will be executed) they shall not to sell any of Company's Shares, held by them for a 12 months period as from registration of the capital increase of the Company with the Register of Legal Persons.</p> <p>In addition, following the abovementioned Shareholders' Agreement (including the amendment thereto), LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė have obliged each not to sell more than 50 percent of each of their Shares held at the end of placement for 12 months.</p>
E.6	<p>Immediate dilution. Amount and percentage of immediate dilution if Existing Shareholder not Subscribing during Offering</p>	<p>The issue of New Shares comprises of approximately 227.08% of the Company's authorised capital prior to its increase. In case all the Offer Shares are allocated to the Investors and all the Existing Shareholder acquire Offer Shares, the holdings of the Existing Shareholders would not be diluted from the amount of Shares, held by them prior to increase of the authorised capital of the Company. In case none of the Existing Shareholders would participate in the Offering and all the Offer Shares would be acquired by the Retail and Institutional Investors, the indicated dilution would amount to approximately 69.43%, i. e. the Issuer's shareholders that existed before the increase of the authorised capital would own approximately 30.57% of the Issuer's shares after the issue.</p>
E.7	<p>Estimated Expenses charged to the Investor by the Company</p>	<p>Not applicable. The Issuer does not intend to charge any expenses to the investors, i.e. the Issuer agreed to pay all commissions and expenses in connection with the Offering. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.</p>

### III RISK FACTORS

*Prospective investors should consider all of the information in this Prospectus, including the following risk factors, before deciding to invest in the Offer Shares. If any of the events described below actually occur, the Group's business, financial condition or results of operations could be materially adversely affected, and the value and trading price of the Offer Shares may decline, resulting in a loss of all or a part of any investment in the Offer Shares. Furthermore, the risks described below are not the only risks the Group faces. The order of the risk factors described below is not an indication of their relative importance for the Group, the probability of their occurrence or their potential influence on the Group's activity. Additional risks not currently known or which are currently believed to be immaterial may also have a material adverse effect on its business, financial condition and results of operations of the Group.*

#### 3.1 General Risk Factors in the Business Field Where the Group Operates

##### ***Potential challenges to implementing business strategy and achieving desired results***

The Company invests in businesses that expect to provide a greater volume of their services and subsequently to earn higher returns in the future. However, these results are not guaranteed and are subject to variation due to numerous factors. Financial results might not develop as projected because of a lower global demand, increased competition or the Company's inability to implement its business strategy.

Moreover, changes in the IT and related markets happen rapidly and therefore failure to adapt to these changes can lead to lower profitability and reduction of value of the investment. Management team may fail to correctly anticipate future market trends and make worse than optimal decisions regarding future development of the Company.

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

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

- difficulty or inability to acquire capital for further Group's acquisitions and to cover financial obligations of current debt;
- increased risk of weak financial condition of the Group's debtors resulting from current economic situation, etc.

##### ***Inflation***

The upcoming years may entail considerable inflation. Relevant expenses of the Subsidiaries, controlled by the Company, e.g., investment to equipment and workforce, are closely related to the general price level. Growing inflation may prevent the businesses from changing the prices of their products / services respectively to preserve the existing profit margin or may lead to higher losses. Thus, the Subsidiaries' expenditures would increase considerably due to inflation and the Issuer would have to cover its increased costs from internal resources, unless they manage to increase their prices. Thus, strong inflation may have a considerable adverse influence on the Company's and its owned businesses financial situation and business results.

##### ***Increase of salaries***

Labour costs make a considerable part of the cost of the Group's services. Though workforce is cheaper in Lithuania than in old EU Member States, the difference should decrease constantly as the Lithuanian economy is catching up with the average of the EU. Willing to remain competitive and retain its employees, the Issuer may be forced to increase its labour costs at a faster pace than it used to do previously. If the Issuer fails to increase labour efficiency and effectiveness by increasing these costs, this may have a considerable adverse effect on the Issuer's financial situation and business results.

##### ***Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group***

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Group and its employees from being able to provide services to its customers, in particular in respect of projects executed by the Group in countries outside Europe.

Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions in such countries or decrease the demand for or increase the costs of the Group's services. Such events and acts are difficult to predict and may also affect employees, including key employees. If the Group's business

continuity plans do not fully address such events or cannot be implemented under the circumstances, it may incur losses. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. A materialisation of these risks may have a material adverse effect on the Group's business, results of operation or financial condition.

### **3.2 Risk Factors Characteristic of the Group**

#### ***Dependence on external financing***

Further development of the Group's activities will require substantial amounts of capital to fund operating activities and capital expenditures. For this reason, failure to secure adequate levels of external financing might limit the Group's growth plans and place it at competitive disadvantage as compared to well-capitalized peers. The Company currently is dependant on funding its working capital by Invalda INVL AB (please refer to Section 5.1 *Working capital statement* for more details).

#### ***Dependence on the team of top managers***

Group's business depends on the team of the top managers, responsible for the development, growth of business and appropriate day-to-day activities. Therefore, the Group's ability to survive in the competitive environment and to implement its growth strategy is mostly determined by their experience, knowledge, personal relations and other characteristics. The Group's ability to attract and hire highly competent managers also contributes to the Group's success. As the competition for high qualification personnel is strong and constant, it is probable that the Group's managers and main employees can decide to change their jobs and to leave the Issuer or other Group companies. Loss of such employees or the Group's inability to hire new managing personnel with appropriate knowledge and capabilities or shortage of such people in the market can have a negative effect on the prospects of the Group's business, financial situation and performance.

Furthermore, neither the Company nor Subsidiaries have entered into non-competition agreements either with main or any other employees of these companies. It means that employees of the Group companies have the right to work and/or provide services for competitors of the Company and/or other Group companies, also to hold their shares or otherwise participate in the capital of such companies, which could be contrary to the interests of the Company and the Group and have an adverse effect on their prospects and performance.

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

There are quite a few transactions with related parties among the Group companies. Detailed information about such transactions is presented in Section 4.17 *Related Party Transactions*. Following applicable taxation legislation, transactions with related parties must be conducted at arm's length. In spite of the fact that the Company's Management uses all efforts in order to ensure the conformity with the above-mentioned standard, a theoretical taxation risk remains here, i.e. the risk that applicable taxes will be calculated according to prices applicable at arm's length in case it were determined that certain transactions were conducted disregarding this principle, also the risk that relevant fines and default interest will be imposed. Besides, neither the Company nor its Subsidiaries have approved their pricing policy.

#### ***Dependence on Subsidiaries***

The Company does not own operating assets and is to a large extent dependable on the cash flows generated by its Subsidiaries. These cash flows are supposed to finance the Company's expenses and dividend payments to shareholders. The Company may encounter limitations on free and unlimited fund transfers from the Subsidiaries as may be imposed by legal regulations of incorporation countries or restricted by covenants in bank loans.

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

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

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



### ***Group's performance also depends on its ability to attract qualified and semi-qualified labour force***

Success of the Issuer's operations depends on the supply of qualified and semi-qualified labour force in the labour market. Shortage of labour force necessary for the Issuer can considerably increase labour force related expenses, stop the Issuer's development and in this way can have a significant adverse effect on its performance and financial situation.

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

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

### ***Company's liquidity***

In addition to other financial ratios, the Company calculates and presents comparative values of the current ratio and the quick ratio in its annual and interim reports. Though the values of the current ratio and the quick ratio of the Company for 3 months of 2015 are 0.14 and 0.14 respectively (for 12 months of 2014 – 0.15 and 0.15 respectively), still a theoretical risk remains that circumstances could appear in which the Company would fulfil their current obligations only partially.

In addition to the above-mentioned liquidity ratios, the Company also calculates and presents comparative values of the debt-to-equity ratio and the debt ratio in its annual and interim reports. The values of the debt-to-equity ratio and the debt ratio of the Company for 3 months of 2015 are 0.31 and 0.24 respectively (for 12 months of 2014 – 0.30 and 0.23 respectively). Taking this into account, a theoretical risk remains that circumstances could appear in which credit institutions can request that the Company offer additional guarantees for credits given to the Subsidiaries or for new credits that could be given. Also, there is a theoretical possibility that the Company could reach such a level of liabilities, where credit institutions would lend funds to the Company under less favourable conditions than they lend on the date of the Prospectus. Appearance of such circumstances could have an adverse effect on the Issuer's possibilities to raise borrowed funds for investments.

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

Interest rate risk mainly includes loans with a variable interest rate. Changes in variable interest rates may negatively affect the activity results as part of the Subsidiaries controlled by the Company (BAIP UAB; NRD UAB) is financed by bank loans with a variable interest rate.

### ***Currency risk***

The Subsidiaries, controlled by the Company, face the currency risk of USD and other currencies. A larger part of agreements of the Group in foreign markets is made in USD. However, part of their costs is incurred in EUR. As a result of this, fluctuation of USD exchange rate may have a negative effect on profit of the Subsidiaries. Furthermore, most part of computers and other equipment is bought by the Group from foreign suppliers in USD.

### ***Credit risk***

There is a risk that buyers of the production and services of the Subsidiaries controlled by the Issuer will not fulfil their obligations. It would negatively affect the profit of the Subsidiaries. If larger part of liabilities is not fulfilled in time, it may cause disturbances in activities of the Subsidiaries. There might be a need to seek additional sources of financing, which may not always be available. The Company also bears the risk of holding higher amount than EUR 100,000 in bank accounts or investing in short-term financial instruments as in Lithuania only deposits, which are up to EUR 100,000 are insured.

### ***Reorganisation risk***

The Company after the reorganisation – the merger of Former parent company with the Company (previous name – BAIP grupė AB), which continues its activities after the reorganisation, took over all the assets, equity and liabilities of the Former parent company (for more information on the reorganisation please see Section 4.3.1 *History and Development of the Group*). For any and all the obligations of the Former parent company after the reorganisation, the Company took responsibility.

### ***Risk, related to future audited financial results of the Company***

The Company acts in its current status (after the merger of the Former parent company to BAIP grupė AB) as from 9 February 2015. Thus, there are no audited annual financial statements of the Company of its current status for a full financial year. Thus, there is a risk that the financial information of the Company, presented in the Interim Financial Information may differ from financial information, presented in the audited annual financial statements for the year 2015.

### ***Investments illiquidity risk***

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

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

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

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

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

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

## **3.3 Risk Factors Related to the Company's Shares**

### ***The price of the Company's Shares may fluctuate significantly***

The trading prices of the Shares may be subject to significant price and volume fluctuations in response to many factors including, but not limited to:

- variations in the Group's operating results and those of other companies operating in sectors, in which the Group is active;
- negative research reports or adverse brokers comments;
- future sales of Shares owned by the Issuer's significant shareholders, or the perception that such sales will occur;
- general economic, political or regulatory conditions in Lithuania or in the sector, in which the Group is active generally; and
- price and volume fluctuations on the OMX or other stock exchanges, including those in other emerging markets.

Fluctuations in the price and volume of the Shares may not be correlated in a predictable way to the Group's performance or operating results.

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

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

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

All the Shares of the Company may be provided for sale without any restrictions (except for certain limited restrictions, described in Section *Lock-up Agreements* below) and there can be no assurance as to whether or not they will be sold on the market.

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

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

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

***There is no guarantee that the Company will pay dividends in the future***

The Company is under no lasting and definite obligation to pay regular dividends to its shareholders and no representation can be made with respect to the payment and amount of future dividends, if any. The Management's recommendations for the distribution of profit will be based on financial performance, working capital requirements, reinvestment needs and strategic considerations which may not necessarily coincide with the short-term interests of all the shareholders.

The payment of dividends and the amount thereof will be subject to the ultimate discretion of the majority of the Company's shareholders (at least 2/3 of votes, participating in the General Meeting). Furthermore, for payment of dividend as well as execution of many other actions (e. g. (i) undertaking any financial obligations under credit, financial leasing, operative lease, or other financing agreements; (ii) undertaking any obligations towards third parties under guarantee, surety, mortgage, pledge or similar undertakings; (iii) issuing loans to third parties, etc.) prior written consents of certain banks, with which the relevant credit agreements were signed, would be needed.

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

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

***Planned increase in the number of the Issuer's Shares can reduce their price and bear a dilution effect to shareholders, not participating in subscribing the New Shares***

Increase in the number of the Issuer's shares can have a negative effect on their price. After the completion of the increase of the authorised capital (provided that all 13,885,286 units of Offer Shares are subscribed for, also provided that none of the Existing Shareholders acquires the Offer Shares), the Issuer's shareholders that existed before the increase of the authorised capital will own approximately 30.57 percent of the Issuer's shares, i.e. the shareholdings of the present shareholders of the Company, in case they do not participate in the subscription, would decrease by 69.43% of their shareholding they had in the total capital of the Company.

***The Offering may be delayed, suspended or cancelled; the Investors are not guaranteed that they will be allotted the number of Offer Shares to be subscribed by them, if at all***

Public offerings are subject to various circumstances independent from the Company. In particular, the demand for the Offer Shares is shaped by, among others, investors' sentiment toward sector, legal and financial conditions of the Offering. In case such circumstances would have adverse impact on the results of the Offering, the Issuer may decide to delay, suspend or cancel the Offering (for further details see Section 5.6 *The Offering and the plan of distribution – Cancellation, Suspension or Postponement of the Offering*). Consequently, the investors may be unable to successfully subscribe for the Offer Shares and payments made by investors during the Offering, if any, may be returned without any compensation.

The same consequences (return of the Investors' funds or part thereof without any compensation) may arise, in case the respective Investor will be allotted lesser number of Offer Shares, than the number, subscribed by it or in case it is not

allotted any Offer Shares at all. The Offer Shares after allocation thereof to the Existing Shareholders as indicated in Section 5.6 *The Offering and Plan of Distribution*, will be allotted to the Investors at an absolute discretion of the Issuer and the Offering Broker, i.e. the total number of the Offer Shares allotted to the Retail Investors and the Institutional Investors, as well to the Existing Shareholders, including a concrete number of Offer Shares, allocated to any individual Investor, will be determined by the Issuer with the Offering Broker at their absolute discretion (subject to certain exceptions with regards to the Existing Shareholders, participating in the Offering as indicated in the aforementioned Section).

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

#### ***Legal requirements and regulations of the markets, in which the Group operates, may be changed***

The Group's business and sales both in the local and foreign markets are influenced by the policy of relevant states, as well as by present and future decisions regarding regulation, taxation, customs, product marking and similar issues.

If the Group fails to adapt itself in time to new requirements of legal acts or decisions regulating issues specified above, fines may be imposed, the Group's activities may be restricted, etc., which can have a relevant effect on its activities and business prospects, call for unexpected expenses necessary for fulfilment of certain obligations or for payment of fines.

Besides, in case of changes in legal acts or the state taxation policy with regard to equities, the attractiveness of the Company's Shares may change. And this may lead to reduction of liquidity and/or the price of the Company's Shares.

#### ***Issuer does not fully comply with the OMX Corporate Governance Code***

The Issuer does not fully comply with the OMX Corporate Governance Code: it has not formed the Nomination and Remuneration Committee, the collegial bodies of the Issuer do not conduct the assessment of their activities every year, no public statements are made regarding the Company's remuneration policy, etc. (exhaustive information about its compliance with the Code is given in Appendix 2 of the consolidated annual report of the Former parent company for the year 2014).

#### ***Tax contingencies and uncertain tax positions***

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

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

Following the decision of the General Meeting of the Company, dated 10 April 2015, it was *inter alia* decided to reorganize the activities of the Company so that it would operate as the closed-end investment company under the Law of on Collective Investment Undertakings.

The Company intends to apply for a closed-end investment company license, to be issued by the LB. If the licence is issued, this would lead to changes in the protection of Company's shareholders and certain operating restrictions, as established in the Law on Collective Investment Undertakings, e.g. the Shares of the Company will be replaced with investment units, the Company will be entitled to invest the managed funds, certain limitations of the applicable laws shall be applied to the Company with regards its investments, their diversification, etc. Furthermore, the Company's operating expenses might be increased because of the requirements to conduct periodic property's assessment, protect the Company's property in the depository and other.

## IV INFORMATION ABOUT THE ISSUER

### 4.1 Statutory Auditors

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

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

The Interim Financial Information was neither audited nor subject to reviewed by an independent auditor.

### 4.2 Selected Financial Information

Selected financial information for the periods ended 31 December 2014 and earlier for convenience purposes is converted from Litas (LTL) to Euro (EUR) at official exchange rate of LTL 3.4528 to EUR 1.

The following tables disclose selected financial information of the Company (EUR thousand) as of 31 March 2015 (derived from quarterly interim reports for the period ended 31 March 2015, incorporated by reference in this Prospectus). The Company considers that after the merger it continues activities of INVL Technology AB (Former parent company) as investment subject. Thus, the interim comparative financial information for the period ended 31 March 2014 is of former INVL Technology AB, which ceased to exist after the merger.

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

	31 March 2015	31 December 2014
<b>ASSETS</b>		
Non-current assets	15,135	7,828
Current assets	354	25
<b>Total assets</b>	<b>15,489</b>	<b>7,853</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>11,801</b>	<b>7,847</b>
Non-current liabilities	1,174	-
Current liabilities	2,514	6
<b>Total liabilities</b>	<b>3,688</b>	<b>6</b>
<b>Total equity and liabilities</b>	<b>15,489</b>	<b>7,853</b>

Source: Interim Financial Information

Non current assets and equity of the Company increased during the merger between BAIP grupė AB and INVL Technology AB (please see Interim Financial Information (Note 3), incorporated by reference to this Prospectus).

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

	31 March 2015
<b>Continuing operations</b>	
<b>Total revenue</b>	<b>49</b>
Operating costs	(94)
<b>Operating loss</b>	<b>(45)</b>
Costs from financial activities	(62)
<b>Profit for the reporting period before tax</b>	<b>(107)</b>
Income tax (costs)	25
<b>Net (loss) for the reporting period</b>	<b>(82)</b>

Source: Interim Financial Information

Below is presented statement of cash flows of the Company for first quarter of 2015:

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

	31 March 2015
Profit (loss) for the reporting period	(82)
Net cash flow from operating activities	(63)
Net cash flow from investing activities	(1)
Net cash flow from financing activities	41
Impact of currency exchange	-
<b>Net change</b>	<b>(23)</b>
<b>Opening balance</b>	<b>25</b>
<b>Closing balance</b>	<b>2</b>

Source: Interim Financial Information

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

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

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

Source: the Company

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

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

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

Source: the Company



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

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

	The Group		The Company	
	2014	2013	2014	2013
Profit (loss) for the reporting period	9,295	407	10,757	(281)
Net cash flow from operating activities	2,236	(273)	(11)	185
Net cash flow from investing activities	(1,239)	(218)	422	(191)
Net cash flow from financing activities	(1,248)	(79)	(352)	(5)
Impact of currency exchange	-	(87)	-	-
<b>Net change</b>	<b>780</b>	<b>(704)</b>	<b>59</b>	<b>(12)</b>
<b>Opening balance for the period</b>	<b>324</b>	<b>1,028</b>	<b>14</b>	<b>26</b>
<b>Closing balance for the period</b>	<b>1,104</b>	<b>324</b>	<b>73</b>	<b>14</b>

Source: the Company

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

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

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

Source: the Company

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

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

Source: the Company

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

	2014
Profit (loss) for the reporting period	2,892
Net cash flow from operating activities	(21)
Net cash flow from investing activities	120

Net cash flow from financing activities	(74)
Impact of currency exchange	-
<b>Net change</b>	<b>25</b>
<b>Opening balance for the period</b>	<b>-</b>
<b>Closing balance for the period</b>	<b>25</b>

Source: the Company

### 4.3 Information about the Group

#### 4.3.1 History and Development of the Group

Legal name of the Issuer	public limited liability company "INVL Technology"
Commercial name of the Issuer	INVL Technology AB
Place of registration of the Issuer (registered office)	Gynėjų str. 16, Vilnius, Lithuania
Corporate ID code of the Issuer	300893533
Legal form of the Issuer	public limited liability company
Legislation under which the Issuer operates	Lithuanian
Country of incorporation of the Issuer	Republic of Lithuania
Date of incorporation of the Issuer	27 June 2007
Telephone number	+370 5 219 1919
Fax number	+370 5 219 6533
Email	<a href="mailto:technology@invaldalt.com">technology@invaldalt.com</a>
Internet address	<a href="http://www.invltechnology.lt">www.invltechnology.lt</a>

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

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

On 18 December 2014 under the Shareholders' Agreement of 26 November 2014 (for more information on this agreement please see Section 4.20 *Material Contracts*) and the respective decision of the General Meeting BAIP grupė UAB status was changed to public joint stock company BAIP grupė AB. At the same time the authorized capital of BAIP grupė AB was increased to approx. EUR 1.765 million and new share issue of approx. EUR 316.463 thousand was acquired by the shareholders of BAIP grupė AB while INVL Technology AB (the Former parent company) stake in the Company was reduced from 80 percent to 65.65 percent.

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

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

On 7 April 2015 Norway Registers Development AS signed an agreement for acquisition of the new share issue of Etronika UAB – the company creating e-banking, e-commerce and mobile signature solutions. Total investment into the company will amount up to EUR 400 thousand, including loans to Etronika UAB. The transaction will be closed as soon as all the necessary legal approvals are granted.

The General Meeting of the Company, dated 10 April 2015, authorized the management to apply to the LB for issuance of the closed-end investment company license. Upon issuance of this licence the Company will become similar to investment fund. It was decided that management of the Company will be transferred to INVL Asset Management AB – a licensed asset management company, controlled by the subsidiary of one of the largest investment and asset management companies in Lithuania Invalda INVL AB.

Planned term of closed-end investment company – 10 years, investment period – 5 years, after lapse of which the proceeds from sale of the portfolio companies will be returned to shareholders of the Company. Planned management fees that shall apply for the fund: 2% of capitalization and 20% success fee of return in excess of 8% hurdle rate. Closed-end funds are regulated by the LB and governed by the Law on Collective Investment Undertakings.

#### **4.3.2 Investments**

As such, the Company does not invest in capital items. Key investments of the Company are investments into its Portfolio companies, which are described below.

##### **General information**

Hereby please find the information on the Company's investment in non-current assets (financial, tangible and intangible) during the financial years 2012 – 2014 and the budgeted investments in for the future periods. The exact investment amounts will depend on the funds raised during the Offering and the list of possible investments is described in Section 5.4 *Reasons for the Offering and Use of Proceeds*.

##### **Financial assets**

Investments made into financial assets comprised the largest share of the Company's total acquisitions during 2012 – 2014. Information on the Company's original acquisition cost of investments is provided in the table below (gross investment denotes the investments at fair value).

In 2011 the Company's major financial investment was the acquisition of 100% of Norway Registers Development AS (NRD Group), which in Lithuania owned 70.73% of shares in NRD UAB. The acquisition price, including the transaction costs, was EUR 1,245 thousand (LTL 4,298 thousand) acquisition and it was financed by the main shareholder's of the Company at that time Invalda INVL AB.

In 2012 NRD UAB acquired 0.65% of its own shares for EUR 4 thousand (LTL 13 thousand). Additionally acquired shares were valued at EUR 5 thousand (LTL 17 thousand).

In 2013 Norway Registers Development AS acquired 5.27% of shares in NRD UAB for approx. EUR 58 thousand (LTL 200 thousand). The value of additionally acquired interest amounted to approx. EUR 56 thousand (LTL 194 thousand).

In April 2013 the Company acquired 70% of shares in 360° Smart Consulting Ltd (current name Norway Registers Development East Africa Ltd.) for EUR 3 thousand (LTL 12 thousand) in order to implement the projects carried out by the segment of information technology infrastructure in Tanzania as local resident of the state. Subsequently the name of this company was changed to Norway Registers Development East Africa Limited.

In August 2013 the Company established a new Subsidiary NRD CS UAB, providing cybersecurity services by investing EUR 2.9 thousand (LTL 10 thousand) into its share capital. In October 2014 the Company increased the share capital of its Subsidiary NRD CS UAB to EUR 87 thousand (LTL 300 thousand). The share capital increase was financed by the main shareholder of the Company at that time Invalda INVL AB.

On 24 March 2015 the Company announced that its Subsidiary Norway Registers Development AS (NRD AS) signed the Shareholders' Agreement of Infobank Uganda Limited. NRD AS owns 30 percent of shares of this company.

On 3 April 2015 NRD AS signed an agreement for acquisition of 80 percent of newly issued shares in Etronika UAB, which develops electronic banking, mobile signature, electronic transport tickets, and retail software solutions. Total investments, including loans to Etronika UAB, will amount up to EUR 400 thousand.

On 21 May 2015 NRD AS decided to invest UGX (Uganda shillings) 24 million (about EUR 7.2 thousand) into the capital of Infobank Uganda Limited, in which it owns 30 percent stake.

The Company has invested into the following Portfolio companies, which until the change of the status of the Company to investment entity, comprised the Group (the "Group").

For more information on possible future investments of the Company, please see Section 5.4 *Reasons for the Offering and Use of Proceeds*.

**Table 10. Information on the Company's (formerly BAIP grupė AB) share of the capital held as of 31 December 2014 and 2013**

Company (the year of acquisition)	Registration country	31 December 2014	31 December 2013	Main activities
		Share of the stock held by the Group (%)	Share of the stock held by the Group (%)	
Informatikos pasaulis UAB (2007)	Lithuania	100	100	Information technology solutions
Vitma UAB (2007)	Lithuania	100	100	Information technology solutions
BAIP* UAB (2007)	Lithuania	100	100	Information technology solutions
Acena UAB (2008)	Lithuania	100	100	Information technology solutions
Norway Registers Development AS (2011)	Norway	100	100	Information technology solutions
NRD* UAB (2011)	Lithuania	76.50	76.50	Information technology solutions
Norway Registers Development East Africa Ltd (2011)*	Tanzania	70	70	Information technology solutions
Infobank Uganda Ltd. (2014)	Uganda	30	-	Information technology solutions
NRD CS UAB (2013)	Lithuania	100	100	Information technology solutions

Source: the Company

\* indirectly owned Subsidiaries

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

**Table 11. Fair value of the key investments of the Company (formerly BAIP grupė AB)\***

Value of separate entities (EUR thousand)	2014
Vitma UAB, which holds 100% of BAIP UAB	12,800
Acena UAB	400
Norway Registers Development AS	700
NRD CS UAB	1,000
<b>Total</b>	<b>14,900</b>

Source: Deloitte verslo konsultacijos UAB and the Company

\*valuation was carried out by Deloitte verslo konsultacijos UAB.

Calculations for 2014 were performed by external consultants, Deloitte verslo konsultacijos UAB, code 303242008. Based on the assessment of the Company, there were no significant changes in fair value of financial assets at fair value from the date valuation up to 31 March 2015 as the results of Subsidiaries controlled by the Company were as budgeted and there were no significant changes in the activities of Subsidiaries. Thus, fair values of separate entities as of 31 March 2015 equals to those as of 31 December 2014.

### Tangible assets

The Company's investments into tangible assets have been immaterial during financial years 2012-2014. Due to the business model specifics, the Company does not plan to invest into tangible assets during financial year 2015.

### Intangible assets

During the financial years 2012 – 2014, the Company's investments into intangible assets have been immaterial and consisted of update of the software in use.

## 4.4 Business Overview

### 4.4.1 Principal Activities

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

The Company also seeks to supervise economic and financial activities of Portfolio companies and sets management reporting and corporate governance standards.

Activities of the Former parent company correspond to those of the Company.

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

- **BAIP UAB** – a professional IT infrastructure services company, offering IT infrastructure strategy and architecture solutions. It also supplies hardware and software, needed for the implementation of solutions, and offers IT security and critical IT infrastructure maintenance services. This company delivers cloud and supercomputing services, it also specialises in large scale system design, implementation and maintenance.
- **Acena UAB** – Microsoft licensed company, which has achieved the top Microsoft Gold Certified Partner status. The main services of this company are Microsoft software licensing consulting, software asset management, collaboration and messaging solutions and cloud services. Additionally, Acena UAB supports the Company's initiatives in other parts of the world.
- **Norway Registers Development AS** – the company possess broad and in-depth competence in building business enabling environments. These include legal review, legal drafting and all technical and organizational issues related to registration of business enterprises, secured transactions and intellectual property rights. NRD's capacity is composed by highly competent lawyers, specialists in institutional and capacity building, register infrastructure and IT specialists, thus constituting top level competence on all aspects of business enabling frameworks. NRD's fields of experiences cover the complete range of activities from the raising of awareness and political commitment, project designing and preparations, institutional building and training, system development, implementation support and execution as well as register operation, operational support and maintenance. The represents the portfolio of BAIP grupė AB services and implements projects financed by the World Bank, the United Nations, Norwegian government organisations and other international donors. The main clients of NRD are business registration and mortgage registration organisations, tax inspectorates, centralised public procurement agencies, central banks, intellectual property protection organisations and courts.
- **NRD UAB** – Lithuanian information systems design and development company, specializing in the designing, development and implementation of legal, institutional and operational framework supporting business enabling environment and the management of property rights governed by law. NRD UAB services and experiences cover consultancy, institutional building and training, system designing and implementation and operation services and planning for the establishing an operation of effective infrastructures to support property rights, to provide a regulatory framework for business activities and to support the operation of market oriented financial services. Main clients of this company, similarly to Norway Registers Development AS, are state institutions such as State Tax Inspectorate under the Ministry of Finance, Lithuanian Central Mortgage Office, National Paying Agency as well as financial institutions, largest hospitals and business organisations.
- **Norway Registers Development East Africa Ltd.** – Norway Registers Development East Africa Ltd. (formerly 360° Smart Consulting Ltd.) is a Subsidiary company, registered in Tanzania, supporting NRD and BAIP grupė AB operations in East Africa. It operates in the field of security for digital environment as a local branch of a Norwegian company, Norway Registers Development AS. The company takes the best of Norwegian IT sector know-how and combines it with the knowledge of Tanzanian business environment and its needs. Norway Registers Development East Africa Ltd. provides tailor-made professional services that include but are not limited to cyber defence, IT infrastructure and resilience, IS governance and IT governance services. In addition, this company is actively involved in the improvement of business climate in the East African Community. Furthermore, the company assists other organisations investing in East Africa in the creation, development, maintenance and security of their information technology infrastructure.
- **NRD CS UAB** – designs and implements early warning systems and modern e-crime and fraud management platforms (central IT forensics labs, digital surveillance), consults and develops cyber security capabilities of specialized organisations, provides incident response services. In addition to specialized services, this company also provides cyber security consulting, intrusion prevention services, performs security audits, compliance and risk assessments, designs and implements technologies for information system security and provides training for corporate information security departments. NRD CS UAB main clients are specialized service providers: the courts, the police, national communication regulators and corporate information security departments in Europe, East and Central Africa and Southeast Asia. The company also works as a cyber-security centre of excellence for Norway Registers Development AS, BAIP UAB and Norway Registers Development East Africa Ltd.
- **Infobank Uganda Ltd.** – Norway Registers Development AS started activities in Uganda, where together with local partners established a company Infobank Uganda Ltd. and currently manages 30 percent of its shares. It intends to work with different registries which are currently largely paper based, and provide registries information

to financial sector clients via electronic system. Innovative solutions will allow businesses to obtain the required information, use remote services to order and receive information, order official documents and use a spectrum of electronic services despite paper based registries being in operation.

In the nearest future there are plans to apply to the LB for issuance of the licence of the closed-end investment company. Upon issuance of this licence the Company will become similar to investment fund.

#### **4.4.2 Principal Markets**

##### **IT market**

According to the analysis 2015 Technology Industry Trends, prepared by Strategy&<sup>7</sup>, information technology market is working on a constantly shifting landscape. Recently volatility has increased even more and companies are taking actions to secure their financial position as there are strong threats lurking in the market from disruptive and often well-funded start-ups as well as aggressive competitors. In-depth analysis of the analysts shows that in tech industry in almost all situations revenue sources are the key element for a long-term sustainable growth, while focusing on internal margins improvement gives only short-term results which do not translate into definite survival of the company in the longer future. The analysis was performed based on the data of 47 tech industry companies using a concept called relative value of growth (RVG) introduced in 2005 in the Harvard Business Review<sup>7</sup>. The results show that majority of analysed companies had the ratio of 3 which means that 1% increase in revenue translates in 3 times as much of increase in shareholder value than from 1% increase in profit margin.

Trend in the market dictated by customers is to provide them with ever increasing amount of services for every possible situation as they require flexibility. Sector including computing platforms, applications and remotely delivered infrastructure still represents a rather small share of the whole software market, however, growth rates are tremendous. In that case work on long-standing customer relations is the key for a company as well as to employ the latest technologies possible enabling their customer to reach the cutting edge of performance. One of the most visible and significant examples of market shifts is enterprise cloud market, which is expected to grow exponentially from USD 70 billion in 2014 to USD 250 billion in 2017.

##### **IT mergers & acquisitions market**

Complementary to IT market in general for the Issuer it is important to look and analyse development of the IT sector Mergers & Acquisitions market in North and Central Eastern Europe. For the period from the beginning of 2013 to the end of April 2015 clear growing trend can be observed. In 2013 according to Mergermarket research<sup>8</sup> there were 60 disclosed transactions value of which totalled EUR 2.2 billion, however, three biggest transactions accounted for more than EUR 1.6 billion in value. Therefore, most of the transactions in 2013 in terms of value were rather small worth around EUR 6 – 12 million each. In 2014 a significant increase occurred both in terms of the number of transactions and overall size. Number of transactions almost doubled to 110 and the overall size grew more than 5 times to EUR 11.9 billion, three biggest of which amounted to EUR 3.6 billion and other transactions raging in a wider spread of value. Finally, during the most recent period, during the first 4 months of 2015, the number of disclosed transactions reached 17 while the overall size was more than EUR 3 billion. However, the major share of amount came from a single transaction, where Canon Inc. acquired Axis AB for EUR 2.4 billion, while other transactions spreading around EUR 10-15 million.

Analysing this market from trading multiples perspective similar patterns can be observed. Taking into consideration EBITDA multiples the median multiple in 2013 was only 8.0x while in 2014 it rose to 9.7x and in the beginning of 2015 even to 17.3x. Going further to EBIT multiples trend is the same from 15.0x in 2013 to 18.3x in 2014 to finally 32.1x in the beginning of 2015. However, going to the bottom line earnings multiples show different patterns as in 2013 median earnings multiple was 44.9x which then in 2014 dropped to 26.3x bouncing back to the similar level of 2013 – 43.4x in the beginning of 2015. Therefore, conclusion from the numbers can be drawn that IT sector M&A market activity has been gradually rising from 2013 to the beginning of 2015 and trading multiples have been moving towards the same direction. At the time of the Prospectus there are no signs visible for the Management of the Company of turnaround in these trends.

##### **Baltics IT market**

According to the semi-annual market research conducted by Prime Investment<sup>9</sup> in 2013, sales of IT services in Baltic countries grew by 8.7% on annual basis. There was a sharp discrepancy between different companies because some of them were growing in double digits while others were declining. Leading companies in terms of growth rate were DEAC, BAIP grupė AB (currently the Company) and Elsis Group.

During the year the average value added per employee, which is calculated by summing EBITDA and total personnel cost of all company activities and then dividing the number by the average number of employees, was EUR 36.5 thousand per employee and grew by 7.4% compared to 2012. Fourteen out of fifteen companies participating in the survey increased average value added per employee. This was achieved by different means because two thirds of the

<sup>7</sup> <http://www.strategyand.pwc.com/perspectives/2015-technology-trends>

<sup>8</sup> <http://www.mergermarket.com/Common/Mergermarket/Deals/Average/Multiples.aspx>

<sup>9</sup> Prime Investment. (2014) Baltic IT Market News



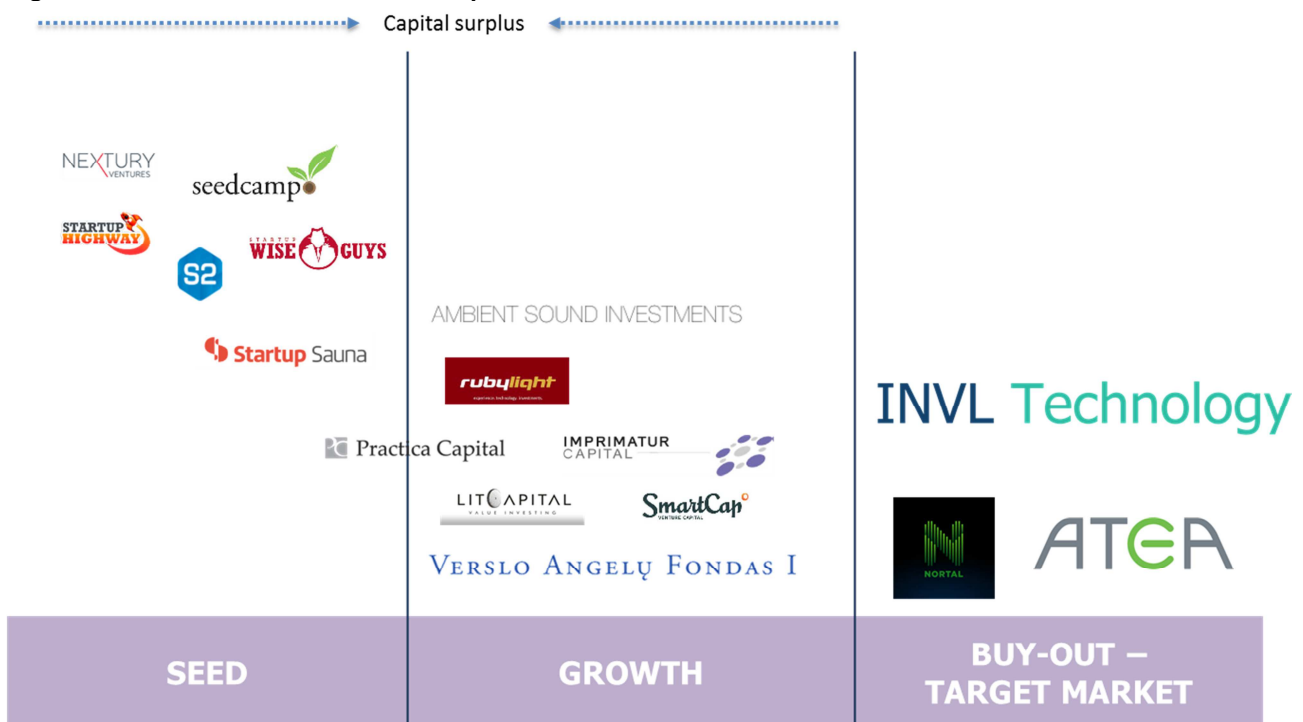
companies increased number of employees while others performed a downsizing. The net increase in total number of employees of surveyed companies was 75 employees or 2%.

Share of exports in total revenue of IT companies differs among different countries. As it has been the case historically Estonia is leading with 56% of revenue coming from export, on the opposite side Lithuanian companies are mostly focused on home market export amounting only to 18% of total revenue. Overall tendency shows that export share shrinks when measuring all Baltic countries together because in Estonia it dropped from 62% in 2012 to 56% in 2013 while in other two countries was stable.

### Baltics IT mergers & acquisition market

Baltics IT mergers and acquisition market is mostly active in seed and growth capital segments. There are quite a number of angel investors and venture capital funds, seeking to fund promising technology start-ups. According to the estimates of the Management, in this part of the market demand currently exceeds supply, as illustrated in the picture below.

**Figure 1. Baltic ICT transactions landscape**



Source: the Company

According to the Management's estimates, in buy-outs phase, competition for transactions is less intense – there are only few serial acquirers, like Atea Baltic (subsidiary of Oslo listed company Atea), focusing on IT infrastructure segment of the market and completing several transactions each year, and Nortal, which focuses on software companies. Nortal is funded by largest Central and Eastern Europe private equity group Enterprise Investors.

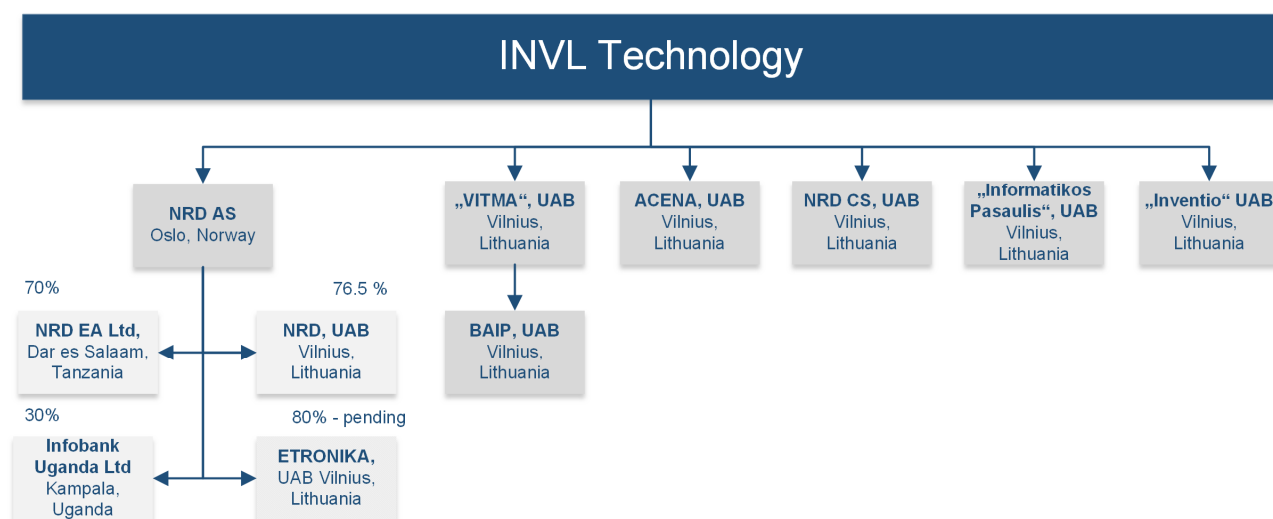
As the companies in the Baltics are quite small, there are only a few transactions with a value exceeding EUR 3-5 million, which fall under the radar of international M&A monitoring agencies like Mergermarket or Bloomberg.

### Other markets, in which the Subsidiaries are active

Subsidiaries of the Company are also active in East Africa and South East Asia. Subsidiaries mainly participate in the projects, financed by supra-national donor organizations (World Bank, International Finance Corporation, United Nations, etc.) and by the Government of Norway. The Subsidiaries usually participate in tenders within the countries, where donor organizations provide support and local market analysis is performed only on a case by case basis. Further participation in foreign markets will be driven by foreign policy of Norway as well as by policies of donor organizations.

## 4.5 Organisational Structure

Figure 2. Group's structure as of the date of the Prospectus



Source: the Company

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

The Company together with the Subsidiaries form a Group of companies, as indicated below.

Table 12. Shareholdings of the Company, held in the Subsidiaries as on the date of the Prospectus

Company of the Group	State of registration	Status	Amount of shares and votes, held by the Company (%)
Vitma UAB	Lithuania	Subsidiary	100
BAIP UAB	Lithuania	Subsidiary	100 <sup>(*)</sup>
Acena UAB	Lithuania	Subsidiary	100
NRD CS UAB	Lithuania	Subsidiary	100
Norway Registers Development AS	Norway	Subsidiary	100
NRD UAB	Lithuania	Subsidiary	76.5 <sup>(**)</sup>
Norway Registers Development East Africa Limited	Tanzania	Subsidiary	70 <sup>(**)</sup>
Infobank Uganda Limited	Uganda	Affiliate	30 <sup>(**)</sup>
Informatikos pasaulis UAB	Lithuania	Subsidiary	100
Inventio UAB	Lithuania	Subsidiary	100

Source: the Company

\* The indicated shares are held by Vitma UAB, i.e. by the 100% Subsidiary of the Company.

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

The main registration data on the Company and the Subsidiaries are provided below:

Table 13. Registration information of the Company and of the Subsidiaries

Name of the company	INVL Technology AB
Legal form	public limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	300893533
Date of incorporation	27 June 2007
Registered address	Gynėjų str. 16, Vilnius, Lithuania

Name of the company	Vitma UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	121998756
Date of incorporation	25 June 1993
Registered address	A. Juozapavičiaus str. 6, Vilnius, Lithuania

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

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

<b>Name of the company</b>	NRD CS UAB
<b>Legal form</b>	Private limited liability company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	303115085
<b>Date of incorporation</b>	6 August 2013
<b>Registered address</b>	Gynėjų str. 16, Vilnius, Lithuania

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

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

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

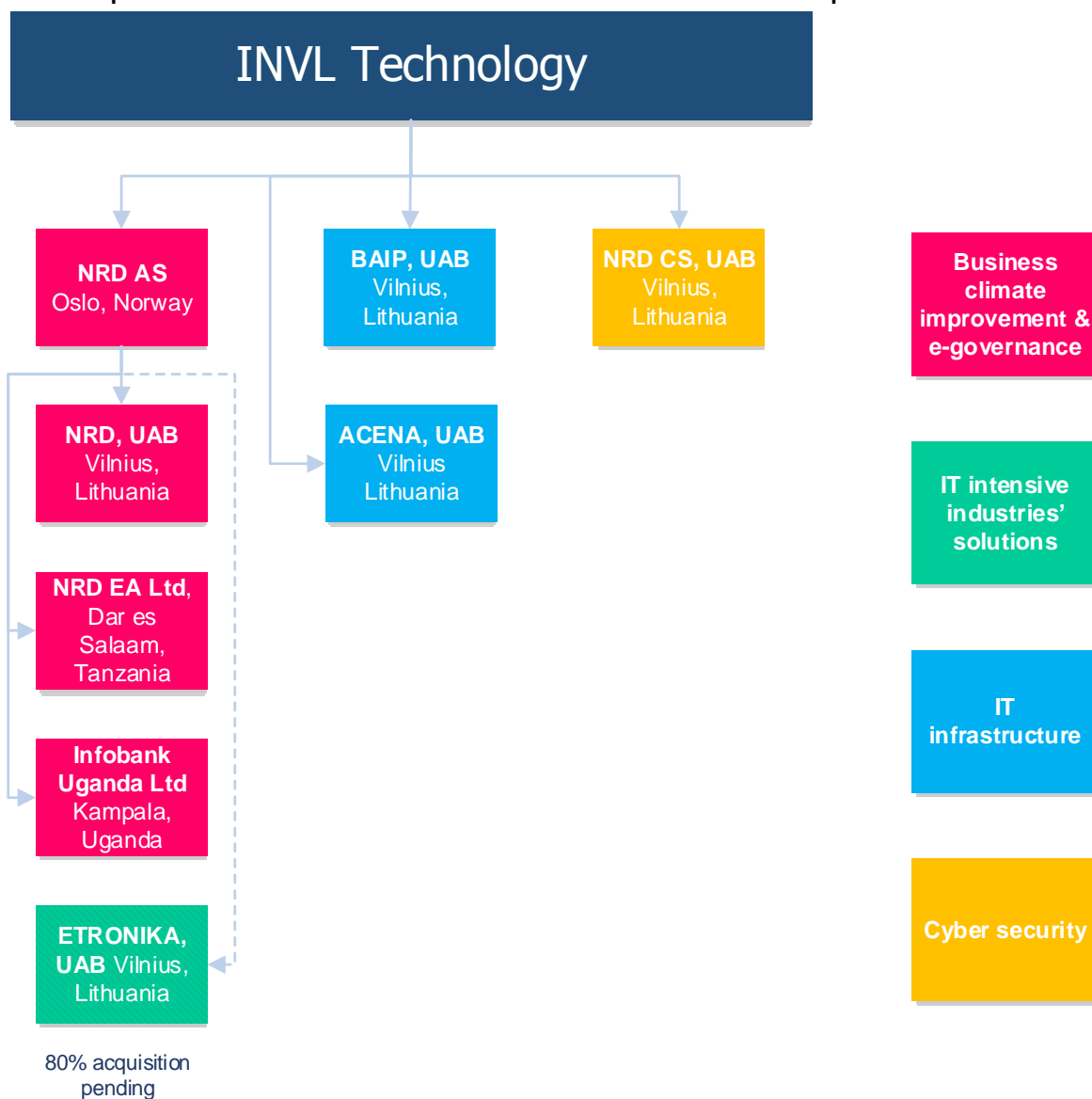
<b>Name of the company</b>	Infobank Uganda Limited
<b>Legal form</b>	Private Limited Company
<b>Country of incorporation</b>	Republic of Uganda
<b>Administrator of the register</b>	Uganda Registration Services Bureau
<b>Code</b>	193144
<b>Date of incorporation</b>	3 December 2014
<b>Registered address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

<b>Name of the company</b>	Inventio UAB
<b>Legal form</b>	Private limited liability company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers

<b>Code</b>	303252340
<b>Date of incorporation</b>	27 February 2014
<b>Registered address</b>	Šeimyniškių str. 1A, Vilnius, Lithuania
<b>Name of the company</b>	Informatikos pasaulis UAB
<b>Legal form</b>	Private Limited Liability Company
<b>Country of incorporation</b>	Republic of Lithuania
<b>Administrator of the register</b>	State Enterprise Centre of Registers
<b>Code</b>	126396718
<b>Date of incorporation</b>	11 December 2003
<b>Registered address</b>	A. Juozapavičiaus str. 6, LT-09310 Vilnius, Lithuania

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

**Figure 3. Principal activities of Subsidiaries of the Issuer as of the date of the Prospectus**

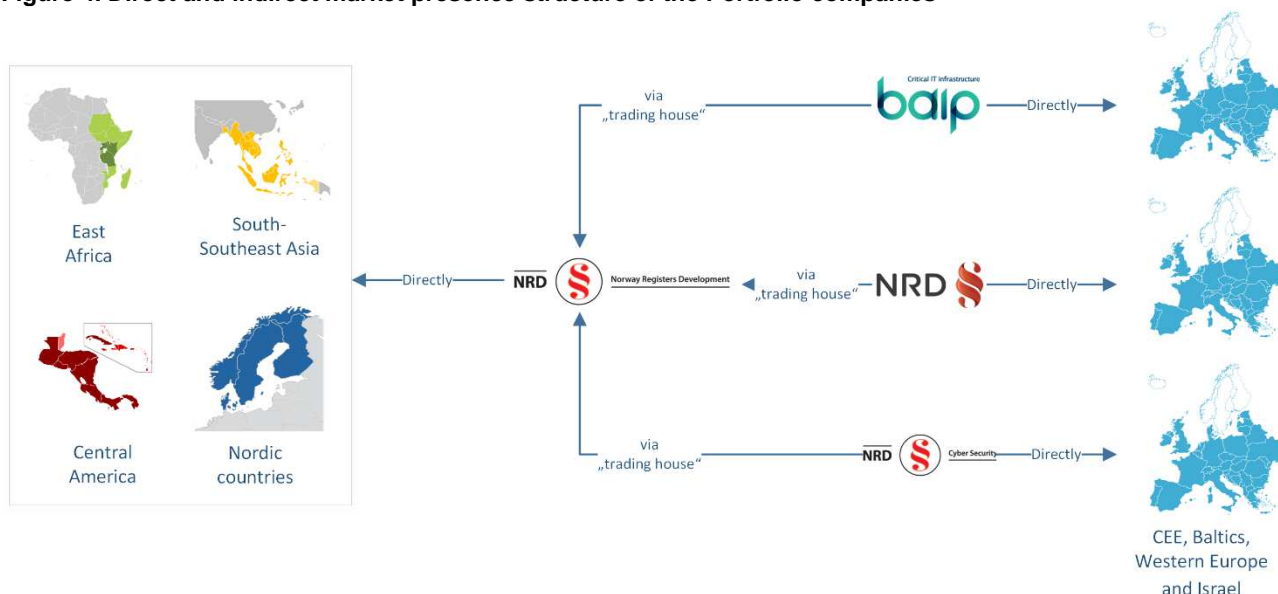


Source: the Company

BAIP UAB, NRD UAB and NRD CS UAB directly operate in the Baltics, Western, Central and Eastern Europe as well as in Israel. Norway Registers Development AS operates and implements projects in the Nordics, East Africa, South and Southeast Asia, Central America and acts as a “trading house” for other Group companies. NRD AS involves other Group companies in its projects, performs marketing activities, promotes their brands, gives access to the local customer

network and delivery channels as well as implements non-competing policies among the Group. The figure below demonstrates direct and indirect market presence structure of the Group companies.

**Figure 4. Direct and indirect market presence structure of the Portfolio companies**



Source: the Company

#### 4.6 Property, Plants and Equipment

The Company does not have material property, plants and equipment. The Company's main assets consist of computers and office equipment. Computer and office equipment are owned by the Company, are not rented or leased. As of 31 December 2014, the net value of property, plant and equipment on the Company's statement of the financial position was EUR 5 thousand. The Company believes that its properties are adequate for its present needs and suitable additional replacement space would be available to the extent required.

#### A description of any environmental issues that may affect the Issuer's utilisation of the tangible fixed assets

The Company is not aware of such issues.

#### 4.7 Operating and Financial Review

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

##### 4.7.1 Financial Condition

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

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

#### Reorganisations, cost savings and efficiency improvements

On 9 February 2015 the Company was reorganised. During the Reorganisation INVL Technology AB, which ceased to exist after the merger, was merged to BAIP grupé AB, which continued after the reorganisation and the name of which was changed to INVL Technology AB. The reorganisation improved the structure of the Company in order to become suitable for becoming a closed-end fund. The Company continues to operate as investing entity. Though reorganisation did not result in significant cost saving, the Company expects that current legal form (and the planned future legal form) will allow creating effective management structure, which should also allow operating the Issuer and its Portfolio companies in most effective manner, increasing the value of investments (for the expected management structure, which will be implemented by the Company after issuance of licence of closed-end investment company, please see Section 4.12.1 *Management Structure of the Company*). Impact of the reorganisation is disclosed in Note 3 of the Interim Financial Information incorporated by reference in this Prospectus.

## **Acquisitions and divestments**

In addition to the investments listed in the Section 4.3.2 *Investments* hereof, the most recent acquisition is the acquisition of 80 percent of Etronika UAB – the company creating e-banking, e-commerce and mobile signature solutions. The agreement to acquire the indicated shareholding of the company was signed on 7 April 2015 and the transaction will be finalized as soon as all the necessary legal approvals are granted.

## **Competition and bidding for projects**

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

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

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

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

## **Seasonal fluctuations**

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

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

## **Project management**

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

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

## **Subcontractors**

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

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

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

## **Impairments and write-offs**

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

## **Composition of operating expenses**

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



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

During last two years, the Company and the Group (Portfolio companies) were mainly funded by the related parties (for more information please see Section 4.8 *Capital Resources*). Effective rate on borrowings from related parties was between 9 and 11 percent during the years 2014 and 2013.

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

## **Currency exchange rate fluctuations**

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

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

## **Customer claims**

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

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

NRD AS, a Portfolio company controlled by the Issuer, has signed an agreement for investment into Etronika UAB, which develops electronic banking, mobile signature, electronic transport tickets, and retail software solutions.

NRD AS plans to invest into new share issue of Etronika UAB and acquire 80 percent of its shares. Total investments, including loans to Etronika UAB, will amount to up to EUR 400 thousand.

Investment into Etronika UAB corresponds to the strategy of the Company. Etronika UAB will be able to use the competences of the Portfolio companies and value development practices. Products, reputation and potential of Etronika UAB will complement NRD AS portfolio and strengthen the synergy between these companies. For more information on the investment into Etronika UAB please see Section 4.3.2 *Investments*.

Other planned acquisitions are also described in the Section 5.4 *Reasons for the Offering and Use of Proceeds*.

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

### **4.7.2 Operating Results**

As of the date of this Prospectus the results of the Company are not comparable as in the years 2014 and 2013 BAIP grupė AB acted as a holding company, providing management and accounting services to its Subsidiaries. In 2014, after change of the status of the Company to investment entity, the Issuer recorded a one-off gain from measurement its investments to fair value in the amount of EUR 10,487 thousand (LTL 36,209 thousand) for the year 2014.

Operating results of the Former parent company are available for one year only, as the Former parent company was established after spin-off from the Invalda LT AB (currently Invalda INVL AB), as described in Note 5 in annual financial statements of the Former parent company for the year ended 31 December 2014.

The Company was created after merger of two companies – BAIP Grupė AB and INVL Technology AB (Note 3 in the Interim Financial Information).

As the Company continues activities, which allow the Company to comply with requirements of IFRS 10, applicable to investment subject, the comparative figures are provided of the Former parent company, which was merged to BAIP grupė AB, as disclosed in the Interim Financial information.

During three month period ended 31 March 2015, the Company was engaged in the merger as described above, which was one of key events during the first quarter of 2015.

Based on the assessment of the Company, there were no significant changes in fair value of financial assets at fair value from the date valuation up to 31 March 2015 as the results of Subsidiaries controlled by the Company were as budgeted and there were no significant changes in activities of Subsidiaries (Note 4 of the Interim Financial Information).

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

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

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

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

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

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

Largest investments of the Company currently are companies in Lithuania, Norway and Tanzania: 100 percent of shareholdings in BAIP UAB, a critical IT infrastructure services company, Microsoft licensing company Acena UAB, Norway Registers Development AS, operating in Norway together with its Lithuanian information systems design and development company NRD UAB as well as its daughter company in Tanzania Norway Registers Development East Africa Ltd, and specialized cyber security company NRD CS UAB.

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

## Financial results

Below are presented the key items about the Company's investments, which are not presented in the Company's separate or consolidated financial statements for the three month period ended 31 March 2015 and years 2014 and 2013:

**Table 14.**

EUR thousand	BAIP UAB		Acena UAB		NRD group		NRD CS	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<b>Key PL items</b>								
Revenue	2,325	2,183	103	66	686	675	89	268
EBITDA	143	332	(24)	(1)	73	(34)	(86)	22
EBIT	94	266	(24)	(1)	63	(51)	(90)	21
Net Profit (Loss)	152	311	(24)	(1)	55	(32)	(91)	21
<b>Key BS items</b>								
Non-current assets	315	345	14	1	395	585	49	25
Current assets	5,939	5,751	177	182	2,256	1,937	164	227
<i>of which cash</i>	457	62	11	22	125	97	103	0
<b>Total assets</b>	<b>6,254</b>	<b>6,096</b>	<b>191</b>	<b>183</b>	<b>2,651</b>	<b>2,522</b>	<b>213</b>	<b>253</b>
Equity	3,080	2,617	71	124	1,299	1,095	18	24
Non-current liabilities	215	197	0	0	58	110	0	0
<i>of which financial debt</i>	215	193	0	0	58	95	0	0
Current liabilities	2,959	3,282	120	59	1,294	1,317	195	228
<i>of which financial</i>	454	655	0	0	286	169	0	0

debt

<b>Total liabilities and equity</b>	<b>6,254</b>	<b>6,096</b>	<b>191</b>	<b>183</b>	<b>2,651</b>	<b>2,522</b>	<b>213</b>	<b>253</b>
<b>Net Debt</b>	<b>211</b>	<b>786</b>	<b>(11)</b>	<b>(22)</b>	<b>219</b>	<b>167</b>	<b>(103)</b>	<b>0</b>

Source: the Company, unaudited

Table 15.

EUR thousand Key PL items	BAIP UAB		Acena UAB		NRD group		NRD CS	
	2013	2014	2013	2014	2013	2014	2013	2014
Revenue	11,094	13,677	1,020	930	3,728	3,276	-	870
EBITDA	1,050	1,658	93	66	187	44	-	37
EBIT	795	1,425	92	65	43	(25)	-	28
Net Profit (Loss)	706	1,334	78	53	45	(12)	-	22
<b>Key BS items</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
Non-current assets	576	440	1	1	584	568	-	50
Current assets	5,528	6,055	487	314	1,779	1,224	3	379
of which cash	116	743	30	94	159	151	3	43
<b>Total assets</b>	<b>6,104</b>	<b>6,494</b>	<b>488</b>	<b>315</b>	<b>2,363</b>	<b>1,792</b>	<b>3</b>	<b>429</b>
Equity	2,175	2,930	111	95	1,125	533	3	109
Non-current liabilities	358	409	-	-	124	195	-	-
of which financial debt	353	409	-	-	95	82	-	-
Current liabilities	3,571	3,155	377	220	1,114	1,064	-	321
of which financial debt	807	351	-	-	50	52	-	-
<b>Total liabilities and equity</b>	<b>6,104</b>	<b>6,494</b>	<b>488</b>	<b>315</b>	<b>2,363</b>	<b>1,792</b>	<b>3</b>	<b>430</b>
<b>Net Debt</b>	<b>1,044</b>	<b>17</b>	<b>(30)</b>	<b>(94)</b>	<b>(14)</b>	<b>(17)</b>	<b>(3)</b>	<b>(43)</b>

Source: the Company, unaudited

Above information is provided for key portfolio investments by the Company, other Subsidiaries either being dormant or special purpose entities.

The following information briefly describes the financial development of the whole Group (all the Portfolio companies) in the recent years, providing additional insight as to how the financial results of the Group have developed. The Group has grown both organically, and by acquisitions of Portfolio companies. Within the below indicated period the Group managed to sustain EBITDA margin between 8 to 10 percent (except for 2012 where it dropped to 6.6 percent), and value added per employee increased to EUR 30 thousand in 2014 compared EUR 23 thousand in 2010. Further tables and graphs illustrate growth of the Group within last five years.

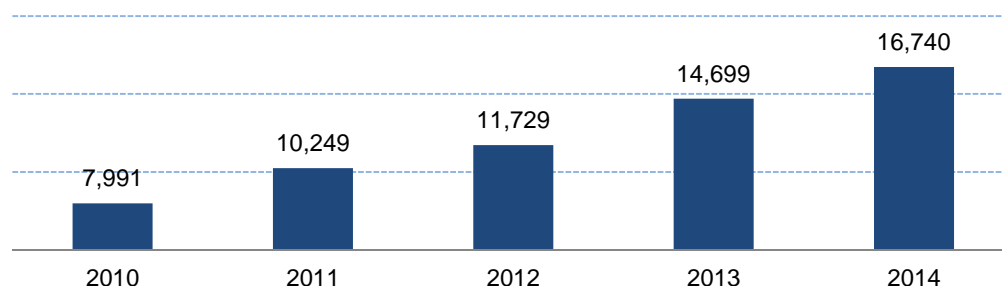
Table 16. Financial results of the Group (EUR thousand)

	2010	2011	2012	2013	2014
Sales	7,991	10,249	11,729	14,699	16,740
EBITDA	650	1,042	778	1,289	1,794
EBITDA margin, %	8.1%	10.2%	6.6%	8.8%	10.7%
Number of Employees	75	80	131	136	151

Source: the Company

The diagram below indicates the revenue dynamics of the Group.

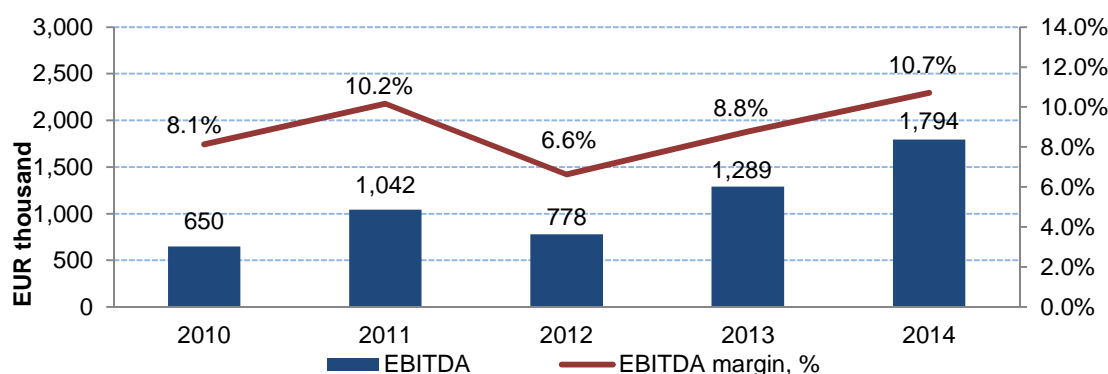
Diagram 1. Revenue dynamics of the Group (EUR thousand)



Source: the Company

The diagram below indicates the EBITDA dynamics of the Group.

**Diagram 2. EBITDA dynamics of the Group**



Source: the Company

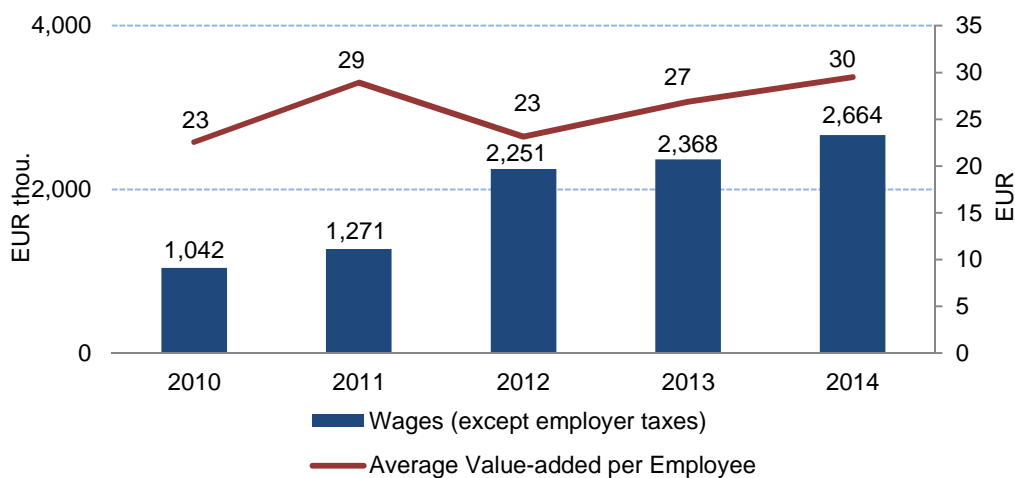
The table and diagram below indicate the data, related to human resources of the Group.

**Table 17. Human resources of the Group**

EUR thousand	2010	2011	2012	2013	2014
Wages (except employer taxes)	1,042	1,271	2,251	2,368	2,664
EBITDA per Employee	8.67	13.03	5.94	9.48	11.88
Average Value-added per Employee	23	29	23	27	30

Source: the Company

**Diagram 3.**



Source: the Company

#### 4.8 Capital Resources

Currently the Company is funded by the related parties (please see the table below).

**Table 18. Funding structure of the Company (formerly BAIP grupé AB) (EUR thousand)\***

Size of loans	2013	2014	31 March 2015
Long term loans from Invalda INVL AB	2,456	1,838	1,888
Short term loans from other shareholders	287	-	-
Short term loans from portfolio companies	1,161	1,652	1,697
<b>Total</b>	<b>3,903</b>	<b>3,491</b>	<b>3,585</b>
Equity	668	11,921	11,801
Gearing ratio**	584%	29%	30%

Source: the Company

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

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

Current indebtedness of the Company (as at 31 March 2015) is provided in Section 5.2 *Capitalisation and Indebtedness*.

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

Biggest acquisitions were funded either by debt and equity (50/50 for the acquisition of BAIP UAB, using shareholder resources) and acquisitions of NRD AS and Etronika UAB were funded by loans from Invalda INVL AB.

In the future the Company intends that finances are managed so that each portfolio entity is funded independently with the purpose for it to be easily separated, though in cases of financial distresses it can support its own entities to the extent foreseen in business plans in case of startups, while mature business should fund themselves in the market.

Future acquisitions of the Company should be funded by cash (see Section 5.4 *Reasons for the Offering and Use of Proceeds* for more details), however, bigger acquisitions with tangible assets or recurring EBITDA can be financed by the debt up to proportion of 50/50 (debt to equity).

#### **4.9 Research and Development, Patents and Licences**

Financial capital is the result of past business activities, while intellectual capital is the origin of future and financial values.

As knowledge has replaced land, labor, and physical capital as the most important factor of production, it has become the primary driver of competitive advantage in the contemporary economy. Nowadays knowledge, in its different forms, processes, and containers, is the main asset for all kinds of organizations<sup>10</sup> and for ICT companies – in particular.

The Company uses a four phase cycle to manage the knowledge-based aspects of value creation in its portfolio companies and to realize their sustainable growth. First, the intellectual capital of the companies is identified by means of comprehensive interviews and discussions with internal and external stakeholders. Second, the success factors and key experts are identified, cooperation opportunities among the Issuer's Portfolio companies are explored and a strategy is drawn up. Third, the right courses of action are shared and implemented by all parties concerned. And finally, the results are disclosed to internal and external stakeholders to gain support for the Portfolio companies' activities. The cycle is repeated to enhance sustainable growth of the companies.

The intellectual capital of the Issuer's Portfolio companies may be divided into three categories: "organizational capital" such as patents, systems and methodologies; "human capital" such as personnel, know-how and ideas; "relationship capital" such as brand, network, and relationship with customers.

Intellectual capital developed by the Portfolio companies of the Issuer is presented below.

#### **BAIP UAB**

##### ***Organizational capital***

1. CopyPrint – managed printing services with 24/7 maintenance in the Baltic countries<sup>11</sup>. CopyPrint is an exchange of printing and copying equipment into services when expenses of an organization depend on actual number of printed or copied pages. It is a service which allows standardizing and renewing the equipment, managing printing and copying processes and optimizing costs.
2. CIMF (Critical Infrastructure Maintenance Framework) is the result of tried-and-true practices, process knowledge from ITIL v.3 and ISO. CIMF was specifically designed to provide IT infrastructure maintenance, development and availability services on a highly reliable and professional level<sup>12</sup>. CIMF is a registered trade mark.
3. Methodology and model for identification and evaluation of Lithuanian Internet infrastructure's critical elements and their monitoring. Publication prepared for national telecommunications regulator<sup>13</sup> in December 2012. Lithuanian Communications Regulatory Authority initiated the evaluation of Lithuanian Internet infrastructure's criticality and resilience. BAIP Cyber Security team (currently NRD CS UAB) together with researchers from Kaunas University of Technology performed a study that provides the methodology and model for identification and evaluation of Lithuanian Internet infrastructure's critical elements and their monitoring.
4. BAIP UAB holds ISO/IEC 20000-1:2011, LST EN ISO 14001:2005, LST EN ISO 9001:2008 certifications.

<sup>10</sup> <http://www.palgrave-journals.com/kmrp/journal/v11/n2/full/kmrp20139a.html>

<sup>11</sup> <http://www.baip.lt/critical-it-infrastructure-maintenance/our-services/copyprint-full-text>

<sup>12</sup> <http://www.baip.lt/methodologies-and-tools/methodologies-overview/baip-cimf>

<sup>13</sup> <http://www.rtt.lt>

## NRD CS UAB

### **Organizational capital**

1. NRD CIRT<sup>14</sup> – Cybersecurity Incident Response Team. The first commercial CIRT in the Baltics, FIRST and Trusted Introducer members<sup>15</sup>. NRD CIRT provides emergency incident response services that include but are not limited to: Security incident investigation and handling; Digital forensics; Malware code analysis; Pro-active post-incident response activities; Secure volume storage and image retention capabilities; and Mobile Forensics. NRD CIRT cooperates with and supplements the services of the national CERT-LT, internet service providers' and intelligence CERTs. International organization FIRST unites national, commercial and academic Computer Emergency Response Teams (CERTs) around the world.
2. Federated cyber threat detection, early warning and defence system<sup>16</sup>, based on trust between organizations and philosophy of Critical Controls for Effective Cyberdefence. The system enables organizations to monitor security information and events, reliably exchange selected security information with related parties and receive information about attacks. This helps to see the attacks in a wider context, identify them more objectively and defend more effectively. The system can be applied in a particular sector (e.g. energy, government) or interconnected systems (e.g. national registers) as well as used for intelligence sharing between national CERTs and organizations. The system is created by combining the best component parts from open source and commercial products.

### **Human capital**

#### *International research publications:*

- Responding to Targeted Cyberattacks<sup>17</sup>, ISACA, ISBN 978-1-60420-337-3, May 2013.
- Transforming Cybersecurity Using COBIT 5<sup>18</sup>, ISACA, ISBN: 978-1-60420-342-4, June 2013.
- “Advanced Persistent Threats: How to manage risk to your business”, ISACA, October 2013.
- COBIT 5 and 4.1 Lithuanian<sup>19</sup>, ISACA, November 2013.
- Advanced Persistent Threats: How To Manage The Risk To Your Business<sup>20</sup>, ISACA, ISBN: 978-1-60420-348-6, November 2013.
- Risk Scenarios Using COBIT 5 for Risk<sup>21</sup>, ISACA, ISBN: 978-1-60420-468-1, September 2014.
- European Cybersecurity Implementation Series<sup>22</sup>, ISACA, August 2014.
- Cybersecurity Workforce Handbook: A Practical Guide to Managing Your Workforce<sup>23</sup>, Council on Cybersecurity, October 2014.

## **Norway Registers Development AS (NRD AS) and its Subsidiaries NRD UAB, ETRONIKA UAB, NRD East Africa Ltd**

### **Organizational capital**

#### *Framework of legal and organizational reforms and their implementation (business, property, mortgage, licenses and citizen's registries).*

NRD AS specializes in helping governments and institutions in all continents to build vital economy facilitating infrastructure and achieving relevant, measurable results. The majority of the projects are funded by multilateral development organizations, like the World Bank and the United Nations, Norwegian government organizations and other international donors.

During nearly twenty years of operation in many different countries worldwide, providing consultancy services, implementing solutions and measuring the impact of the reforms, NRD experts have developed a unique approach to the business climate improvement. Their expertise is recognized internationally<sup>24</sup> and effectiveness of NRD Framework is

<sup>14</sup> <https://www.nrdcs.lt/Managed-Services-818.html>

<sup>15</sup> <https://www.nrdcs.lt/Lithuanian-commercial-Cybersecurity-Incident-Response-Team-gained-international-recognition-809.html?articleid=300>

<sup>16</sup> <https://www.nrdcs.lt/Federated-cyber-threat-detection-early-warning-and-defence-system-940.html>

<sup>17</sup> <http://www.isaca.org/Knowledge-Center/Research/ResearchDeliverables/Pages/Responding-to-Targeted-Cyberattacks.aspx>

<sup>18</sup> <http://www.isaca.org/Knowledge-Center/Research/ResearchDeliverables/Pages/Transforming-Cybersecurity-Using-COBIT-5.aspx?cid=1001139>

<sup>19</sup> <http://www.isaca.org/Knowledge-Center/cobit/Pages/Downloads.aspx>

<sup>20</sup> <http://www.isaca.org/Knowledge-Center/Research/ResearchDeliverables/Pages/Advanced-Persistent-Threats-How-To-Manage-The-Risk-To-Your-Business.aspx>

<sup>21</sup> <http://www.isaca.org/Knowledge-Center/Research/ResearchDeliverables/Pages/Risk-Scenarios-Using-COBIT-5-for-Risk.aspx>

<sup>22</sup> <http://www.isaca.org/Knowledge-Center/Research/ResearchDeliverables/Pages/European-Cybersecurity-Implementation-Series.aspx>

<sup>23</sup> <http://www.counciloncybersecurity.org/workforce/workforce-management/>

<sup>24</sup> <http://www.csd.bg/artShow.php?id=11185>

reflected in the WB Doing Business reports. NRD AS has been involved in Rwanda<sup>25</sup>, Liberia<sup>26</sup>, Guatemala, Vietnam<sup>27</sup> and other countries – all of which witnessed an improvement in their position in the ranks.

#### *Norway Registers Development's (NRD) FINER framework*

FINER framework is a generic, platform-independent, scalable and reusable framework for registration and filing of information via the Internet, developed in collaboration with Brønnøysund Register Center and support from the Norwegian Industrial and Regional Development Fund (SND)<sup>28</sup>.

- BANKTRON – smart e-channels platform which enables financial institutions to deliver seamlessly financial services across various devices. BANKTRON is a registered trademark (acquired with acquisition of control of Etronika UAB).
- ETRONIKA Fraud Prevention System – system for monitoring and control of users' behaviour in real time, allowing recognizing and suspending fraudulent actions (acquired with acquisition of control of Etronika UAB).
- ERS – advanced smart retailing solution allowing automation of routine management operations of retail network points and offering various online services to end-user (acquired with acquisition of control of Etronika UAB).
- E-signature and m-signature solutions – PKI and wireless PKI based solutions for identity authentication and document signing.
- Business Register Prototype and Electronic Signature Services. In November 2010 NRD UAB together with Affecto Lietuva UAB started implementing the European Union supported project „Applied research and technical development in order to realize Web 2.0 web meta-programming model in SOA business systems“. According to results of research activities and findings, the universal meta-programming model of service oriented architectures (SOA) web for implementation was discovered and described and prototype of the portal according to defined meta-programming paradigm was realized<sup>29</sup>.
- NRD UAB holds LST ISO/IEC 27001:2005 (LST ISO/IEC 27001:2006) and LST EN ISO 14001:2005 certifications.

#### **Human capital**

##### *Consultative Tanzanian National Cyber security framework*

On 16 January 2014 ISACA Tanzania Chapter volunteers, together with NRD AS presented the draft Tanzanian National Cyber security Framework, targeted to bring additional practical implementation guidance for cybersecurity for Tanzanian organizations. A key objective of the Framework is to encourage organizations to consider cybersecurity risk as a priority similar to financial, safety, and operational risk while factoring in larger systemic risks inherent to critical infrastructure.

The Framework Core lists the recommended industry standards and best practices that should be implemented in an organization in order to ensure governance of cyber security and establish appropriate controls. The Framework Core is further amended for different business areas (e.g. SCADA and Industrial Control Systems security, Electronic banking and mobile payments, Critical ICT infrastructure protection, E-services) by putting additional priorities on each functional category.

In April 2014, NRD AS and Uganda Technology and Management University prepared the first joint research paper – insights on the relevance of World Bank Doing Business Reports and Recommendations for Improvement<sup>30</sup>.

Romania's "Tipping Point" Advancing the Rule of Law, Governance and Public Leadership. The Center for European Policy Analysis (CEPA), July 2014.

#### **Relationship capital**

##### *Memorandum of Understanding between NRD AS and ISACA Tanzania Chapter*

In November 2012, NRD AS and ISACA Tanzania Chapter have signed a Memorandum of Understanding<sup>31</sup> (MoU). This has put a firm base to the cooperation between NRD AS and ISACA Tanzania Chapter and the development of Consultative Tanzanian National Cyber Security Framework. The global partnership works as an advisory body that connects public and private sectors in order to ensure a safe and reliable business environment locally and internationally.

<sup>25</sup> <https://www.wbginvestmentclimate.org/advisory-services/cross-cutting-issues/conflict-affected-countries/rwanda.cfm>

<sup>26</sup> <http://www.liberianewsagency.org/pagesnews.php?nid=938>,  
<http://www.moci.gov.lr/content.php?sub=62&related=24&res=62&third=62>

<sup>27</sup> [www.nrd.no/download.php/fileid/112](http://www.nrd.no/download.php/fileid/112)

<sup>28</sup> [http://www.ecforum.org/wp-content/uploads/2013/2002%20Norway/Presentations/paul\\_farrell\\_presentation\\_crxml.pdf](http://www.ecforum.org/wp-content/uploads/2013/2002%20Norway/Presentations/paul_farrell_presentation_crxml.pdf)

<sup>29</sup> <http://www.nrd.lt/en/index.php/2012/11/24/finished-partly-from-eu-structural-support-funded-project/>

<sup>30</sup> <http://www.nrd.no/NRD-AS-and-UTAMU-prepared-the-first-joint-research-paper-insights-on-the-relevance-of-World-Bank-Doing-Business-Reports-and-Recommendations-for-Improvement-809.html?articleid=293>

<sup>31</sup> <http://www.nrd.no/Norway-Registers-Development-AS-NRD-and-ISACA-Tanzania-Chapter-have-signed-a-Memorandum-of-Understanding-MoU-on-cooperation-in-the-development-and-implementation-of-consultative-Tanzanian-National-Cyber-security-framework-809.html?articleid=266>



*Partnership between NRD AS and Uganda Technology and Management University (UTAMU) in support of economic reforms in the region*

In October 2013 NRD AS and UTAMU signed a Memorandum of Understanding (MoU)<sup>32</sup> and agreed to work together in order to support economic reforms in the region by promoting strategic ICT investment and contributing evidence based research, impact assessment reports and policy advice on specific subjects of interest, such as: investment strategy, industrial policy, business environment improvement, better regulation and public procurement, etc.

*Annual Cyber Security Conferences in Lithuania<sup>33</sup> and Tanzania<sup>34</sup> hosted since 2013*

The main purpose of the conferences is to help organizations to get up to speed in information security and create a community of IT security professionals ready to protect their networks and handle security incidents appropriately. Conferences in Lithuania and Tanzania attract more than 100 IT professionals, heads of IT departments, information security professionals, IT auditors, vendor representatives and company managers each time.

NRD East Africa, Cyber Defense Tanzania, East Africa Cyber Security and Africa Cyber Security Initiative are registered trademarks.

Apart from the above, the Issuer is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.

#### **4.10 Trend Information**

**Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year**

There are no such trends, uncertainties, demands or events.

#### **Significant negative changes, related to the perspective of the Issuer**

The Issuer confirms that as from the date of announcement of the last financial statements, no significant negative changes took place, related to the perspective of the Issuer.

Potentially negative change is impact of US dollar as part of equipment is purchased in US dollars, but positive impact results from sales in US dollars.

#### **Economic conditions in the markets in which the Issuer and the Portfolio companies operate, which might have impact of profitability of the Issuer and its Portfolio companies**

Target markets (CEE and MEA regions) are among the fastest growing markets enjoying 2-3 times higher than world average growth rates. Lithuania's economy in 2014 continued to grow. Lithuanian bank review<sup>35</sup> states that such growth was driven by domestic demand, especially growth in private consumption. The latter is influenced by improving situation in the labor market, higher real wages and lower inflation. The next component of domestic demand – investment is encouraged by the production capacity utilization rate well above the average of many years and still growing, as well as by infrastructure projects. As pointed out by SEB economists<sup>36</sup>, the positive momentum for both the world and the Baltic countries is provided by lower oil prices and low interest rates, but concerns for the businesses continue to arise from geopolitical factors, Russian recession and economic condition of some euro zone countries. Net export influence to GDP growth is low.

However, as expected, the growth of domestic demand is gradually slowing down, because for some time now expectations of both the population and corporates have deteriorated. Statistics<sup>37</sup> show that, despite the current circumstances, the pace of economic development in the Baltic countries will remain one of the largest in the European Union – it is estimated that in 2015 Lithuania's economy will grow by 2.6 percent, Latvia's – 2.4 percent, while Estonia's – 2.2 percent.

In IT market, according to the Department of Statistics of Lithuania<sup>38</sup>, the number of employees in the IT services sector keeps growing significantly; a three-digit growth is also observed in IT services exports since 2008. Specialist wages are also on the rise, the biggest demand in the market is noticed for highly qualified specialists.

<sup>32</sup> <http://www.nrd.no/Norway-Registers-Development-AS-partners-with-Uganda-Technology-and-Management-University-809.html?articleid=285>

<sup>30</sup> <http://www.nrdcs.lt/Renginiai-984.html>

<sup>34</sup> [www.cybersecurity.co.tz](http://www.cybersecurity.co.tz)

<sup>35</sup> [Lithuanian Economic Review \(December 2014\). https://www.lb.lt/lithuanian\\_economic\\_review\\_december\\_2014](https://www.lb.lt/lithuanian_economic_review_december_2014)

<sup>36</sup> [Eastern European Outlook by SEB bank, published on March 25, 2015.](http://sebgroup.com/siteassets/corporations_and_institutions/prospectuses_and_downloads/research_reports/eastern_european_outlook/2015/eastern_european_outlook_201503_eng.pdf)

[http://sebgroup.com/siteassets/corporations\\_and\\_institutions/prospectuses\\_and\\_downloads/research\\_reports/eastern\\_european\\_outlook/2015/eastern\\_european\\_outlook\\_201503\\_eng.pdf](http://sebgroup.com/siteassets/corporations_and_institutions/prospectuses_and_downloads/research_reports/eastern_european_outlook/2015/eastern_european_outlook_201503_eng.pdf)

<sup>37</sup> Eastern European Outlook by SEB bank, published on March 25, 2015.

[http://sebgroup.com/siteassets/corporations\\_and\\_institutions/prospectuses\\_and\\_downloads/research\\_reports/eastern\\_european\\_outlook/2015/eastern\\_european\\_outlook\\_201503\\_eng.pdf](http://sebgroup.com/siteassets/corporations_and_institutions/prospectuses_and_downloads/research_reports/eastern_european_outlook/2015/eastern_european_outlook_201503_eng.pdf)

<sup>38</sup> [Lietuvos statistikos departamentas 2014. Information Technologies in Lithuania. ISSN 2029-3615](http://www.statistikos.lt)



According to Gartner study<sup>39</sup>, IT spending in 2014 worldwide increased by 2.1 percent and reached US \$ 3.7 trillion. During 2015-2018 IT costs in CEE are forecasted to increase by 7-8%; spending in MEA is forecasted to grow by 7-12%.

**Table 19. Key economic indicators, Lithuania**

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

Source: SEB bank.<sup>40</sup> Lithuania Macroeconomic Review. April 2015<sup>41</sup>

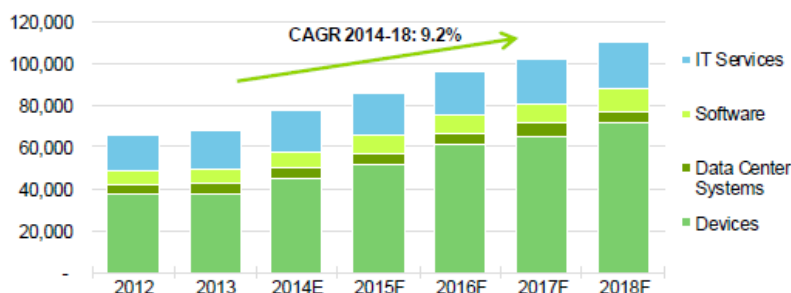
**Table 20. Global GDP forecast**

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

Source: SEB Nordic Outlook, February 2015, OECD<sup>42</sup>

\*Purchasing Power Parities

**Diagram 4. Spending on IT products and services in the Middle East and Africa<sup>39</sup>**



Note: Figures are expressed in constant USD based on 2013  
Source: Gartner, December 2014

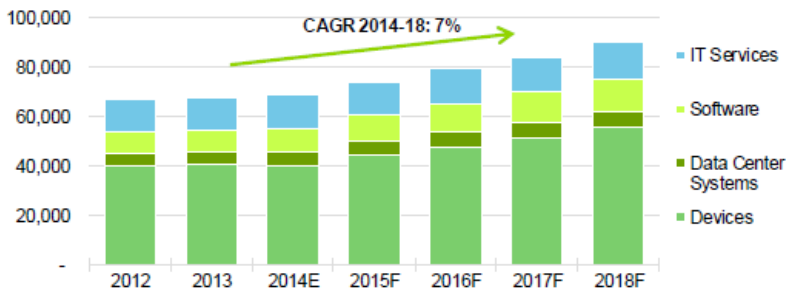
<sup>39</sup> Gartner, December 2014. <https://www.gartner.com/doc/2939218/it-key-metrics-data>

<sup>40</sup> <https://www.seb.lt/infobankas/ekonomine-aplinka/makroekonomika/naujausi-lietuvos-ekonomikos-ir-finansu-rodikliai#ekonomika-ir-pagrindiniai-sektorai>

<sup>41</sup> Lithuanian Macroeconomic Review – SEB. April 2015. (in Lithuanian): [https://www.seb.lt/sites/default/files/web/document/lietuvos\\_makroekonomikos\\_apzvalga/lma59.pdf](https://www.seb.lt/sites/default/files/web/document/lietuvos_makroekonomikos_apzvalga/lma59.pdf)

<sup>42</sup> SEB Nordic Outlook, February 2015. OECD. [http://sebgroup.com/siteassets/corporations\\_and\\_institutions/prospectuses\\_and\\_downloads/research\\_reports/nordic\\_outlook/2015/no\\_1502\\_eng.pdf](http://sebgroup.com/siteassets/corporations_and_institutions/prospectuses_and_downloads/research_reports/nordic_outlook/2015/no_1502_eng.pdf)

**Diagram 5. Spending on IT products and services in Central and Eastern Europe<sup>43</sup>**



Note: Figures are expressed in constant USD based on 2013  
Source: Gartner, December 2014

#### 4.11 Profit Forecasts

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

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

The Company has a two-tier management system, i.e. the Management Board and the Manager of the Company (the Director).

The Supervisory Council is not formed in the Company.

The Management Board is a collegial management body, which is responsible for the strategic management of the Company, the appointment and removal of the Manager of the Company, calling the General Meetings, adoption of other corporate decisions which are economically feasible for the Company, etc.

The Manager is responsible for the day-to-day management of the Company and enjoys the exclusive right of representing the Company vis-à-vis third parties.

In addition, the Company employs several Key Executives: Chief Financial Officer, Chief Operating Officer and Head of Business Development. All the Key Executives of the Company are directly subordinated and report to the Manager.

The Company has a transparent decision making process, relying on clear rules which are intended to enhance the shareholders' confidence. It also contributes to the protection of shareholders' rights, improving the overall performance of the Company, offering better access to capital and risk mitigation.

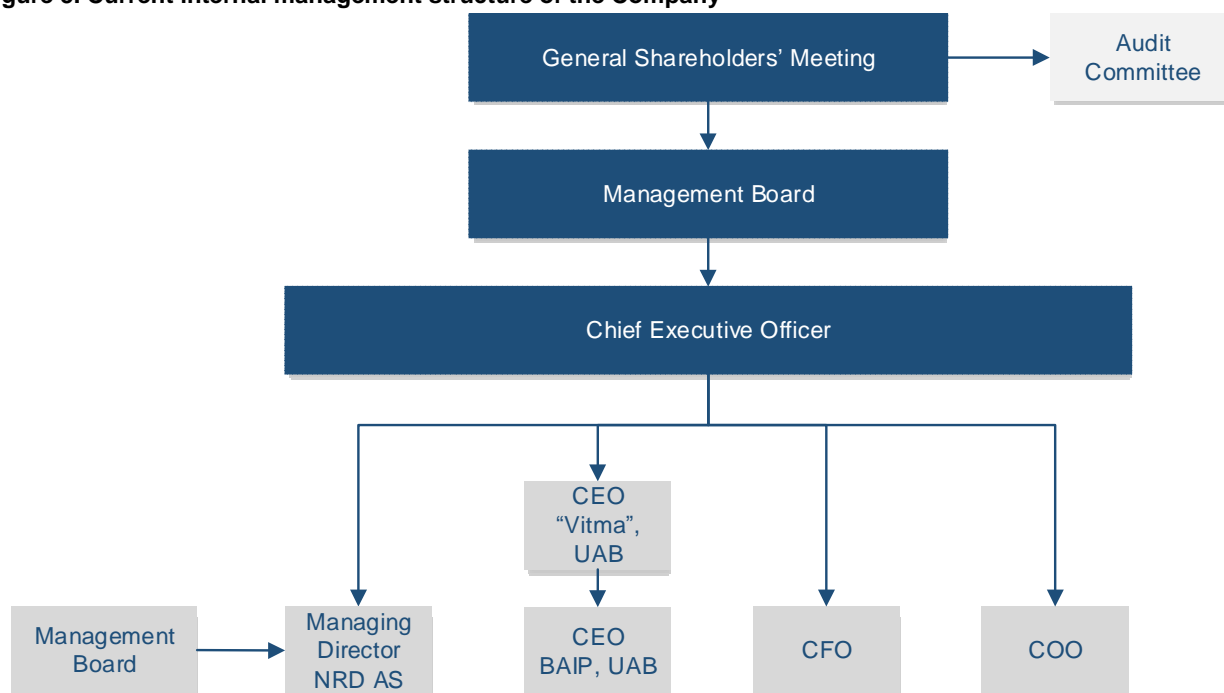
##### 4.12.1 Management Structure of the Company

###### Current Internal management structure of the Company

Current internal management structure of the Company is indicated below.

<sup>43</sup> [Gartner, December 2014. https://www.gartner.com/doc/2939218/it-key-metrics-data-](https://www.gartner.com/doc/2939218/it-key-metrics-data-)

**Figure 5. Current internal management structure of the Company**



**Intended internal management structure of the Company**

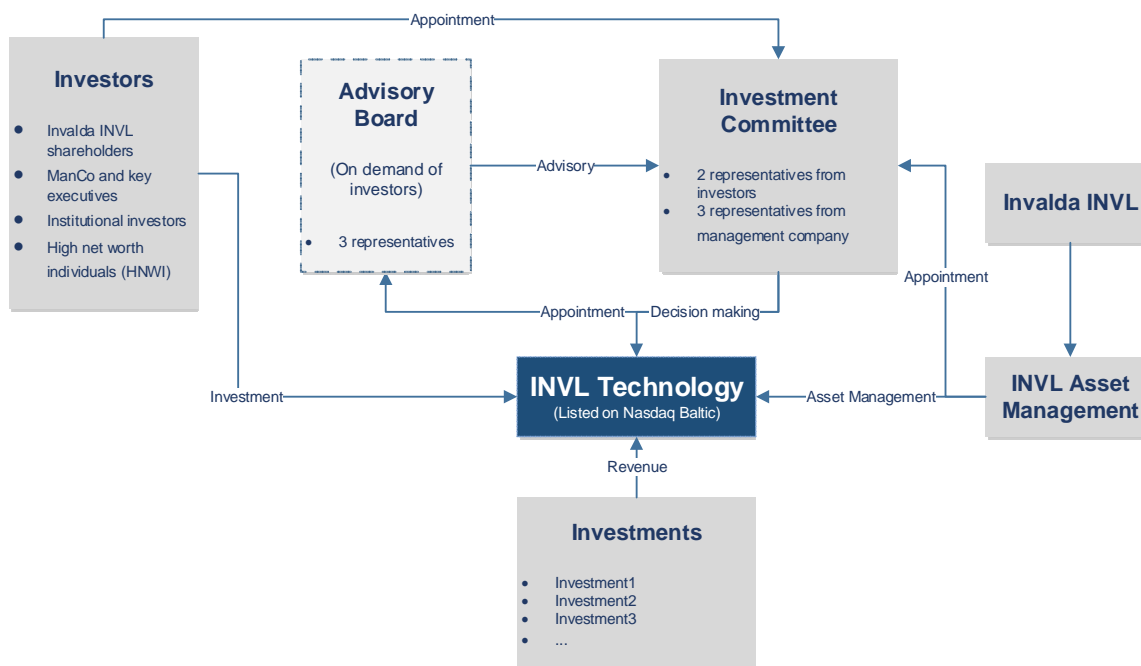
The Company plans to change the current management structure after the Issuer starts operating as a listed closed-end investment entity, supervised by the LB. In the General Meeting, dated 10 April 2015, it was decided to transfer the management of the Company to INVL Asset Management UAB – a fully-licensed asset management company which is supervised by the LB.

After licencing of the Company as indicated above, INVL Asset Management UAB, being a manager of the investment funds, shall provide back office functions to the Company (financial, administrative and accounting services) and manage activities of the Company in order to realise value from the asset.

INVL Asset management will appoint 3 representatives to the Investment Committee of the Company and the investors will appoint the remaining 2. The purpose of the Investment Committee will be to maintain professional and effective deployment of the capital, set investment policies and oversee their implementation.

If demanded by the investors of the Company, an Advisory Board will also be formed in the Company. It will consist of 3 members, appointed by the Investment Committee. The purpose of the Advisory Board will be to provide strategic advice and supplement with skills required for asset management and investment decisions.

**Figure 6. Intended management structure of the Company**



#### 4.12.2 Members of the Administrative, Management and Key Executives

**Table 21. Members of the Management Board**

Name	Position in the Company
Kazimieras Tonkūnas	Chairman of the Management Board
Vytautas Plunksnis	Member of the Management Board
Gytis Umantas	Member of the Management Board
Alvydas Banys	Member of the Management Board
Nerijus Drobavičius	Member of the Management Board

Source: the Company

**Kazimieras Tonkūnas.** Kazimieras Tonkūnas (44 years) acquired university education by graduating from Vilnius University's Economics Faculty. He gained the specialty of Economics' Systematic Analysis and the degree in Economics – Mathematics. Places of his employment for the last 5 years (except for the positions, held in the Company):

Vitma UAB – Director (since 2013);  
 BAIP UAB – Director of Business Development (since 2013);  
 NRD UAB – Chairman of the Board (since 2012);  
 Norway Registers Development AS – Chairman of the Board (since 2012);  
 BAIP UAB – General Director (from 2007 till 2013).

Kazimieras Tonkūnas holds 13.75% of shares in the Company. His spouse holds 3.86% of shares in the Company.

**Vytautas Plunksnis.** Vytautas Plunksnis (35 years) acquired university bachelor's education by graduating from Kaunas Technology University, gained Bachelor's degree in Business Management. Places of his employment for the last 5 years (except for the positions, held in the Company):

INVL Asset Management UAB – member of the Board (since January 2015);  
 Finasta Asset Management (Latvia) IPAS – Chairman of the Supervisory Council (since 2015);  
 Finasta atklatais pensiju fonds (Latvia) AS – Chairman of the Supervisory Council (since 2015);  
 Finasta Bank AB – member of the Supervisory Council (since January 2015);  
 MP Pension Funds Baltic UAB – member of the Board (since 2014);  
 Consult Invalda UAB – Director (since June 2014);  
 NRD UAB – member of the Board (since April 2012);  
 Vernitas AB – member of the Supervisory Council (since April 2012);  
 Norway Registers Development AS (Norway) – member of the Board (since December 2011);  
 Inservis UAB – Chairman of the Board (from November 2014 till April 2015);  
 Kelio ženklai UAB – member of the Board (from May 2013 to April 2015);  
 Invalda Nekilnojamo Turto Fondas AB – member of the Board (from May 2013 in April 2015);  
 Įmonių grupė Inservis UAB – Chairman of the Board (in April 2015);  
 Jurita UAB – Chairman of the Board (from August 2011 to March 2015);  
 Invalda INVL AB – Investment Manager (since September 2009);

Investors' Association – Chairman of the Board (since June 2009);  
Vilkaviškio Ekotra UAB – Director (in August 2013);  
Duonis UAB – Director (in August 2013);  
Vilkaviškio Žemynėlė UAB – Director (in August 2013);  
Pušaitis UAB – Director (in August 2013);  
Avižėlė UAB – Director (in August 2013);  
Žalvė UAB – Director (in August 2013);  
Sėja UAB – Director (in August 2013);  
Dirvolika UAB – Director (in August 2013);  
Linažiedė UAB – Director (in August 2013);  
Beržytė UAB – Director (in August 2013);  
Panevėžio Vasarojus UAB – Director (in August 2013);  
Marijampolės Puškaitis UAB – Director (in August 2013);  
Kupiškio Žemgalė UAB – Director (in August 2013);  
Pakruojo Laukaitis UAB – Director (in August 2013);  
Pakruojo Kvietukas UAB – Director (in August 2013);  
Pasvalio Lauknesys UAB – Director (in August 2013);  
Pasvalio Žiemkentys UAB – Director (in August 2013);  
Ente UAB – Director (from December 2010 till May 2013).

Vytautas Plunksnis holds no shares in any companies.

**Gytis Umantas.** Gytis Umantas (46 years) acquired university education by graduating from International Business School at Vilnius University in 2001. He gained Bachelor's degree in International Business Management. Places of his employment for the last 5 years (except for the positions, held in the Company):

BAIP UAB – General Director (since 2013);  
Vitma UAB – Director (from 2008 till 2013).

Gytis Umantas holds 3.86% of shares in the Company.

**Alvydas Banys.** Alvydas Banys (46 years) acquired university education by graduating from Vilnius Gediminas Technical University. He gained Master's degree in Engineering – Economics. Places of his employment for the last 5 years (except for the positions, held in the Company):

MP Pension Funds Baltic UAB – member of the Board (since September 2014);  
Litagra UAB – member of the Board (since June 2014);  
INVL Baltic Real Estate AB – Chairman of the Board (since April 2014);  
INVL Baltic Farmland AB – Chairman of the Board (since April 2014);  
Invalda LT Investments – Chairman of the Board (since February 2014);  
Invalda INVL AB – Advisor (since July 2013);  
Invalda INVL AB – Chairman of the Board (since May 2013);  
LJB Investments UAB – Director (since May 2007);  
LJB Property UAB – Director (since May 2007);  
Cedus Invest UAB – member of the Board (from May 2013 till June 2014).

Alvydas Banys holds 5.05% of shares in the Company. He also holds indirectly, through LJB Investments UAB, in which he owns 83.26% of all the shares of this company (together with his spouse Daiva Baniėnė – 100.00%), 20.02% of Shares in the Company.

**Nerijus Drobavičius.** Nerijus Drobavičius (38 years) acquired university education by graduating from Vytautas Magnus University. He gained Master's degree in Business Administration. Places of his employment for the last 5 years (except for the positions, held in the Company):

INVL Asset Management UAB – Head of Finance and IT Departments (since February 2015);  
Finasta Asset Management (Latvia) IPAS – member of the Supervisory Council (since February 2015);  
Finasta atklatais pensiju fonds (Latvia) AS – member of the Supervisory Council (since February 2015);  
INVL Asset Management UAB – member of the Board (since January 2015), CFO (since February 2015);  
Finasta Bank AB – Chairman of the Supervisory Council (since January 2015);  
MP Pension Funds Baltic UAB – member of the Board (since September 2014);  
INVL Fondai UAB – Director (since June 2014);  
Inservis UAB – member of the Board (since June 2014), Chairman of the Board (since April 2015);  
Įmonių grupė Inservis UAB – member of the Board (since June 2014), Chairman of the Board (since April 2015);  
Jurita UAB – Chairman of the Board (since May 2015);  
Invalda INVL Investments UAB – Finance Director (since March 2014);  
Invalda INVL AB – Project manager (from February 2014 till January 2015);  
Freelance consultant (from January 2012 till February 2014);  
Uomega AB – member of the Board (from January 2012 till January 2014);  
Sanitas AB – Finance Director (from July 2007 till December 2011);  
Jelfa S.A. – member of the Board (from July 2007 till June 2011).

Nerijus Drobavičius holds no shares in any companies.

## Key Executives

There are three units that support all businesses of the Subsidiaries – Finance department, managed by CFO, Operations department, managed by COO/Head of Marketing and Operations and Business Development, managed by the Head of Business Development. All of them are directly accountable to the Manager of the Company.

**Table 22. Key Executives**

Name	Position in the Company
Kazimieras Tonkūnas	Director
Ramutė Ribinskienė*	Chief Financial Officer
Kristupas Baranauskas*	Chief Financial Officer
Rimantas Žylius	Head of Business Development
Vida Juozapavičienė	Head of Marketing and Operations

Source: the Company

\* Employment Contract with Ramutė Ribinskienė was terminated on 29 May 2015. Employment Contract with Kristupas Baranauskas was entered on 11 May 2015. Currently Kristupas Baranauskas is employed by the Company part time. It is expected that his full time employment will start in autumn 2015.

**Ramutė Ribinskienė.** Ramutė Ribinskienė (54 years) acquired university education by graduating from Vilnius University. She gained the Master degree in Economic cybernetics. Places of her employment for the last 5 years (except for the positions, held in the Company):

FIMA UAB – Group Chief Financial Officer (from February 2014 till July 2014);  
LESTO AB – member of the Board (from May 2013 till September 2013);  
LESTO AB – Chief Financial Officer and Head of Administration (from January 2011 till October 2013);  
NT Valdys UAB – member of the Board (from December 2010 till April 2011);  
VST AB – Chief Financial Officer (from January 2010 till December 2010);  
Merko statyba UAB – Chief Financial Officer (from August 1998 till July 2009).

Ramutė Ribinskienė holds no shares in any companies.

**Kristupas Baranauskas.** Kristupas Baranauskas (34 years) acquired university education by graduating from Vilnius University. He gained the Master degree in Management and business administration, accounting and auditing. Places of his employment for the last 5 years (except for the positions, held in the Company):

Bank Finasta AB – Board Member (since May 2015);  
Bank Finasta AB – Chief Financial Officer (since February 2015);  
Bank Finasta AB – Head of Accounting and Reporting Department (from April 2013 till February 2015);  
DNB bank AB – IFRS project manager (from March 2009 till April 2013).

Kristupas Baranauskas holds no shares in any companies.

**Rimantas Žylius.** Rimantas Žylius (41 years) acquired university education by graduating from Vilnius University. He gained Master degree in Organizational Psychology. Places of his employment for the last 5 years (except for the positions, held in the Company):

Norway Registers Development AS – Managing Director (since 2014);  
Norway Registers Development East Africa – member of the Board (since 2015);  
Infobank Uganda Limited – member of the Board (since 2014);  
The Government of Lithuania – Minister of Economy (from 2011 till 2012);  
The Government of Lithuania – Vice Minister of Economy (from 2009 till 2011);  
Hewlett-Packard – Solution Architect (from 2003 till 2009).

Rimantas Žylius holds 0.0009 per cent of Shares in the Company.

**Vida Juozapavičienė.** Vida Juozapavičienė (38 years) acquired university education by graduating from Kaunas University of Technology. She gained the specialty of Business Administration bachelor degree. Places of her employment for the last 5 years (except for the positions, held in the Company):

INVL Asset Management UAB – Head of HR and General Affairs (since March 2015);  
NRD UAB – member of the Board (since 2012);  
Norway Registers Development AS – member of the Board (since 2012);  
INVL Technology AB – Marketing and Operations Director (since 2012);  
BAIP UAB – COO (from 2008).

Vida Juozapavičienė holds 3.86% of shares in the Company. Her spouse (Kazimieras Tonkūnas) holds 13.75% of shares in the Company.

Information on Kazimieras Tonkūnas is provided in Section *Management Board* above.

#### 4.12.3 Declarations

To the best knowledge of the Company, for the last five years neither any member of the Management Board nor any Key Executive of the Company (i) was convicted for any fraud offences, (ii) was associated with any bankruptcies, receiverships or liquidations in their capacity as members of the administrative, management or supervisory bodies, partners with unlimited liability, founders or senior managers, or (iii) was subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company or from acting in the management or conduct of the affairs of any entity.

#### 4.12.4 Conflicts of Interest of Members of the Administrative, Management and Key Executives

3 (three) members of the Management Board – Alvydas Banys, Kazimieras Tonkūnas and Gytis Umantas – are the direct shareholders of the Company, holding 5.05%, 13.75% and 3.86% of Shares respectively. In addition, the spouse of Kazimieras Tonkūnas (one of the Key Executives Vida Juozapavičienė) holds 3.86% of Shares in the Company.

Furthermore, member of the Management Board Alvydas Banys indirectly, through LJB Investments UAB, in which he owns 83.26% of all the shares of this company (together with his spouse Daiva Banienė – 100.00%), holds 20.02% Shares of the Issuer and votes in the General Meeting carried thereby.

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

As it is indicated in the notification on material event of the Company, dated 10 April 2015, the General Meeting of the Company have *inter alia* decided to apply to the LB for obtaining the license of the closed-end investment company by the Company, and to prepare the draft of the Management Agreement with INVL Asset Management UAB (company code 126263073) for transfer of management of the closed-end investment company.

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

Furthermore, Invalda INVL AB is also a creditor of a Company.

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

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

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

There are no restrictions on transferring the Issuer's Shares for the members of the Management Board and/or the Key Executives except the restrictions, foreseen in the Law on Markets in Financial Instruments, which forbids trading in securities during certain time periods, also in the arrangement between the aforementioned persons and certain other shareholders of the Company to sell more Shares than a defined amount during the lock-up period, as described in Section *Lock-up Agreements* in more detail.

#### 4.13 Remuneration and Benefits

During the year 2014 the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the Management by the Issuer and its Subsidiaries for services in all capacities to the Issuer and its Subsidiaries amounted to EUR 309,529. The information on such amounts is provided in the table below.

**Table 23. Remuneration and benefits provided to Management Board and Key Executives during the year 2014**

Name	Position in the Company	Amount, EUR
Kazimieras Tonkūnas	Director, Chairman of the Management Board	123,223
Vytautas Plunksnis	Member of the Management Board	-
Gytis Umantas	Member of the Management Board	88,160

Name	Position in the Company	Amount, EUR
Alvydas Banys	Member of the Management Board	-
Nerijus Drobavičius	Member of the Management Board	-
Ramutė Ribinskienė	Chief Financial Officer	56,648
Rimantas Žylius	Head of Business Development	63,794
Vida Juozapavičienė	Head of Marketing and Operations	18,393

Source: the Company

\* total compensation for the position as current CFO is in office from November 2014.

Other members of the Management did not receive any payments from the Company or the Subsidiaries. The Group has not set aside or accrued any amounts to provide pension, retirement or similar benefits to any member of the Management Board or Key Executive of the Company.

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

#### 4.14 Board Practices

##### Term of office

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

**Table 24. Tenure of the Management Board and the Key Executives of the Company**

Name	Position in the Company	In the position	
		Since	Until
<b>Management Board</b>			
Kazimieras Tonkūnas	Chairman of the Management Board	28 May 2010 (as a member), since 9 December 2014 (as a Chairman)	
Vytautas Plunksnis	Member of the Management Board	28 May 2010	Until the annual General Meeting, to be held in 2018
Gytis Umantas	Member of the Management Board	28 May 2010	
Alvydas Banys	Member of the Management Board	1 June 2013	
Nerijus Drobavičius	Member of the Management Board	5 December 2014	
<b>Key Executives</b>			
Kazimieras Tonkūnas	Director	9 December 2014	Indefinite
Ramutė Ribinskienė	Chief Financial Officer	10 November 2014	Indefinite; employment was terminated as from 29 May 2015
Kristupas Baranauskas	Chief Financial Officer	11 May 2015	Indefinite
Rimantas Žylius	Head of Business Development	17 January 2014	Indefinite
Vida Juozapavičienė	Head of Marketing and Operations	5 January 2012	Indefinite

Source: the Company

According to the Law on Companies, the tenure of the Management Board may not last longer than until the annual General Meeting convened in the last year of the tenure of the Management Board. There is no limitation on the number of terms of office a member of the Management Board may serve.

The Key Executives have employment relations with the Company which are of unlimited duration. Under the Law on Companies the Director (Kazimieras Tonkūnas) may be revoked from his position without any early notice for any cause. Other Key Executives may be dismissed from the Company only on the grounds and following the procedure indicated in the Labour Code of the Republic of Lithuania.

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

According to the Labour Code of the Republic of Lithuania, those who are employed in any Group company, registered in Lithuania under an employment agreement are entitled to severance payments upon termination of their employment (except for certain termination grounds, such as on one's own will, due to the employee's fault, etc.). Apart from such statutory payments, the employment agreements entered between the members of the Management Board and/or Key



Executives and respective Group companies do not provide for any other severance payments or benefits upon termination of such agreements.

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

The Regulations of the formation and activity of the Audit Committee were approved and its members were elected according to the decision of the General Meeting, dated 2 February 2015.

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

- to provide recommendations to the Management Board regarding selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- to monitor the process of external audit of the Company;
- to monitor how the external auditor and audit company follow the principles of independence and objectivity;
- to observe the process of preparation of financial reports of the Company;
- to monitor the efficiency of the internal control and risk management systems of the Company. Once a year review the need of the internal audit function;
- to monitor if the Management Board and/or the Manager of the Company takes into consideration recommendations and remarks of the Audit Committee properly.

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

Members of the Audit Committee may receive remuneration for their work in the Audit Committee. Remuneration shall be approved by the General Meeting at a maximum rate of one hour.

The Audit Committee may adopt the decisions and the meeting shall be considered as valid both members of the committee participate in it. The committee's decisions shall be deemed adopted if both members of the committee vote for it.

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

The Issuer has not formed the Nomination and Remuneration Committee.

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

Information on Company's compliance with Corporate Governance regime is provided in Appendix 2 of the consolidated annual report of the Former parent company for the year 2014.

#### **4.15 Employees**

##### **Number of Employees**

The breakdown of employees of the Issuer and its Portfolio companies is presented in the table below. These breakdowns exclude secondary employments in case an employee is employed in several companies controlled by the Issuer at the same time. Information is provided on FTE (full time equivalent) basis. Thus, some figures are rounded to zero in case of partial employment.

**Table 25. The breakdown of employees of the Group by companies \***

<b>Company</b>	<b>31 March 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
INVL Technology AB	6	6	6
Vitma UAB	0	0	0
BAIP UAB	76	72	80
Acena UAB	2	2	2
NRD CS UAB	8	7	0
Norway Registers Development AS	7	6	0**
NRD UAB	56	53	50
Norway Registers Development East Africa Limited	5	5	2
Infobank Uganda Limited	0	0	0
<b>Total for the Group:</b>	<b>160</b>	<b>151</b>	<b>140</b>

Source: the Company (data of the total number of employees for the Group and for the Company is audited, except for the data as of 31 March 2015; other data – unaudited)

\* FTE (full time equivalent) 40 working hours a week, 160 working hours a month.

*\*\* Management services for the company were provided on services contract basis.*

### Collective Bargaining Agreement

No collective agreements are in effect in the Group and the Group does not anticipate any collective bargaining initiatives in any of its companies in the observable future.

### Shareholdings and stock options

Information on the Shares of the Company, held by the members of the Management is provided in Section 4.12.4 *Conflicts of Interest of Members of the Administrative and Management Bodies and Key Executives.*

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

There are no such arrangements.

### 4.16 Major Shareholders

On the day of this Prospectus the authorised capital of the Company is EUR 1,773,267.06 and is divided into 6,114,714 ordinary registered Shares with a nominal value of EUR 0.29 each. All the Shares issued by the Company entitle to equal voting rights to their holders.

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

**Table 26. Shareholders of the Company, holding more than 5% of the authorised capital of the Company**

No.	Shareholder	Number of owned shares and votes directly	Percentage owned directly, %	Indirectly held votes, %	Total, %
1.	LJB Investments UAB	1,224,152	20.02	0	20.02
2.	Irena Ona Mišeikienė	1,162,421	19.01	0	19.01
3.	Kazimieras Tonkūnas	840,452	13.75	32.79 <sup>(*)</sup>	46.54
4.	Invalda INVL AB	504,509	8.25	0	8.25
5.	Lucrum investicija UAB	327,928	5.36	1.32 <sup>(**)</sup>	6.68
6.	Alvydas Banys	308,745	5.05	41.49 <sup>(***)</sup>	46.54
7.	Gytis Umantas	236,270	3.86	42.68 <sup>(****)</sup>	46.54
8.	Nerijus Drobavičius	0	0	46.54 <sup>(*****)</sup>	46.54
9.	Vytautas Plunksnis	0	0	46.54 <sup>(*****)</sup>	46.54

*Source: the Company*

*\* According to Parts 6 and 10 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that Kazimieras Tonkūnas has votes of Alvydas Banys and Gytis Umantas, members of the Management Board of the Company, as well as of his spouse.*

*\*\* Lucrum Investicija UAB has 1.32% of votes according to a repurchase agreement.*

*\*\*\* According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that Alvydas Banys has votes of LJB Investments UAB, a company controlled by him, and of Kazimieras Tonkūnas and Gytis Umantas, members of the Management Board of the Company.*

*\*\*\*\* According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that Gytis Umantas has votes of Alvydas Banys and Kazimieras Tonkūnas, members of the Management Board of the Company.*

*\*\*\*\*\* According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities, it is considered that each of Nerijus Drobavičius and Vytautas Plunksnis has votes of Alvydas Banys, Kazimieras Tonkūnas and Gytis Umantas, members of the Management Board of the Company.*

As it was indicated in the notification on material event of the Company of 27 November 2014, INVL Technology AB (the company, which ceased to exist after the reorganisation) and the following persons have signed the Shareholders' Agreement, dated 26 November 2014: LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė (the shareholders of INVL Technology AB who together managed 89.68% of this company at that time), and Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskis, Rokas Ralys and Tomas Šeikus, shareholders of BAIP grupė AB (currently – the Company), who together managed 20% of BAIP grupė AB at that time (Former parent company owned the rest 80% at that time).

The Shareholders' Agreement foreseen that:

- (i) INVL Technology AB and BAIP grupė AB will merge. After the merger the company (the "New company") will continue its activities under the name INVL Technology (currently the Company) and its shares will further be listed on OMX;
- (ii) until the merger BAIP grupė AB will issue new shares for the total amount of LTL 1.71 million (EUR 0.5 million). BAIP grupė AB shareholders will acquire these shares and increase owned stake up to 34.3%;
- (iii) the New company will apply to the LB for the closed-end investment company licence. Once the licence is granted INVL Technology will be managed by the asset management company controlled by Invalda INVL AB;
- (iv) the New company will aim to raise not less than EUR 10 million (LTL 34.5 million) through a new share issue. The money will be used for investments into new technology companies;
- (v) the parties of the Shareholders' Agreement are obliged not to sell shares of INVL Technology, BAIP grupė AB and the New company until the capital raise (except for the INVL Technology shares acquired by Invalda INVL AB according to the precedent trading plan and shares of the New company that may be sold by BAIP grupė AB shareholders for the total amount of LTL 684 thousand (EUR 198 thousand));
- (vi) until the Company receives closed-end investment company licence, the Board will consist of 5 members. The Board will pass the key decisions by unanimous vote.

Generally all the arrangements, foreseen in the aforementioned agreement are executed as of today, except for execution of the Offering under this Prospectus and application for the licence for a closed-end investment company.

Apart from the information, indicated in this Section, the Company has no information about any other possible control over the Issuer.

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

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

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

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

However, the shareholders of the Company who own 5,700,680 Shares of the Company, which constitute 93.23 percent of the Company's capital, in the General Meeting held on 10 April 2015 gave approval to the Company for application for the closed-end investment company license.

According to the indicated decision of the General Meeting, seeking to ensure the rights of the Company's shareholders, who did not vote or voted "against" on this item of the agenda of the General Meeting, to sell their Shares, the shareholders, who voted "for" this resolution within one month from the General Meeting had to submit a voluntary tender offer to purchase the rest of the Shares of the Company.

Following the arrangement of the shareholders, who voted "for" the indicated decision, Invalda INVL AB fulfilled this duty on behalf of the shareholders and the circular of the voluntary tender offer was approved by the LB on 18 May 2015. Voluntary tender offer price amounted to EUR 1.61 per Share. Only the shareholders who did not vote or voted "against" had the right to sell their Shares during the tender offer. Voluntary tender offer applied for 414,034 Shares of the Company, constituting 6.77 percent of Company's capital. The tender offer was implemented from 22 May till 4 June 2015. During the implementation period of the voluntary tender offer Invalda INVL AB bought-up 47 Shares of the Company, which represent 0.0008 percent of voting rights at the General Meeting.

#### **4.17 Related Party Transactions**

##### **General overview**

Transactions within Related Parties fall under 4 categories:

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

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

The related parties of the Company on 31 March 2015 and in 2014 and 2013 were the Subsidiaries, the shareholders of the Company, key management personnel of the Company and group companies of Invalda INVL AB.

Transactions of the Company with related parties on 31 March 2015 and in 2014 and 2013 and balances as at 31 December 2014 and 2013 are disclosed in the IFRS Financial Statements (Note 24 of BAIP grupė AB IFRS financial statements and Note 12 of Former parent company IFRS financial statements) and Interim Financial Information (Note 8), incorporated by reference in this Prospectus.

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

##### 4.18.1 Unaudited Interim Financial Information

The Company's statement of the financial position as of 31 March 2015 after the merger is disclosed in interim reports for the period ended 31 March 2015, incorporated by reference in this Prospectus. The Company considers that after the merger it continues activities of INVL Technology AB (Former parent company) as investment subject, thus, interim comparative financial information for the period ended 31 March 2014 is of former INVL Technology AB.

The Management of the Company has made an assumption that fair value of its investments in Subsidiaries did not change during the first three months of fair value of its investments in Subsidiaries did not change during three months period ended 31 March 2015 because there were no significant events at the Company or its Subsidiaries (Portfolio companies), all entities operate within range of budgets and there are no indications that fair value of investments has changed significantly as disclosed in interim reports for the period ended 31 March 2015, incorporated by reference in this Prospectus

##### 4.18.2 Audited Financial Information

###### BAIP grupė AB (currently the Company)

Audited separate and consolidated financial statements for the year 2014 were prepared and audited in Lithuanian Litas (LTL). Information below which was derived from the financial statements for convenience purposes is provided below in EUR thousand, converted by the Company using the official conversion rate of LTL 3.4528 to EUR 1.

The statement of the financial position of the Company for 31 December 2014 and 2013 and consolidated statement of the financial position of the Group for 31 December 2013 based on the audited financial statements are provided in the table below.

**Table 27. Statement of the financial position, EUR thousand**

	The Group		The Company	
	2014	2013	2014	2013
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	604	5	3
Goodwill	-	3,519	-	-
Non-current intangible assets	-	357	-	-
Investments into subsidiaries	-	-	-	4,329
Trade and other amounts receivable	195	193	195	178
Financial assets at fair value through profit or loss	14,900	-	14,900	-
Deferred income tax asset	1	20	1	56
<b>Total non-current assets</b>	<b>15,100</b>	<b>4,693</b>	<b>15,100</b>	<b>4,567</b>
<b>Current assets</b>				
Inventories	-	234	-	-
Trade and other amounts receivable	295	3,398	295	28
Prepaid income tax	-	117	-	-
Prepayments and deferred charges	2	43	2	-
Other current assets	-	750	-	-
Cash and cash equivalents	73	324	73	14
<b>Total current assets</b>	<b>370</b>	<b>4,866</b>	<b>370</b>	<b>42</b>
<b>Total assets</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	1,764	1,448	1,764	1,448
Reserves	179	337	179	293
Retained earnings (loss)	9,977	326	9,977	(1,072)
	<b>11,921</b>	<b>2,111</b>	<b>11,921</b>	<b>668</b>
Non-controlling interest	-	177	-	-
<b>Total equity</b>	<b>11,921</b>	<b>2,287</b>	<b>11,921</b>	<b>668</b>

<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Non-current loans	1,143	275	1,143	1,030
Financial lease liabilities	-	13	-	-
Grants received	-	13	-	-
Deferred income tax liability	-	21	-	-
<b>Total non-current liabilities</b>	<b>1,143</b>	<b>323</b>	<b>1,143</b>	<b>1,030</b>
<b>Current liabilities</b>				
Current portion of non-current loans	2,347	3,653	2,347	2,874
Current portion of financial lease liabilities	-	5	-	-
Trade payables	32	1,975	32	7
Income tax payable	-	13	-	-
Advances received	-	293	-	1
Liabilities related to employment relationships	21	455	21	25
Other current liabilities	6	553	6	3
<b>Total current liabilities</b>	<b>2,407</b>	<b>6,948</b>	<b>2,407</b>	<b>2,910</b>
<b>Total liabilities</b>	<b>3,550</b>	<b>7,271</b>	<b>3,550</b>	<b>3,940</b>
<b>Total equity and liabilities</b>	<b>15,471</b>	<b>9,559</b>	<b>15,471</b>	<b>4,609</b>

Source: the Company

The statement of the comprehensive income of the Company and the Group for the periods ended for 31 December 2014 and 2013 based on the audited financial statements are provided in the table below.

**Table 28. Statement of the comprehensive income, EUR thousand**

	The Group		The Company	
	2014	2013	2014	2013
<b>Continuing operations</b>				
Sales revenue	16,740	14,699	260	172
Cost of sales	(12,573)	(11,296)	-	(1)
<b>Gross profit</b>	<b>4,167</b>	<b>3,402</b>	<b>260</b>	<b>171</b>
Revaluation of investments at fair value, after status change to investment company	8,305	-	10,487	-
Administrative costs	(2,786)	(2,471)	(410)	(280)
Other operating revenue/costs	98	(41)	739	93
<b>Operating profit</b>	<b>9,785</b>	<b>899</b>	<b>11,076</b>	<b>(15)</b>
Revenue from financial activities	73	1	45	118
Costs from financial activities	(391)	(414)	(434)	(440)
<b>Profit for the reporting period before tax</b>	<b>9,467</b>	<b>486</b>	<b>10,688</b>	<b>(337)</b>
Income tax (costs)	(172)	(79)	70	56
<b>Net profit for the reporting period</b>	<b>9,295</b>	<b>407</b>	<b>10,757</b>	<b>(281)</b>
Attributable to:				
Shareholders of the parent company	9,301	400	-	-
Non-controlling interests	(6)	7	-	-
	<b>9,295</b>	<b>407</b>	-	-
<i>Other comprehensive income (expenses) which can be subsequently regrouped to profit or loss</i>				
Reclass of currency translation reserve	42	-	-	-
Currency translation differences	(30)	(26)	-	-
<b>Net of other comprehensive income (expenses) which can be subsequently regrouped to profit or</b>	<b>12</b>	<b>(26)</b>	-	-
<b>Other comprehensive income for the reporting period less the income tax</b>	<b>12</b>	<b>(26)</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD LESS THE INCOME TAX</b>	<b>9,307</b>	<b>382</b>	<b>10,757</b>	<b>(281)</b>
Attributable to:				
Shareholders of the parent company	9,315	374	-	-
Non-controlling interests	(8)	7	-	-
	<b>9,307</b>	<b>382</b>	<b>10,757</b>	<b>(281)</b>
<b>Other information (non-IFRS indicators):</b>				
Operating profit (above)	9,785	899		

<b>add:</b> Depreciation and amortisation	314	419
<b>subtract:</b> Valuation of investments on fair value, after status change to investment company	(8,305)	-
<b>EBITDA</b> (sum of operating profit (as above), valuation of investment (as above) and depreciation and	1,794	1,317
<b>To add:</b> Expenses of share base payments (income)	-	(28)
<b>EBITDA (excluding share base payments)</b>	<b>1,794</b>	<b>1,289</b>

Source: the Company

The statement of changes in equity of the Company and the Group for the periods ended for 31 December 2014 and 2013 based on the audited financial statements are provided in the table below.

**Table 29. Statement of changes in equity, EUR thousand**

The Group	Equity attributable to equity holders of the parent						Total	Non-controlling interest	Total equity
	Share capital	Share premiums	Reserve of acquisition of own shares	Foreign currency translation reserve	Shares options reserve	Retained earnings (loss)			
<b>Balance as at 31 December 2012</b>	<b>1,448</b>	-	<b>58</b>	<b>12</b>	<b>321</b>	<b>(73)</b>	<b>1,766</b>	<b>314</b>	<b>2,080</b>
Total comprehensive income for the period	-	-	-	-	-	400	400	7	407
Currency translation differences	-	-	-	(26)	-	-	(26)	-	(21)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(26)</b>	-	<b>400</b>	<b>374</b>	<b>7</b>	<b>382</b>
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(90)	(90)
Value of services provided by employees	-	-	-	-	(28)	-	(28)	-	(28)
<b>Total contributions by and distributions to owners of the Group</b>	-	-	-	-	<b>(28)</b>	-	<b>(28)</b>	<b>(90)</b>	<b>(118)</b>
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Acquisition of the non-controlling interest	-	-	-	-	-	(2)	(2)	(56)	(58)
<b>Total transactions with owners of the Group, recognised directly in equity</b>	-	-	-	-	-	<b>(2)</b>	<b>(2)</b>	<b>(54)</b>	<b>(56)</b>
<b>Balance as at 31 December 2013</b>	<b>1,448</b>	-	<b>58</b>	<b>(14)</b>	<b>293</b>	<b>326</b>	<b>2,111</b>	<b>177</b>	<b>2,287</b>
Total comprehensive income during the period	-	-	-	-	-	9,301	9,301	(6)	9,295
Currency translation differences	-	-	-	14	-	-	14	(1)	12
<b>Total comprehensive income during the period</b>	-	-	-	<b>14</b>	-	<b>9,301</b>	<b>9,315</b>	<b>(8)</b>	<b>9,307</b>
Increase in share capital	316	179	-	-	-	-	495	-	495
Reserve transfer	-	-	-	-	(293)	293	-	-	-
Effect of the change in status of the parent company	-	-	(58)	-	-	-	(58)	(169)	(227)
<b>Total contributions paid and payments received by the owners of the Group</b>	<b>316</b>	<b>179</b>	<b>(58)</b>	-	<b>(293)</b>	<b>351</b>	<b>495</b>	<b>(169)</b>	<b>326</b>
<b>Balance as at 31 December 2014</b>	<b>1,764</b>	<b>179</b>	-	-	-	<b>9,977</b>	<b>11,921</b>	-	<b>11,921</b>

(cont'd on the next page)

**Statements of changes in equity (cont'd)**

<b>The Company</b>	<b>Share capital</b>	<b>Share premiums</b>	<b>Reserve for acquisition of own shares</b>	<b>Retained earnings (loss)</b>	<b>Total</b>
<b>Balance as at 31 December 2012</b>	<b>1,448</b>	<b>-</b>	<b>321</b>	<b>(791)</b>	<b>978</b>
Total comprehensive income (loss) during the period	-	-	-	(281)	(281)
Value of services provided by employees	-	-	(28)	-	(28)
<b>Balance as at 31 December 2013</b>	<b>1,448</b>	<b>-</b>	<b>293</b>	<b>(1,072)</b>	<b>668</b>
Total comprehensive income (loss) during the period	-	-	-	10,757	10,757
Increase in share capital	316	179	-	-	495
Reserve transfer	-	-	(293)	293	-
<b>Balance as at 31 December 2014</b>	<b>1,764</b>	<b>179</b>	<b>-</b>	<b>9,977</b>	<b>11,921</b>

(the end)

Source: the Company



The statement of the cash flows of the Company and the Group for the periods ended for 31 December 2014 and 2013 based on the audited financial statements are provided in the table below.

**Table 30. Statement of the cashflows, EUR thousand**

	The Group		The Company	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit (loss) for the reporting period	9,295	407	10,757	(281)
Non-cash flows:				
Depreciation and amortisation	314	419	2	1
Loss (gain) on disposal of property, plant and equipment	(3)	(0)	-	-
Interest income	(29)	(1)	(45)	(118)
Interest expenses	388	414	434	436
Loss (profit) from currency exchange differences	(64)	90	-	-
Share-based payments	-	(28)	-	(7)
Income tax expenses	172	79	(70)	(56)
Remeasurement of investments on fair value on change of status to investment company	(8,305)	-	(10,487)	-
Other	62	-	2	4
	1,830	1,379	593	(21)
Working capital adjustments:				
Decrease (increase) in inventories	67	239	-	-
Decrease (increase) in trade and other receivables	1,116	(913)	(626)	220
Decrease (increase) in other current assets	(310)	(300)	-	-
Increase (decrease) in trade payables	(212)	(141)	25	6
Increase (decrease) in other current liabilities	(254)	(537)	(3)	(19)
<b>Cash flows from operating activities</b>	<b>2,236</b>	<b>(273)</b>	<b>(11)</b>	<b>185</b>
Income tax (paid)	-	(46)	-	-
<b>Net cash flows from operating activities</b>	<b>2,236</b>	<b>(319)</b>	<b>(11)</b>	<b>185</b>
<b>Cash flows from investing activities</b>				
Acquisition of non-current assets (except investment properties)	(238)	(223)	(5)	(6)
Increase in share capital of subsidiaries	-	-	(84)	(3)
Loans granted	-	-	(965)	(1,373)
Returned loans granted	-	-	927	1,151
Money market fund units	-	5	-	-
Dividends received	-	-	530	-
Interest received	29	1	19	40
Acquisition and establishment of subsidiaries, less the balance of cash acquired	-	(1)	-	-
Cash in derecognised subsidiaries of the Group due change in status as an investment entity	(1,031)	-	-	-
<b>Net cash flows from investing activities</b>	<b>(1,239)</b>	<b>(218)</b>	<b>422</b>	<b>(191)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans	2,024	1,907	1,558	1,295
Repayment of loans	(3,345)	(1,501)	(1,951)	(1,069)
Interest paid	(190)	(314)	(156)	(231)
Grants received	70	-	-	-
Finance lease payments	(5)	(34)	-	-
Increase in share capital	198	-	198	-
Dividends	-	(90)	-	-
Acquisition of non-controlling interest	-	(58)	-	-
<b>Net cash flows from financing activities</b>	<b>(1,248)</b>	<b>(79)</b>	<b>(352)</b>	<b>(5)</b>
<b>Impact of currency exchange on cash and cash equivalents</b>	<b>-</b>	<b>(87)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>780</b>	<b>(704)</b>	<b>59</b>	<b>(12)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>324</b>	<b>1,028</b>	<b>14</b>	<b>26</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,104</b>	<b>324</b>	<b>73</b>	<b>14</b>

Source: the Company

#### Important accounting policies

All significant accounted polices are disclosed in IFRS Financial Statements of BAIP grupé AB incorporated by reference in this Prospectus.

## Summary of Independent Auditors' Reports

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

### INVL Technology AB (Former parent company)

Audited financial statements for the year 2014 were prepared and audited in Lithuanian Litas (LTL). Information below which was derived from the financial statements for convenience purposes is provided in EUR thousand, converted by the Company using the official conversion rate of LTL 3.4528 to EUR 1.

The statement of the financial position of the the Former parent company for 31 December 2014 based on the audited financial statements are provided in the table below.

**Table 31. Statement of the financial position, EUR thousand**

	As at 31 December 2014
<b>ASSETS</b>	
<b>Non-current assets</b>	
Financial assets at fair value through profit or loss	7,828
<b>Total non-current assets</b>	<b>7,828</b>
<b>Current assets</b>	
Cash and cash equivalents	25
<b>Total current assets</b>	<b>25</b>
<b>Total assets</b>	<b>7,853</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
<b>Equity attributable to equity holders of the parent</b>	
Share capital	172
Share premium	250
Reserves	579
Retained earnings	6,846
<b>Total equity</b>	<b>7,847</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	-
<b>Current liabilities</b>	
Trade payables	3
Other current liabilities	3
<b>Total current liabilities</b>	<b>6</b>
<b>Total liabilities</b>	<b>6</b>
<b>Total equity and liabilities</b>	<b>7,853</b>

Source: the Company

The statement of the comprehensive income of the Former parent company for the period ended for 31 December 2014 based on the audited financial statements is provided in the table below.

**Table 32. Statement of the comprehensive income, EUR thousand**

	2014
<b>Income</b>	
Net changes in fair value of financial assets	2,920
<b>Total net income</b>	<b>2,920</b>
<b>Expenses</b>	
Exchange's, depository's and brokers' fees for securities	(15)
Employee benefits expenses	(3)
Taxes	(3)
Other expenses	(7)
<b>Total operating expenses</b>	<b>(28)</b>
<b>Operating profit</b>	<b>2,892</b>
Finance costs	-
<b>Profit before income tax</b>	<b>2,892</b>

Income tax expenses	
<b>PROFIT FOR THE YEAR</b>	<b>2,892</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,892</b>

Source: the Company

The statement of changes in equity of the Former parent company for the period ended for 31 December 2014 based on the audited financial statements is provided in the table below.

**Table 33. Statement of changes in equity, EUR thousand**

EUR thousand	Share capital	Share premium	Reserves		Retained earnings	Total
			Legal reserve	Reserve for purchase of own shares		
The Company's share capital formed on 29 April 2014 under split-off conditions	172	250	23	556	208	1,209
Impact of applying the accounting principles of investment entity on the date of split-off	-	-	-	-	3,746	3,746
<b>Total transactions with owners of the Company, recognised directly in equity</b>	<b>172</b>	<b>250</b>	<b>23</b>	<b>556</b>	<b>3,954</b>	<b>4,955</b>
Net profit for the year	-	-	-	-	2,892	2,892
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,892</b>	<b>2,892</b>
<b>Balance as at 31 December 2014</b>	<b>172</b>	<b>250</b>	<b>23</b>	<b>556</b>	<b>6,846</b>	<b>7,847</b>

Source: the Company

The statement of the cash flows of the Former parent company for the period ended for 31 December 2014 based on the audited financial statements is provided in the table below.

**Table 34. Statement of the cashflows, EUR thousand**

	2014
<b>Cash flows from (to) operating activities</b>	
Net profit for the year	2,892
<b>Adjustments for non-cash items and non-operating</b>	
Net changes in fair value of financial assets	(2,920)
	<b>(28)</b>
<b>Changes in working capital:</b>	
(Decrease) increase in trade payables	3
(Decrease) increase in other current liabilities	3
<b>Cash flows from (to) operating activities</b>	<b>(21)</b>
Income tax paid	-
<b>Net cash flows from (to) operating activities</b>	<b>(21)</b>
<b>Cash flows from (to) investing activities</b>	
Loans granted	-
Repayment of granted loans	120
<b>Net cash flows from (to) investing activities</b>	<b>120</b>
<b>Cash flows from (to) financing activities</b>	
Cash flows related to owners	
Cash received according to split-off terms	45
	45
Cash flows related to other sources of financing	
Proceeds from loans	-
Repayment of loans	(118)
	(118)
<b>Net cash flows from (to) financial activities</b>	<b>(74)</b>
<b>Impact of currency exchange on cash and cash equivalents</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>25</b>

Source: the Company

## Important accounting policies

All significant accounted policies are disclosed in IFRS Financial statements of the Former parent company incorporated by reference in this Prospectus.

## Summary of Independent Auditors' Reports

The auditors of the Company have audited the financial statements of the Former parent company prepared in accordance with IFRS as adopted by the EU for the financial year 31 December 2014. Having done so, the auditors have issued unqualified reports stating that these financial statements present fairly, in all material respects, the financial condition of the Former parent company as of the end of the relevant period, as well as the results of their financial performance and their cash flows for year then ended in accordance with the IFRS as adopted by the EU.

### 4.18.3 Dividend Policy

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

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

### 4.18.4 Legal and Arbitration Proceedings

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

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

There were no significant changes in the Issuer's financial or trading position, which has occurred since the end of 31 March 2015. On 6 April 2015 the Company signed a loan agreement with Invalda INVL AB for the amount of EUR 400 thousand with a purpose to finance the acquisition of shares in Etronika UAB by Norway Registers Development AS and loans to Etronika UAB. For more information on this transaction please see Section 4.3.2 *Investments*.

Following the decisions of the General Meeting, dated 10 April 2015 in the nearest future there are plans to apply for the Company to the LB for issuance of the licence of the closed-end investment company. Upon issuance of this licence the Company will become similar to investment fund.

## 4.19 Additional Information

### 4.19.1 Share Capital

Table 35.

Name of securities	Number of securities	Nominal value, EUR	Total nominal value, EUR	Part in the share capital, %
Ordinary registered shares	6,114,714	0.29	1,773,267.06	100

Source: the Company

On the date of this Prospectus, parties of a Shareholders' Agreement, dated 26 November 2014, owned 93.23 percent Shares of the Company and faced temporary selling restrictions, as described in Section 5.7 *Placing* below. All other Shares of the Company currently are freely floated.

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

Table 36.

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

Source: IFRS Financial Statements

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

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

### **The number, book value and face value of shares in the Issuer held by or on behalf of the Issuer itself or by Subsidiaries of the Issuer**

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

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

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

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

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

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

None of the aforementioned transactions are signed by any member of the Group.

## **4.19.2 Articles of Association**

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

The purposes and the object of activities of the Company are provided for in Part II of the Articles of Association, pursuant to which the Company's activity target is satisfaction of the Company's shareholders' interests, ensuring a constant increase in value of shares owned by the Company's shareholders. For this purpose the Company shall:

- improve the structure of the investment portfolio;
- carry out an active investing and re-investing activity;
- supervise economic-financial activity of companies controlled by the Company.

The subjects of the Company's activity are the following: investment activity, services, construction, manufacturing, sales. The Company has a right to be also involved into other activities which do not contradict to the targets of the Company and/or the laws of the Republic of Lithuania. Licensed activity and activity to be performed according to established procedure shall be performed by the Company provided that all appropriate licenses or permits have been obtained.

### **Bodies of the Company**

Pursuant to Part V of the Articles of Association, governing bodies of the Company are:

- the General Meeting of Shareholders (General Meeting);
- the Management Board;
- the Manager of the Company (Director).

### **The General Meeting**

The competence of the General Meeting does not differ from the competence of the general meeting of shareholders as provided for in the Law on Companies, therefore is not specified in the Articles of Association. According to the Law on Companies, the General Meeting of the Company has the exclusive right to:

- amend the Articles of Association of the Company, except where the Law on Companies provides otherwise;
- change the address of the registered office of the Company;
- elect the members of the Management Board;
- remove the Management Board or its members;
- select and remove the attested auditor or firm of auditors for the carrying out of the audit of a set of annual financial statements, set the conditions for audit remuneration;
- determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- adopt a decision regarding conversion of the Company's shares of one class into shares of another class, approve the share conversion procedure;
- approve the set of annual financial statements;
- adopt a decision on profit/loss distribution;
- adopt a decision on the formation, use, reduction and liquidation of reserves;

- approve the set of interim financial statements, compiled for adoption of a decision regarding distribution of dividends for a shorter period, than the financial year;
- adopt a decision regarding distribution of dividends for a shorter period, than the financial year;
- adopt a decision on the issue of convertible bonds;
- adopt a decision on withdrawal for all the shareholders the pre-emptive right in acquiring the Company's shares or convertible bonds of a specific issue;
- adopt a decision on increase of the authorised capital;
- adopt a decision on reduction of the authorised capital, except where the Law on Companies provides otherwise;
- adopt a decision for the Company to purchase its own shares;
- adopt a decision on the reorganisation or spin-off of the Company and approve the terms of reorganisation or spin-off, except where the Law on Companies provides otherwise;
- adopt a decision on transformation of the Company;
- adopt a decision on restructuring of the Company in cases laid down by the Law on Restructuring of Enterprises of the Republic of Lithuania;
- adopt a decision on liquidation of the Company, cancellation of the liquidation of the Company, except where the Law on Companies provides otherwise;
- elect and remove from office the liquidator of the Company, except where the Law on Companies provides otherwise.

Decision making of the General Meeting does not differ from the rules of the Law on Companies which are the following.

The General Meeting takes the following decisions by a qualified majority vote that must be not less than 2/3 of all the votes carried by the shares held by the shareholders attending the meeting:

- to amend the Articles of Association of the Company, except where the Law on Companies provides otherwise;
- to determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- to convert the Company's shares of one class into shares of another class, approve the share conversion procedure;
- on distribution of profit/loss;
- on formation, use, reduction and liquidation of reserves;
- on distribution of dividends for a shorter period, than the financial year;
- on the issue of convertible bonds;
- to increase the authorised capital;
- to reduce the authorised capital, except where the Law on Companies provides for otherwise;
- to adopt a decision on the reorganisation or spin-off of the Company and approval of the terms of reorganisation or spin-off;
- on the transformation of the Company;
- on the restructuring of the Company;
- on the liquidation of the Company and cancellation of Company's liquidation except where otherwise provided for by the Law on Companies.

The decision to withdraw for all shareholders the pre-emptive right in acquiring the Company's newly issued shares or convertible bonds of a specific issue requires a qualified majority vote that must be not less than 3/4 of all the votes conferred by the shares of the shareholders present at the General Meeting and entitled to decide on the issue.

All other decisions of the General Meeting require a simple majority vote, i.e. not less than 1/2 of all the votes conferred by the shares of the shareholders present at the General Meeting.

### **The Management Board**

The Management Board is a collegial management body of the Company. The competence of the Management Board does not differ from the competence of the Management Board as provided for in the Law on Companies, therefore is not specified in the Articles of Association. In particular the Management Board:

- shall consider and approve:
  - the operating strategy of the Company;
  - the annual report of the Company;
  - the interim report of the Company;
  - the management structure of the Company, the positions of the employees;
  - the positions to which employees are recruited through competition;
  - regulations of branches and representative offices of the Company;
- shall elect and remove from office the Manager of the Company, fix his salary and set other terms of the employment contract, approve his job description, provide incentives for and impose penalties against him;
- shall elect and remove the managers of branches or representative offices of the Company;
- shall determine which information shall be considered to be the Company's commercial (industrial) secret and confidential information;
- shall:
  - adopt the decisions to become a promoter of or a member in other business entities;
  - adopt the decisions to establish or terminate activities of branches or representative offices of the Company;

- adopt the decisions to invest, transfer, lease of long-term assets of the balance value exceeding 1/20 of the authorised capital of the Company (calculated individually for every type of transaction);
- adopt the decisions to mortgage and pledge of long-term assets of the balance value exceeding 1/20 of the authorised capital of the Company (per aggregate sum of transactions);
- adopt the decisions to make guaranties in respect of or assure the performance by other persons of obligations undertaken for the value in excess of 1/20 of the authorised capital of the Company;
- decisions to acquire long-term assets at a price exceeding 1/20 of the authorised capital of the Company;
- other decisions falling within the scope of authority of the Management Board in accordance with the Law on Companies or resolutions adopted by the General Meeting;
- shall analyze and evaluate the following:
  - the materials provided by the Manager on the carrying out of the business strategy of the Company, the organization of the business operations of the Company, the financial position of the Company and on the results of business activities, income and loss accounts, inventorying related and other accounting records reflecting change in assets;
  - the draft of set of annual financial statements and draft of profit (loss) distribution of the Company and together with its records and suggestions regarding these documents and with the annual report shall present the same to the General Meeting for consideration;
  - draft of the decision on allocation of dividends for shorter period than the financial year and the set of interim financial statements, compiled in order to adopt it, which together with its records and suggestions regarding these documents and with the interim report of the Company shall be presented to the General Meeting for consideration;
  - shall be responsible for the convening and organisation of the General Meetings in due time.

### **The Manager**

Business operations of the Company are organised and conducted by the Manager, the latter being the Head of the Company appointed and revoked by the Management Board pursuant to the procedure determined by the Law on Companies. The Manager of the Company abides by the Lithuanian legal acts, the Articles of Association, decisions of the General Meeting and the Management Board and the job description of the Manager of the Company. The competence of the Manager is the same as the competence of the Manager of the company defined under the Law on Companies, in particular:

- organisation of activities and implementation of purposes of the Company;
- drawing up of the set of annual financial statements and drafting of the annual report of the Company;
- compiling the draft decision on distribution of dividends for shorter period than the financial year, drawing the set of interim financial statements and preparation of the interim report for the purpose of adoption the decision on distribution of dividends for shorter period than the financial year;
- conclusion of a contract with a attested auditor or with a firm of auditors;
- submission of information and documents to the General Meeting and the Management Board in the cases laid down in the Law on Companies or at their request;
- submission of documents and particulars of the Company to the manager of the Register of Legal Persons;
- submission of documents to the LB and the CSDL;
- publication of information, indicated in the Law on Companies or other legal acts following the order, established by the applicable laws;
- submission of information to shareholders of the Company;
- performance of other duties laid down in the Law on Companies and other laws and legal acts as well as in the Articles of Association and the job description of the Manager.

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

The rights conferred by the Shares of the Company are as follows:

- to receive a part of the Company's profit (dividend);
- to receive the Company's funds when the share capital of the Company is reduced in order to pay out the Company's funds to its shareholders;
- to receive shares gratis in the event the share capital is increased from the Company's own funds, except cases indicated in the Law on Companies;
- the pre-emptive right over each new issue of the Company's shares or convertible bonds, except when pursuant to the procedure laid down in the Law on Companies the General Meeting has made a decision to withdraw the said right for all shareholders (this decision has to be adopted by a ¾ majority vote of shareholders present at the General Meeting);
- to lend the funds to the Company under the procedure prescribed by the applicable Lithuanian law;
- to receive a part of the residual assets of the Company in liquidation;
- to attend the General Meetings;
- to give questions to the Company in advance relating to the items on the agenda of the General Meetings;
- to vote at the General Meetings in accordance with the rights attached to shares;
- to receive information about the Company following the procedure prescribed by the Law on Companies;
- to apply to the court for the compensation of damages caused by the Management Board members or the Manager of the Company by non-performance or improper performance of their duties prescribed by the laws of the Republic of Lithuania and the Articles of Association, as well as in other cases provided by laws;

- other property and non-property rights, indicated in the applicable Lithuanian laws.

All the Shares confer equal rights to all the shareholders.

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

Article 30 of the Articles of Association foresees that the Articles of Association may be amended pursuant to the procedure determined by the Law on Companies, i. e.:

- the Articles of Association may be amended by the decision of the General Meeting, adopted by qualified majority of 2/3 votes, except where the Law on Companies provides otherwise;
- following the decision by the General Meeting to amend the Articles of Association, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the General Meeting;
- amended Articles of Association together with other documents shall be provided to the manager of the Register of Legal Persons, following terms and conditions of the applicable Lithuanian legal acts.

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

Following Article 20 of the Articles of Association the questions, related to activities of the General Meeting and the decisions, adopted thereby shall be regulated by the Law on Companies.

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

The right of initiative to convene the General Meeting is vested in the Management Board and the shareholders who have at least 1/10 of all votes. As a rule, the General Meetings are convened by a decision of the Management Board.

General Meetings are annual and extraordinary. An annual General Meeting must be held every year within four months after the close of the financial year. The Law on Companies indicates that an extraordinary General Meeting must be convened if: (i) the Company's equity capital falls below 1/2 of the share capital and this matter has not been discussed at an annual General Meeting; (ii) the number of the Management Board members falls below the 2/3 of the total number specified in the Articles of Association or below the minimum number indicated in the Law on Companies (i. e. three); (iii) the attested auditor or audit firm terminates the contract with the Company or is unable to audit the set of annual financial statements of the Company due to other reasons; (iv) the convocation of the General Meeting is requested by the shareholders who have the right to initiate such convocation or by the Management Board.

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

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

If the General Meeting is not held, a repeated General Meeting must be convened. It has to be convened after the lapse of at least 14 days and not later than after the lapse of 21 days following the day of the General Meeting which was not held. The shareholders have to be notified of the repeated General Meeting no later than 14 days before the date of the repeated General Meeting in the same manner, as indicated above.

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

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

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

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



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

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

There are no such provisions.

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

There are no such provisions.

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

There are no more stringent provisions.

#### **4.20 Material Contracts**

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

As it was indicated in the notification on material event of the Company of 27 November 2014, INVL Technology AB (the company, which ceased to exist after the reorganisation) and the following persons have signed the Shareholders' Agreement, dated 26 November 2014: LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė (the shareholders of the Former parent company who together managed 89.68% of this company at that time), and Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus, shareholders of BAIP grupė AB (currently – the Company), who together managed 20% of BAIP grupė AB at that time (Former parent company owned the rest 80% at that time).

The Shareholders' Agreement foreseen that:

- (i) INVL Technology AB and BAIP grupė AB will merge. After the merger the company (the "New company") will continue its activities under the name INVL Technology (currently the Company) and its shares will further be listed on OMX;
- (ii) until the merger BAIP grupė AB will issue new shares for the total amount of LTL 1.71 million (EUR 0.5 million). BAIP grupė AB shareholders will acquire these shares and increase owned stake up to 34.3%;
- (iii) the New company will apply to the LB for the closed-end investment company licence. Once the licence is granted INVL Technology will be managed by the asset management company controlled by Invalda INVL AB;
- (iv) the New company will aim to raise not less than EUR 10 million (LTL 34.5 million) through a new share issue. The money will be used for investments into new technology companies;
- (v) the parties of the Shareholders' Agreement are obliged not to sell shares of INVL Technology, BAIP grupė AB and the New company until the capital raise (except for the INVL Technology shares acquired by Invalda INVL AB according to the precedent trading plan and shares of the New company that may be sold by BAIP grupė AB shareholders for the total amount of LTL 684 thousand (EUR 198 thousand));
- (vi) until the Company receives closed-end investment company licence, the Board will consist of 5 members. The Board will pass the key decisions by unanimous vote.

On 27 May 2015 parties of Shareholders' Agreement agreed that after registration of the increased share capital of the Company with the Register of Legal Persons, based on the decisions of the General Meeting, dated 10 April 2015, and subject to the condition that during this Offering the Company will raise not less than EUR 10,000,000, Invalda INVL AB will acquire for the final Offer Price in total 551,523 Shares of the Company from Kazimieras Tonkūnas (165,000 Shares), Gytis Umantas (85,000 Shares), Artūras Milašauskas (50,000 Shares), Vida Juozapavičienė (50,000 Shares), Marius Leščinskas (55,000 Shares), Rokas Ralys (95,893 Shares) and Tomas Šeikus (50,630 Shares). Furthermore, these shareholders agreed after execution of this transaction (if it will be executed) they shall not to sell any of Company's Shares, held by them for a 12 months period as from registration of the capital increase of the Company with the Register of Legal Persons.

In addition, following the abovementioned Shareholders' Agreement (including the amendment thereto), LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė have obliged each not to sell more than 50 percent of each of their Shares held at the end of placement for 12 months.

#### **4.21 Information on Holdings**

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

## V SHARE SECURITIES NOTE

### 5.1 Working Capital Statement

The working capital available to the Company is not sufficient to meet its present requirements for at least the next 12 months following the date of the Prospectus. However, the Company has received support letter from its biggest creditor and one of the Major Shareholders Invalda INVL AB (amount outstanding as of 31 March 2015 – EUR 1.9 million) stating that Invalda INVL AB will support the Company financially, including prolongation of loan terms (if needed). Furthermore, taking into consideration that the Company holds interests in its Subsidiaries, which have granted the loans to the Company (amount outstanding as of 31 March 2015 – EUR 1.7 million), the Company believes it can renegotiate terms of loans from Subsidiaries, including prolongation of loan terms (if needed).

### 5.2 Capitalisation and Indebtedness

The tables below present a statement of capitalisation and indebtedness as at 31 March 2015:

**Table 37.**

<b>Item, EUR thousand</b>	<b>31 March 2015</b>
<b>Total Current Debt</b>	<b>2,411</b>
Guaranteed	-
Secured	-
Unguaranteed/ Unsecured	2,411
<b>Total Non-Current Debt (excluding current portion of long – term debt)</b>	<b>1,174</b>
Guaranteed	-
Secured	-
Unguaranteed/ Unsecured	1,174
<b>Shareholder's Equity:</b>	<b>11,801</b>
Share Capital	1,774
Legal Reserve	179
Other Reserves	-
<b>Total</b>	<b>15,489</b>

*Source: the Company, unaudited*

The Offering will influence the share capital of the Company – if all EUR 4,026,732.94 nominal value Offer Shares are allocated, the share capital will increase by EUR 4,026,732.94 to EUR 5,800,000.

**Table 38.**

<b>Item, EUR thousand</b>	<b>31 March 2015</b>
A. Cash	2
B. Cash Equivalent (Detail)	-
C. Trading Securities	-
<b>D. Liquidity (A) + (B) + (C)</b>	<b>2</b>
<b>E. Current Financial Receivable</b>	<b>305</b>
F. Current Bank Debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	2,411
<b>I. Current Financial Debt (F) + (G) + (H)</b>	<b>2,411</b>
<b>J. Net Current Financial Indebtedness (I) – (E) – (D)</b>	<b>2,104</b>
K. Non-current Bank Loans	-
L. Bonds Issued	-
M. Other non-current Loans	1,174
<b>N. Non-current Financial Indebtedness (K) + (L) + (M)</b>	<b>1,174</b>
<b>O. Net Financial Indebtedness (J) + (N)</b>	<b>3,278</b>

*Source: the Company, unaudited*

### 5.3 Interest of Natural and Legal Persons Involved in the Offering

According to the knowledge of the Company, its Major Shareholder Invalda INVL AB intends to participate in the Offering and subscribe for Offer Shares according to the terms and conditions of this Offering.

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

At the mid-point range of the Offering (assuming that all the Offer Shares are subscribed for the issue price, which is average of Maximum Price (EUR 1.96) and Minimum Price (EUR 1.56)), the Company plans to raise EUR 24,438,103.

Part of the proceeds will be used to retire indebtedness to Invalda INVL AB (amount outstanding as of 31 March 2015 – EUR 1.9 million) and to Portfolio companies (amount outstanding as of 31 March 2015 – EUR 1.7 million).

Remaining funds will be used to finance acquisitions of locally and regionally operating IT companies.

In April 2015 the Issuer and its Portfolio company Norway Registers Development AS signed an agreement to invest into new share issue of Etronika UAB and to acquire 80 percent of share capital thereof for the price of EUR 200 thousand. The Issuer has also agreed to provide EUR 200 thousand loan facility to Etronika UAB to finance its working capital needs. This acquisition and loan facility is financed by EUR 400 thousand loan from Invalda INVL AB.

Furthermore, the Company has identified pipeline of more than 30 acquisitions amounting to about EUR 50 million, mainly in the business-to-business and business-to-government segment. Usually only part of projected pipeline turns into realized transactions and the Company expects to complete investments in only part of identified targets. According to the Management estimates, this pipeline is sufficient to successfully employ the capital raised during the Offering in upcoming 3-5 years.

Main criteria for acquisitions are:

- Rational valuation parameters;
- Industry and geography focus match;
- Evidence of sustainability of products and services in local markets;
- Strong management team.

The Company aims to leverage acquired companies operations through add-on acquisitions, new market entry and cluster approach. According to Management's understanding, the Company offers to enter new markets by exploiting sales channels of current Portfolio companies, flexible ownership structure approach and offer of capital and management support should be attractive to owners seeking new investors.

Main areas, geographies and size of pipeline of target companies:

- Cyber Security  
Targets: Cyber & Information security solution providers  
Geography: Baltic countries and Eastern Europe  
Investment: 2-3 add-ons with Equity value (EV) range EUR 0.5-1 million; 1 platform acquisition with EV ranging from EUR 7 to EUR 10 million.  
Time span for the acquisitions: 2015-2018
- IT infrastructure  
Targets: Specialised service providers, data centers, cloud solution providers  
Geography: Baltic countries, Poland, Scandinavia  
Investment: 4 add-ons with EV range EUR 0.5-1 million; 4 platform acquisitions with EV ranging from EUR 5 to EUR 7.5 million and 2 minority participations with EV range EUR 5-10 million.  
Time span for the acquisitions: 2015-2018
- Business climate improvement and e-Governance  
Targets: E-governance and public sector oriented solution providers, B2G oriented consulting services  
Geography: Baltic countries and Scandinavia  
Investment: 3 add-ons with EV range EUR 0.5-1 million and 2 minority participations with EV range EUR 20+ million  
Time span for the acquisitions: 2015-2018
- IT intensive industries' solutions  
Targets: B2B solution providers with focus on dedicated IT user industries: financials, utilities, energy; ERP solution providers; GIS solution providers  
Geography: Baltic countries, Eastern Europe and Scandinavia  
Investment: 5 add-ons with EV range EUR 0.5-1 million; 5-6 platform acquisitions with EV ranging from EUR 3 to EUR 5 million, 2 with EV of EUR 10+ million  
Time span for the acquisitions: 2015-2018

## 5.5 Information Concerning the Securities to be Offered and Admitted to Trading

### Description of the Shares of the Company (including the Offer Shares)

<b>Type of the Shares:</b>	ordinary registered Shares
<b>ISIN number:</b>	LT0000128860. After the assimilation of the previous issue, ISIN number of the New Shares will be the same as the number of Shares, already admitted to trading on the OMX – LT0000128860
<b>Currency of Shares:</b>	EUR

<b>Form of Shares:</b>	Registered dematerialised shares in book-entry form. Entity currently in charge of keeping the records is Finasta AB FMJ, code 122570630, registered at the address Maironio str. 11, Vilnius, Lithuania
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Legislation, under which the Shares have been created, includes the Civil Code of the Republic of Lithuania, the Law on Companies, the Law on Securities and other related legal acts.

### Decision by which the New Shares are issued

The New Shares are being issued by the resolution of the General Meeting of 10 April 2015. In this meeting it was decided *inter alia*:

- To increase the authorized capital of the Company with additional contributions from EUR 1,773,267.06 to EUR 5,800,000 (the authorized capital will be increased by no more than EUR 4,026,732.94). The authorized capital of the Company will be increased by additionally issuing no more than 13,885,286 New Shares of EUR 0.29 par value each.
- The minimal issue price of each New Share is EUR 1.56, payment for the New Shares – by cash contributions. The total minimal issue price of the New Shares is no more than EUR 21,661,046.16, which depends on the final amount of the New Shares.
- If not all the New Shares are subscribed within the period intended for subscription, the authorised capital of the Company could be increased by the total par value of the subscribed Shares. In case when not all New Shares are subscribed, the Management Board will decide whether the increased authorized capital is deemed to have occurred. If it happens, the authorized capital of the Company has to be increased by total par value of the subscribed New Shares. The Management Board should change the authorised capital and the number of Shares in the Articles of Association accordingly and submit changed Articles of Association to the Register of Legal Persons.
- To delegate the Management Board according to its preference, to prepare and set all detailed conditions and the order for subscription and payment of the New Shares. Also, to set other conditions of the Offering, which were not discussed in the resolution of the General Meeting (including but not limited to the final Offer Price of the New Shares, the final amount of the New Shares, etc.).
- To initiate an introduction of the New Shares to trading on the Secondary List of OMX.
- Taking into consideration that the New Shares will be offered publicly according to the rules set by the Law of Securities, to withdraw the pre-emptive right of the Company's shareholders to acquire the New Shares.

The Maximum Price of the New Shares, which is EUR 1.96, was determined by the Management Board on 15 May. The final Offer Price will be determined following the procedure, indicated Section *The Offering and Plan of Distribution* below.

### Transfer restrictions

There are no restrictions on transfer of Shares (including the Offer Shares) as they are described in the applicable Lithuanian laws. However, the Major Shareholders of the Company obliged not to sell certain parts of their Shares, held in the Company for an agreed period (for more information on this arrangement please see Section *Lock-up Agreement* below).

### Rights and obligations granted by securities

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

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

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

The list of the shareholders' rights indicated in the Articles of Association is provided in Section 4.19.2 *Articles of Association*. Below is the brief description of certain material rights of the Company's shareholders.

### Dividend and other distributions

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

## **Dividend**

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

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

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

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

The Issuer must pay the allocated dividend within one month from the day of adoption of a decision by the General Meeting on allocation and payment of dividend. The term of limitations with respect to filing a dividend payment claim with the court expires 10 years after the date the dividend had to be paid, in which case the unpaid dividend amount goes to the Issuer.

The Law on Companies also provides with a possibility to pay dividend to shareholders for a period shorter than a financial year (interim dividend). The following conditions for distribution of interim dividend are established:

- (i) the right to initiate distribution of dividend lies with shareholders, shares held by which carry at least 1/3 of all the votes, unless the Articles of Association of the company establish a higher majority;
- (ii) the distribution of dividend must be preceded by the preparation and audit of the set of interim financial statements, the interim report and a draft of the decision on distribution of dividend for a period shorter than a financial year;
- (iii) interim dividend is allocated by a decision of the General Meeting. The General Meeting must be held within 3 months after the end of the period, for which distribution of dividend is proposed, but in any case no earlier than the approval of the set of annual financial statements and distribution of the Company's profit (loss) for the earlier financial year and no later than the end of the financial year;
- (iv) interim dividend may be distributed if all the following conditions are met: (a) an audited set of interim financial statements has been approved; (b) the profit (loss) amount for a period shorter than a financial year is positive (there is no loss); (c) the amount distributed for payment of dividend does not exceed the profit (loss) for the period shorter than a financial year, the amount of the retained earnings (loss) for the previous financial years carried forward to the current financial year, upon deduction of the share of profit earned during the period shorter than a financial year, which must be appropriated to reserves according to the law or according to the Articles of Association; (d) the company does not have outstanding obligations, which matured before taking of the decision, and upon payment of dividend it would be capable of fulfilling its obligations for the current financial year;
- (v) upon distribution of interim dividend, it is allowed to allocate dividend for another period shorter than a financial year no earlier than 3 months later.

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

For more information on dividends please also see Section 4.18.3 *Dividend Policy*.

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

In case of liquidation of the Issuer, the Issuer's assets remaining after settlement of accounts with creditors are distributed to shareholders pro rata to the aggregate nominal value of shares held by them. In case of voluntary liquidation of the Issuer, the Issuer's assets can be distributed among shareholders only after the Issuer settles accounts with its creditors and upon a lapse of two months after a public notice about liquidation made pursuant to requirements of the laws. In case of disputes in court regarding fulfilment of the Issuer's debt obligations, the Issuer's assets are distributed among shareholders only upon final resolution of the disputes and settlement of accounts with creditors.

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

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

Only the annual General Meeting may adopt the decision to reduce the share capital with the purpose of paying funds to the shareholders, provided that all of the following conditions are met: (i) the set of annual financial statements and the profit distribution account have been approved; (ii) following the reduction of the share capital the legal reserve of the Company will not be lower than 1/10 of the Company's share capital; and (iii) no undistributed loss and long-term liabilities are recorded in the set of annual financial statements of the Company.

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

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

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

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

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

### **Conditions of Conversion**

Currently, the Issuer has not issued any convertible securities.

### **Conditions of Redemption**

Pursuant to the Law on Companies, the Issuer has the right to redeem its own shares. The total nominal value of shares redeemed by the Issuer cannot be more than 1/10 of the authorised capital. If the aggregate number of the repurchased shares exceeds 10% of the share capital of the Company, it must transfer the excess shares to other persons within 12 months after exceeding the threshold. Upon redemption of its own shares, the Issuer has no right to exercise property and non-property rights conferred by such shares.

A detailed procedure of redemption of own shares is provided for in the Law on Companies. The Issuer can redeem its own shares only after it has formed a reserve for redemption of own shares, which may not be less than the total purchase price of all the redeemed shares. Furthermore, the Company may not purchase own shares if this would result in the equity capital falling below the aggregate amount of the paid-up authorised capital, mandatory reserve and reserve for own shares. As a general rule, the Company may not repurchase its shares which are not fully paid. In order to repurchase its shares the Company must submit a voluntary takeover bid and when redeeming its own shares, the Company must ensure equal possibilities for all the shareholders to sell shares of the Company to the Company.

### **Voting rights**

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

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

The shareholder does not have the right to vote on the decision regarding the withdrawal of the pre-emptive right to acquire securities newly issued by the Company, if according to the agenda of the General Meeting the right to acquire such securities is to be granted to him or persons related to him.

### **Pre-emptive rights**

Pursuant to the Law on Companies, the Company's share capital may be increased by a decision of the General Meeting and may be effected by (i) issuing additional shares; (ii) increasing the nominal value of existing shares; or (iii) issuing convertible bonds.

Increases in share capital by way of issuance of additional shares may be effected through one or a combination of the following: (i) in consideration for cash; (ii) in consideration for assets contributed in kind; (iii) by conversion of bonds previously issued; (iv) from the Company's own funds (i.e. by capitalisation of profits or share premiums), etc.

If the Company issues additional shares or convertible bonds other than from the Company's own funds, current shareholders will have a pre-emptive right to subscribe for such securities on a pro rata basis. The pre-emptive right requires that the Company give priority treatment to current shareholders. The Company must announce the proposal to exercise the pre-emptive rights as well as the period of such exercising in the electronic publication for public notifications administered by the manager of the Register of Legal Persons, report the same to the Register of Legal Persons and announce as a material event. The time limit for a shareholder to acquire the securities on a pre-emptive basis may not be less than 14 days after the public announcement thereof by the Register of Legal Persons.

The pre-emptive right to subscribe for shares or convertible bonds of a certain issue can be withdrawn by a decision of the General Meeting, which has to be adopted by a  $\frac{3}{4}$  majority of votes present in the meeting. The pre-emptive right can be withdrawn only in respect of all the shareholders of the Company. A written proposal to withdraw the pre-emptive right to subscribe for securities must be given by the Management Board, indicating reasons and causes for such withdrawal, substantiation of the issue price, as well as persons who would be offered to acquire the newly issued securities. The General Meeting, taking a decision on withdrawal of the pre-emptive right, must justify the necessity to withdraw such a right and specify the person or persons who are given the right to subscribe for newly issued securities, save for cases when the pre-emptive right is withdrawn because of the intention to make a public offering of securities of the Company under the procedure set by the Law on Securities.

The Company's share capital may be increased from the Company's own funds. In such case the current shareholders are entitled to receive the new additional shares free of charge on a pro rata basis. Furthermore, the nominal value of all the Company's shares may be increased.

The pre-emptive right to acquire the shares or convertible bonds issued by the Company as well as the right to receive shares free of charge in the case of the increase of the share capital from the Company's own funds is granted to the persons who were shareholders of the Company at the end of the rights record date (i.e. the tenth business day following the day the respective decision was adopted by the General Meeting).

Furthermore, under the applicable Lithuanian laws the shareholders are entitled to transfer to other persons the pre-emptive right to acquire the Company's shares or convertible bond to be newly issued.

### **Right to receive information**

According to the Articles of Association and legal acts of the Republic of Lithuania, the Company must, at a shareholder's written request and within 7 days from the receipt of the request, grant to the shareholder access to and/or submit to him copies of the following documents: the Articles of Association, sets of annual and interim financial statements, annual and interim reports on the activities of the Company, the auditor's opinions and audit reports, minutes of the General Meetings or other documents constituting decisions of the General Meetings, the lists of shareholders, the lists of members of the Management Board, also other documents of the Company that must be publicly accessible under laws, minutes of the meetings of the Management Board or other documents constituting decisions of the indicated body of the Company, unless these documents contain a commercial (industrial) secret, confidential information. A shareholder or a group of shareholders, who own at least 1/2 of shares of the Company, have the right to access all documents of the Company subject to presenting a written pledge not to disclose commercial (industrial) secret, confidential information. The Articles of Association foresees that a charge for copying of documents and other information for the shareholder, which shall not exceed the expenses of documents and other information submission, established and approved by the Manager of the Company, may be required by the Company.

### **Challenging of Decisions**

Decisions of bodies of the Company may be invalidated in court if they are in conflict with imperative rules of law, incorporation documents of the Company or the principles of reasonability or fairness. A statement of claim may be filed by creditors of the Company if the decision violates their rights or interests, a Manager, member of the Management Board of the Company, a shareholder or other persons specified in the law. Such claim may be filed in a competent court of Lithuania within 30 days as of the day on which a relevant person learnt or should have learnt about the challenged decision.

In addition, a shareholder may apply to the court for the compensation of damages caused by the members of the Management Board or the Manager by non-performance or improper performance of their duties prescribed by the laws of the Republic of Lithuania and the Articles of Association, as well as in other cases provided by laws.

### **An indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities**

The issued securities of the Company are subject to all mandatory takeover bids and squeeze-out and sell-out rules specified in the Law on Securities.

Following the Law on Securities, where a person, acting independently or in concert with other persons, acquires shares that in connection with the holding held by him or by other persons acting in concert entitles him to more than 1/3 of votes at the general meeting of shareholders of the Company, he must either transfer shares exceeding this threshold, or announce a mandatory takeover bid to buy up the remaining shares of the Company granting the voting rights and the securities confirming the right to acquire shares granting the voting rights.

A person, when acting independently or in concert with other persons and having acquired not less than 95 percent of the capital carrying voting rights and not less than 95 percent of the total votes at the General Meeting of the Issuer shall have a right to require that all the remaining shareholders of the Issuer sell the voting shares owned by them, and the shareholders shall be obligated to sell the shares. A person can exercise this right within three months after the implementation of the mandatory takeover bid or the voluntary takeover bid to buy up the remaining shares of the Issuer granting the voting rights.

The price of these procedures must be fair. Usually, the price of squeeze-out shares is equal to (i) with regard to certain conditions, the price paid for the Issuer's shares bought according to the mandatory or voluntary takeover bid in accordance with the provisions of the Law on Securities, or (ii) the fair price, determined by the person buying up the shares in other way, subject to a relevant approval of the LB. The minority shareholders have the right to challenge the squeeze-out price in court if, in their opinion, the price breaches the principle of fairness.

Besides, any minority shareholder shall have a right to require that a person, who, when acting independently or in concert with other persons, has acquired the shares comprising not less than 95 percent of the capital carrying the voting rights and not less than 95 percent of the total votes at the General Meeting, would buy the shares belonging to the minority shareholder and granting the voting rights, while the said person shall be obligated to purchase those shares. The duration of validity of this right and the price of sell-out shares are determined according to the above-mentioned rules.

The Issuer does not have the right to demand that shareholders sell their shares to the Issuer, whereas the shareholders do not have the right to demand that the Issuer buy up shares held by them.

The issue of New Shares does not result in appearance of duties in connection with a mandatory takeover bid and appearance of any rights in connection with sell-out or squeeze-out of shares or other any rights other than those set in the Law on Securities.

Following the decision of the Company's shareholders to delist the shares of the Issuer from the trading on the regulated market (such a decision is taken by the majority of  $\frac{3}{4}$  of all votes attaching to shares of the shareholders attending the general meeting of shareholders), a takeover bid must be submitted and implemented to buy-up the shares of the Issuer admitted to the regulated market. The takeover bid must be submitted by the shareholders who voted for the decision to delist the shares of the Issuer from the trading on the regulated market. One or several shareholders have the right to implement this duty for other shareholders. The shareholders who voted "against" or did not vote when the decision was taken to delist the shares of the Issuer from the trading on the regulated market operating in the Republic of Lithuania have the right to sell their shares during the effective term of the mandatory takeover bid.

#### **An indication of public takeover bids by third parties in respect of the Issuer's equity, which have occurred during the last financial year and the current financial year**

Within the indicated period no takeover bids were submitted by third parties in respect of the Issuer's equity.

Disregarding the above, as indicated in the notification on material event of the Company, dated 10 April 2015 the General Meeting of 10 April 2015 decided *inter alia*:

- (i) To apply for the Company to the LB for obtaining the license of the closed-end investment company.
- (ii) To prepare the draft of the Articles of Association of the Company (closed-end investment company) and other required documents in order to obtain the license.
- (iii) To prepare the draft of the Management Agreement with INVL Asset Management UAB (company code 126263073) for transfer of management of the closed-end investment company.
- (iv) To negotiate with the potential custodians (depositories) of the closed-end investment company and prepare the draft of the contract with the depository. The key condition of the agreement is that the expenses for custody should not exceed 0.1 percent of the annual net asset value of the closed-end investment company.
- (v) Seeking to ensure the right of the Company's shareholders, who did not vote or voted "against" the aforementioned decisions to sell their Shares, shareholders, who voted "for" these resolutions within one month from the General Meeting will have to announce a voluntary tender offer to purchase the rest of the Shares (one or several shareholders will have the right to fulfil this duty for the other shareholders). Only the shareholders who did not vote or voted "against" this item of the agenda will have the right to sell their Shares during the tender offer.

After the indicated General Meeting it became clear that the shareholders of the Company who own 5,700,680 Shares, which constitute 93.23% of Company's authorised capital gave approval to apply for the closed-end investment company license.

Following the arrangement of the shareholders, who voted "for" the indicated decision, Invalda INVL AB fulfilled this duty on behalf of the shareholders and the circular of the voluntary tender offer was approved by the LB on 18 May 2015. Voluntary tender offer price amounted to EUR 1.61 per Share. Only the shareholders who did not vote or voted "against" had the right to sell their Shares during the tender offer. Voluntary tender offer applied for 414,034 Shares of the Company, constituting 6.77 percent of Company's capital. The tender offer was implemented from 22 May till 4 June 2015. During the implementation period of the voluntary tender offer Invalda INVL AB bought-up 47 Shares of the Company, which represent 0.0008 percent of voting rights at the General Meeting.



## **Taxation in Lithuania**

The following is a summary of certain Lithuanian tax implications of ownership and disposition of the Shares. The summary is based on the tax laws of Lithuania as in effect on the date of this Prospectus, and is subject to changes in such laws, including changes that could have a retroactive effect. The summary does not purport to be a comprehensive description of all the tax implications that may be relevant for making a decision to purchase, own or dispose of the Shares. You are advised to consult your own professional tax advisors as to the Lithuanian and other tax implications of the Offering and the purchase, ownership and disposition of the Shares. Prospective investors who may be affected by the tax laws of other jurisdictions should consult their own tax advisors with respect to the tax implications applicable to their particular circumstances.

### ***Taxation on Dividends***

#### *Legal persons*

Dividends received by Lithuanian or foreign legal persons are subject to the corporate income tax at a rate of 15%. Dividends are not subject to the corporate income tax when a recipient (a Lithuanian or foreign legal person) has been or intends to be in control of not less than 10% of voting shares of a Lithuanian company distributing dividends for an uninterrupted period of at least 12 months (including the moment of distribution of dividends). This participation exemption does not apply if dividends are paid to foreign legal persons registered or otherwise organized in a tax haven jurisdiction.

If dividends are paid out to the legal persons that are residents of a foreign country with which Lithuania has concluded a treaty for the avoidance of double taxation and such a treaty limits the rights of Lithuania to tax dividends, the rules set in that treaty will be applied.

The obligation to calculate, withhold and pay the withholding tax on dividends arises for the Lithuanian legal person (the payer of dividends).

#### *Individuals*

Dividends received by Lithuanian and foreign individuals are subject to the personal income tax at a rate of 15%.

If dividends are paid out to the residents of a foreign country with which Lithuania has concluded a treaty for the avoidance of double taxation and such treaty limits the rights of Lithuania to tax dividends, the rules set in that treaty will be applied.

The obligation to calculate, withhold and pay the withholding tax on dividends arises for the Lithuanian legal entity (the payer of dividends).

### ***Taxation on Capital Gains***

#### *Legal persons*

No specific capital gains tax is established under the Lithuanian tax legislation. Therefore, capital gains received by a Lithuanian legal person or by a foreign legal person through its permanent establishment in Lithuania from the sale of shares are included in the taxable income for the corporate income tax purposes. The standard rate of the corporate income tax is 15%.

An exemption is available, and capital gains are not subject to the corporate income tax if the following conditions are met: 1) an entity the shares of which are being transferred is registered in the EEA Member State or a country with which Lithuania has concluded a treaty for the avoidance of double taxation, and this entity is a payer of corporate income or equivalent tax; and 2) an entity transferring shares has been in control of more than 25% of voting shares for an uninterrupted period of at least two years. The exemption is not applied if shares are transferred to the issuer.

Lithuanian entities and permanent establishments of foreign entities have the right to carry forward losses due to the disposal of securities and/or derivative financial instruments for five consecutive years for the purpose of the Lithuanian corporate income tax. The said losses can be covered only with income generated from disposals of securities and/or derivative financial instruments. Also please note that a restriction may be applicable – in assessment of the corporate income tax for 2014 and subsequent years, the amount of tax loss carried forward cannot exceed 70% of the taxable profit amount of the relevant tax period.

Capital gains received by the foreign legal persons from the disposal of shares of Lithuanian companies are not subject to the Lithuanian corporate income tax.

#### *Individuals*

Capital gains received from the sale of shares by the Lithuanian residents are subject to 15% personal income tax. Please also note that the capital gains, received from sale of securities shall not be taxed, if its amount does not exceed

EUR 3,000 per year. This relief does not apply in case a shareholder sells the shares or transfers the title to the shares to the entity that issued those shares.

The personal income tax on capital gains received by individuals should be calculated, paid and declared by individuals by the 1st of May of the calendar year following the taxable year.

Capital gains received from the disposal of shares of Lithuanian companies by the individuals who are not considered to be Lithuanian residents for tax purposes are not taxed in Lithuania.

### **Taxation on Gifts and Inheritance**

If the Issuer's shares are given as a gift to a natural person, generally the acquisition of shares is subject to personal income tax at a rate of 15%, charged on income received at the transfer of the shares as a gift. The tax is not applicable where a spouse, children (adopted children), parents (adoptive parents), brothers, sisters, grandchildren or grandparents give shares as a gift or where shares are given as a gift to a non-Lithuanian resident. Furthermore, donation incomes received from other persons are not subject to taxation, unless such incomes exceed EUR 2,500 in a calendar year.

Inherited Issuer's shares are subject to inheritance tax as follows: if the taxable value of the inherited property does not exceed EUR 150,000, the tax rate is 5%; if the taxable value of the inherited property exceeds that amount, the tax rate is 10%. The property is exempted from the tax where the property is inherited by a spouse upon the death of the other spouse, by parents (adoptive parents), children (adopted children), grandparents, grandchildren, brothers, sisters, guardians (custodians), wards (foster children), or where the shares are inherited by a non-Lithuanian resident or the value of the inherited property does not exceed EUR 2,500.

### **Value added tax**

Generally, under effective laws, share acquisition or transfer transactions are not subject to value added tax (VAT) in Lithuania.

## **5.6 The Offering and Plan of Distribution**

### **General Information**

The Issuer is offering up to 13,885,286 ordinary registered Shares (the "Offer Shares" or the "New Shares"). The Issuer reserves the right to allocate in total a smaller number of Offer Shares than 13,885,286. This may happen, for instance, as a result of insufficient demand at a price level satisfactory to the Issuer. In such case, the number of Offer Shares to be allotted to the investors may be reduced proportionally.

This Offering consists of a public offering in Lithuania to: (i) existing shareholders of the Company (the "Existing Shareholders"), (ii) retail investors (the "Retail Investors") and (iii) institutional investors (which term includes entities managing portfolios of securities for their clients and unincorporated organizations) (the "Institutional Investors", and together with the Retail Investors and Existing Shareholders, the "Investors"). The Offering to Institutional Investors also includes a private placement to Institutional Investors in certain jurisdictions outside of Lithuania and the United States in accordance with Regulation S under the U.S. Securities Act of 1933.

The Existing Shareholders and Retail Investors, who place their subscription orders for at least EUR 50,000 are entitled to participate in this Offering generally on the same terms, as the Institutional Investors, i.e. they may participate in the Offering, indicating the price of the Offer Shares, at which they will be willing to subscribe thereof (for more information please see Sections *Retail and Institutional Investors' subscription procedure* and *Payment by the Institutional Investors as well as by the Existing Shareholders and the Retail Investors, placing the subscriptions for at least EUR 50,000*).

The Existing Shareholders and Retail Investors, who place their subscription orders for less than EUR 50,000 will have to participate this Offering on the general terms, as provided in this Section for these categories of Investors, i.e. they will place their subscription orders and pay thereof at the Maximum Price.

Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their orders (before the end of the Subscription Period) have opened securities accounts with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania.

For the purposes of the Offering no tranches of the Investors are being established. However, each of the Existing Shareholders is entitled and is guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares at a price, which will be not less than the final Offer Price), such an Existing Shareholder will be allocated the Offer Shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 26 June 2015 or any lesser number of Offer Shares, in case it places an order for less Offer Shares at a price, which will be not less than the final Offer Price, than indicated above (the "Guaranteed amount of Offer Shares"). The Retail Investors and the Institutional Investors (as well as the Existing Shareholders in case such Investors provide subscription orders for more Offer Shares, than the Guaranteed amount of Offer Shares to a respective Existing Shareholder at a price, which will be not less than the final Offer Price – with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount) shall have no guarantees as to acquisition of the Offer Shares, i.e. they may be allotted a lower number of Offer Shares than the number specified in such Investors' subscription orders, or may be not allotted any Offer Shares at all, pursuant to the terms and conditions set forth in the Prospectus (with the

exception regarding the allotment to the Existing Shareholders, having participated in the Offering, which will be allotted the Guaranteed amount of Offer Shares to the respective Existing Shareholder in such case).

As at the date of this Prospectus, there is no restriction on the amount of Offer Shares that will be allocated to each category of Investors. However, the Issuer intends to allocate approximately 10% of the final number of the Offer Shares to the Retail Investors, unless there is insufficient demand to allocate the remaining Offer Shares to the Existing Shareholders and Institutional Investors at the set Offer Price, and vice versa, in which case this proportion may be altered by the Issuer acting in agreement with the Lead Manager. Such an alteration, if any, will be announced, together with the Offer Price and the final number of Offer Shares.

The Offer Shares are being offered at the Offer Price, which will be determined as indicated in Section *Maximum Price, Offer Price and final number of Offer Shares* below and expressed in EUR. The final number of the Offer Shares allotted to the Investors will be set by the Issuer in agreement with the Lead Manager after the Offer Price is determined, but will not be higher than 13,885,286.

### **Notices**

Any notices relating to the final results of the Offering will be filed with the LB and will be published as a material event *inter alia* on the website of the Issuer [www.invltechnology.lt](http://www.invltechnology.lt) and of the Offering Broker [www.finasta.com](http://www.finasta.com). In addition, any notices relating to the approval of the Prospectus and its supplements (if any) which have to be published by the LB in accordance with Lithuanian law will be published on its website [www.lb.lt](http://www.lb.lt).

### **Corporate Resolutions and General Structure of the Offering**

On 10 April 2015 the General Meeting adopted *inter alia* the following decisions: (i) to increase the authorised capital of the Issuer; (ii) to revoke the pre-emptive right to acquire the New Shares for the existing shareholders; (iii) to authorise the Management Board to determine the final conditions of the Offering; (iv) to list the New Shares of the Issuer on the OMX; (v) to authorise the Management Board to take corresponding actions and (vii) taking into consideration the increase of the authorised capital of the Company, to amend its Articles of Association.

Following the indicated decisions of the General Meeting only the minimal issue price of New Shares was established, which is equal to EUR 1.56 (the "Minimum Price"). Accordingly total minimal issue price of all the issue of New Shares is equal to EUR 21,661,046.16 (in case all of them will be subscribed for).

Maximum Price of New Shares was set by the Management Board on 15 May 2015 at EUR 1.96 (the "Maximum Price").

The New Shares, which shall be fully paid by the Investors, shall be admitted on the Secondary List of the OMX once the capital increase of the Company is registered in the Register of Legal Persons and the New Shares are registered with the CSDL and assimilated with the currently registered issue of Shares.

The Management Board, upon agreement to be concluded by the Issuer and the Offering Broker, will determine the final terms on which the Offer Shares will be offered, including: the final Offer Price, final number of Offer Shares offered to Existing Shareholders, the Retail and Institutional Investors respectively. Upon the decision hereon, the Issuer will issue the New Shares.

For information on applicable selling restrictions in respect of the Offer Shares, please refer to Section 1.8 *Selling Restrictions* and for information regarding the rights pertaining to the Shares, please refer to Section 5.5 *Information Concerning the Securities to be Offered and Admitted to Trading*.

Thus, according to the information, provided above, the Offering shall be structured in the following order:

- (i) the subscriptions as to acquisition of the Offer Shares shall be received from the Investors as well as paid according to the order, described in this Prospectus;
- (ii) based on the decision of the Management Board the Offer Price shall be established and the Offer Shares shall be finally allocated to the Investors;
- (iii) the capital increase of the Company shall be registered with the Register of Legal Persons;
- (iv) the Offer Shares shall be registered with the CSDL, introduced to trading on the OMX and distributed to the Investors.

### **Place of Subscription**

Subscriptions will be accepted at the office of the Offering Broker, at the address Maironio str. 11, Vilnius, Lithuania.

Subscriptions will be accepted on a subscription form in Lithuanian or in English (for persons who are not Lithuanian residents). Retail Investors and Existing Shareholders are allowed to submit a copy of a signed subscription form to the Offering Broker by fax or email prior to submitting an original document to the office of the Offering Broker. The original document has to be submitted to the Offering Broker until the end of subscription period for the Retail Investors and Existing Shareholders, as indicated below. Institutional Investors are allowed to submit a signed copy of a subscription form by fax or email and are not required to submit an original document. The Existing Shareholders, which are attributed to the Institutional Investors as such, are also not required to submit an original copy of the subscription form.

Subscriptions will be accepted if Investors have a brokerage account agreement with the Offering Broker or other entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania. The subscription forms will be available at the office of the Offering Broker and on the webpage of the Offering Broker ([www.finasta.com](http://www.finasta.com)).

Firms managing securities portfolios on a discretionary basis should place subscription orders for the Offer Shares by submitting the subscription order form along with a list of investors on whose behalf the subscription order is placed. The list must include details required to be included in the subscription order form with respect to each investor listed, and must be signed by persons authorised to represent the firm.

### Expected timetable of the Offering

The expected timetable below lists expected key dates relating to the Offering on or around which the events listed below should occur. The Issuer reserves the right to change the timetable of the Offering. Should the Issuer decide to adjust the dates set out in the timetable, the Issuer will provide the LB with the relevant supplement to the Prospectus for the approval and publish such information (upon the approval of supplement) in compliance with applicable regulations, as well as market practices in Lithuania.

from 10 till 26 June 2015 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Existing Shareholders and the Retail Investors, placing the orders for less than EUR 50,000 and payment for the Offer Shares at Maximum Price by such Existing Shareholders and the Retail Investors
from 10 June till 3 July 2015 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Institutional Investors as well as from the Existing Shareholders and the Retail Investors, placing the orders for at least EUR 50,000 and payment for the Offer Shares at the price, indicated by such Investors (not lesser than EUR 1.56 and not higher than EUR 1.96 per Offer Share)
from 10 June till 3 July 2015	Roadshow
on or about 7 July 2015	Determination and announcement of the final Offer Price, final number of the Offer Shares and the allotment between the Existing Shareholders and the Retail and Institutional Investors (the "Allotment Date")
on or about 17 July 2015	Delivery of the Offer Shares to Investors and closing of the Offering ("Settlement Date")
till the end of July 2015	Trading in Offer Shares is expected to commence on the OMX

All times and dates referred to in this timetable may be adjusted by the Issuer, in consultation with the Offering Broker, if deemed necessary for the successful completion of the Offering and Admission. In particular, the Issuer upon recommendation from the Offering Broker, may extend the subscription period for the Offer Shares, base on monitoring the market. An extension of the subscription period will result in the postponement of the allotment date of the Offer Shares, as well as in the postponement of the date of listing of the New Shares on the OMX.

Where required by law, any changes in the Offering dates should be published in the form of a supplement to the Prospectus. Information of any change of the dates should be published no later than on the originally set date, provided that if the period of acceptance of subscription orders is shortened, relevant information should be published no later than on the date preceding the last day (according to the new schedule) of the acceptance of subscription orders.

### Maximum Price, Offer Price and final number of Offer Shares

The Offer Price will not be set at higher than EUR 1.96. Minimal issue price of the Offer Shares shall not be less than EUR 1.56.

During the subscription period amongst Institutional Investors as well as Existing Shareholders and Retail Investors, placing the orders for at least EUR 50,000, such Investors interested in subscribing for the Offer Shares will indicate the number of the Offer Shares they will be willing to acquire and the price, not higher than the Maximum Price (and not less than the Minimum Price), they will be willing to pay. Retail Investors and Existing Shareholders, which are not attributable to the Institutional Investors as well as who will place the orders for less than EUR 50,000 will not participate in this process and will place their subscriptions at a Maximum Price.

The Offer Price will be determined by the Issuer in agreement with the Lead Manager and will not be higher than the Maximum Price (and lower than the Minimum Price). The Offer Price will be determined based on: (i) the volume and price sensitivity of the demand estimated in the subscription process of the Institutional Investors as well as Existing Shareholders and Retail Investors, placing the orders for at least EUR 50,000 as indicated above; (ii) the current and forecast situation in the capital markets; and (iii) development outlook, risk factors and other information concerning the Company's business. If possible and to the extent, needed by the Issuer, the Offer Price will be established also aiming to increase the liquidity of Company's Shares on the OMX. The Offer Price will be the same for Existing Shareholders, Retail Investors and Institutional Investors.

All monetary amounts used in the Offering will be expressed in EUR.

The Offer Price will be filled with the LB, published as a material event *inter alia* on the website of the Issuer [www.invltechnology.it](http://www.invltechnology.it) and of the Offering Broker [www.finasta.com](http://www.finasta.com), as soon as available.

## **Subscription Procedure**

### ***Existing Shareholders' subscription procedure***

Each of the Existing Shareholders are entitled and are guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares at a price, which will be not less than the final Offer Price), such an Existing Shareholder will be allocated the Offer Shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 26 June 2015 or any lesser number of Offer Shares, in case it places an order at a price, which will be not less than the final Offer Price for less Shares, than indicated above (Guaranteed amount of Offer Shares). Thus, persons, being shareholders of the Company at the close of 26 June 2015 (the Existing Shareholders) generally are entitled to acquire all the Offer Shares of the Company, in case all the Existing Shareholders will participate in the Offering at a price, which will be not less than the final Offer Price and will subscribe for the number of Offer Shares, not less than *pro rata* to the nominal values of their shareholdings in the Company as at the close of 26 June 2015.

Pro rata to the nominal value of Shares of the Company, held by the shareholders of the Company as at the close of 26 June 2015, the number of Offer Shares that a relevant shareholder is guaranteed to be allotted by the Issuer during this Offering subject to the aforementioned conditions shall be calculated according to this formula:  $A = 13,885,286 \times k$ , in which:

A – the number of Offer Shares, which a respective Existing Shareholder is guaranteed to acquire and which the Company shall allot to the respective shareholder, in case it subscribes for not less than such number of Offer Shares at a price, which will be not less than the final Offer Price;

k – coefficient, indicating which part of the Offer Shares is guaranteed by the Issuer to be allotted to the particular Existing Shareholder of the Company, which shall be calculated according to the following formula:  $k = S/6,114,714$ , where S – number of Shares, held by the respective Existing Shareholder of the Company at the close of 26 June 2015. The value of coefficient k shall be rounded to eight digits after the comma, following the general arithmetic rules.

Calculated number of Offer Shares, which the particular Existing Shareholder is entitled to acquire during this Offering and which the Company shall allot to such shareholder, in case it subscribes for not less than such a number of Offer Shares at a price, which will be not less than the final Offer Price shall be rounded to the whole number according to the general arithmetic rules, in case it is with fractional part.

The Existing Shareholder of the Company at his own discretion may subscribe and acquire also any lesser number of Offer Shares than the number, calculated according to the aforementioned formula, which the respective Existing Shareholder would be allotted by the Company based on the indicated rules (in which case such Existing Shareholder would be allotted all such lesser number of Offer Shares). The Existing Shareholder may also not participate in the Offering and not subscribe for Offer Shares.

Furthermore, the Existing Shareholder may place a subscription order for any higher number of Offer Shares than the number, calculated according to the indicated formula. In such case the Existing Shareholder will be safely allotted the number of Offer Shares, calculated according to the aforementioned formula. The number of Offer Shares, exceeding the number, calculated according to the formula, shall be allotted following the general allocation order, as described in Section *Rules of Offer Shares allocation*, and there is no guarantee that the Existing Shareholders shall be allotted with all (or any of) the Offer Shares, exceeding the number thereof, calculated according to the aforementioned formula, it has placed a subscription for.

In any case, disregarding the number of Offer Shares that a relevant Existing Shareholder intends to acquire (either the Guaranteed amount of Offer Shares, or the number, which is lesser or higher than the Guaranteed amount of Offer Shares), he/she/it may place a single subscription order for all the number of Offer Shares he/she/it intends to acquire.

Existing Shareholders, placing the subscription orders for less than EUR 50,000 will place their subscriptions at the Maximum Price, indicating the number of Offer Shares they will be willing to buy.

Existing Shareholders, placing the subscription orders for at least EUR 50,000 may place their subscriptions, indicating the number of the Offer Shares they are be willing to acquire and the price, not higher than the Maximum Price (and not less than the Minimum Price), they will be willing to pay. However, if the final Offer Price will be established higher than the price, indicated in subscriptions, placed by any of such Existing Shareholders, the subscriptions of the respective Existing Shareholders will be fully rejected and such Existing Shareholders will not be allotted any Offer Shares.

### ***Retail and Institutional Investors' subscription procedure***

The Retail Investors, placing the subscription orders for less than EUR 50,000 will place their subscriptions at the Maximum Price, indicating the number of Offer Shares they will be willing to buy.

Retail Investors, placing the subscription orders for at least EUR 50,000 may and the Institutional Investors will place their subscriptions, indicating the number of the Offer Shares they are willing to acquire and the price, not higher than the Maximum Price (and not less than the Minimum Price), they will be willing to pay. However, if the final Offer Price will be established higher than the price, indicated in subscriptions, placed by any of such Retail Investors or the Institutional Investors, the subscriptions of the respective Investor will be fully rejected and such Investors will not be allotted any Offer Shares.

Institutional Investors are also entitled to place multiple subscription orders.

The Institutional Investors should contact the Offering Broker for information on detailed rules governing the placement of subscription orders, in particular: (i) the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an investor; and (ii) the possibility of placing orders and deposit instructions in non-written form.

Institutional Investors that manage assets on behalf of third parties may submit a combined order in favour of their customers, attaching a list of such customers.

### ***General information regarding the subscription procedure***

Each Investor may subscribe for the minimum of one Offer Share.

At the time of placing a subscription order, Investors are required to make an irrevocable instruction for depositing the Offer Shares in a securities account maintained in their name.

By placing a subscription order, each Investor is deemed to have read this Prospectus and the Company's Articles of Association and accepted their content, as well as have read the terms of the Offering, consented to being allotted a lower number of Offer Shares than the number specified in such Investor's subscription orders, or to not being allotted any Offer Shares at all, pursuant to the terms and conditions set forth in the Prospectus.

An Investor may submit a subscription order either personally or via a representative whom the Investor has authorized (in the form required by law) to submit the subscription order. More detailed information concerning the identification of Investors, including requirements concerning documents submitted and the rules for acting through authorized representatives, can be obtained by Investors from the entities accepting subscription orders.

An Investor must ensure that all information contained in the subscription order is correct, complete and legible. The Issuer reserves the right to reject any subscription orders that are incomplete, incorrect, unclear or ineligible, or that have not been completed and submitted and/ or have not been supported by the necessary additional documents, requested by the Issuer or the Offering Broker, during the subscription period and in accordance with all requirements set out in these terms and conditions.

Any consequences of a form of subscription for the Offer Shares being incorrectly filled out will be borne by the Investor.

The subscription orders provided by the Investors, which shall be allotted with Offer Shares (and in the relevant amount) shall be accepted by the Issuer or persons authorised by the Issuer not later than within 10 calendar days as from the Allotment Date. The acceptance shall be provided to the Investors in the form decided by the Issuer.

### **Withdrawal of the Subscription Orders**

Subscription orders for the Offer Shares may be withdrawn (and new orders placed) at any time until the end of the Subscription Period for each category of Investors. An investor will be liable for the payment of all fees charged by the Offering Broker in connection with the withdrawal or amendment of the subscription order.

Furthermore, a subscription for the Offer Shares may also be withdrawn when after the start of the Offering, a supplement is made public concerning an event or circumstances occurring before the allotment of the Offer Shares, of which the Issuer became aware before the allotment. The Investor who has made a subscription before the publication of the supplement may withdraw such subscription by submitting a written statement to the institution where the subscription was made, within two business days from the date of the publication of the supplement.

The repayments will be made in accordance with the subscription form within ten business days after making the statement on the subscription cancellation.

### **Procedure and dates for payment for the Offer Shares**

#### ***Payment by the Existing Shareholders and the Retail Investors, placing the subscriptions for less than EUR 50,000***

Subscriptions for the Offer Shares by the Existing Shareholders and the Retail Investors, who have placed their subscriptions for less than EUR 50,000 have to be fully paid for no later than until end of the Subscription Period for these Investors (26 June 2015). The full payment by the indicated Existing Shareholders and the Retail Investors means a payment equal to the number of the Offer Shares indicated in the subscription order multiplied by the Maximum Price,

indicated in this Prospectus. Payments by these Investors can be made by wire transfer and has to be made in EUR, as indicated in this Prospectus, to the account indicated in the subscription order.

The Existing Shareholders, which are attributed to the Institutional Investors as such, as well as the Retail Investors and the Existing Shareholders, placing their subscriptions for at least EUR 50,000 shall fully pay the Offer Shares as indicated in Section *Payment by the Institutional Investors as well as by the Existing Shareholders and the Retail Investors, placing the subscriptions for at least EUR 50,000* below.

***Payment by the Institutional Investors as well as by the Existing Shareholders and the Retail Investors, placing the subscriptions for at least EUR 50,000***

By submitting a subscription, an Institutional Investor shall authorize and instruct the broker operating the Institutional Investor's cash account connected to its/his/her securities account to block the whole transaction amount on the Institutional Investor's cash account until the settlement is completed or funds are released in accordance with these terms and conditions. The transaction amount to be blocked will be equal to the price the respective Institutional Investor wishes to pay, multiplied by the number of Offer Shares which the respective Institutional Investor wishes to acquire. An Institutional Investor must ensure, that no later than on 3 July 2015, 5 p.m. (Vilnius time) there are sufficient funds on its/his/her cash account connected to securities account with the broker to cover the whole transaction amount, as indicated above.

Subscriptions for the Offer Shares by the Existing Shareholders and the Retail Investors, who have placed their subscriptions for at least EUR 50,000 have to be fully paid for no later than until the end of the Subscription Period. The full payment by the indicated Existing Shareholders and the Retail Investors means a payment equal to the number of the Offer Shares indicated in the subscription order, which the respective Investor wishes to acquire multiplied by the price, the respective Investor wishes to pay. Payments by these Investors can be made by wire transfer and has to be made in EUR, as indicated in this Prospectus, to the account indicated in the subscription order.

Retail Investors and Existing Shareholders who have not been allotted any Offer Shares or whose subscriptions have been reduced will receive reimbursements of the payment made upon placing the subscription order in accordance with instructions provided by each such Retail Investor or Existing Shareholder, as required under the procedures applicable in the investment firm with which the subscription order was placed. The reimbursement will take place within 10 business days as from the end of the Subscription Period for these Investors or from the date of the publication of the supplement to the Prospectus on the cancellation of the Offering. Moreover, any overpayments resulting from determination of the Offer Price will be returned within 10 business days as from the end of the Subscription Period for these Investors. The payments shall be returned without any reimbursement for costs incurred by the investors in the course of subscribing for the Offer Shares, and shall be net of all transfer expenses and without interest.

***General information regarding the payment for the Offer Shares***

All monetary amounts, paid by the Investors during the Offering have to be executed in EUR. For the purpose of this Offering the Company will open a special bank account with AB DNB bankas, corporate ID code 112029270, with its registered address at J. Basanavičiaus str. 26, Vilnius, Lithuania, which will be used solely for the purpose of collecting the funds from the Investors during this Offering and will not be used for any other purposes. The Investors will pay the price for the Offer Shares to this special bank account, which will be indicated in the subscription form.

Payments for the Offer Shares are interest free.

A legal consequence of non-payment on time or a partial payment for the Offer Shares will be the invalidity of the entire subscription.

***Intentions of the shareholders and members of Management and Administrative bodies of the Issuer as to participation in the Offering***

According to the information available to the Issuer, obtained after a review carried out with due diligence, none of the present members of the management or administrative bodies of the Issuer intend to subscribe for the Offer Shares. However, according to the knowledge of the Company, one of its Major Shareholders Invalda INVL AB intends to participate in the Offering and subscribe for Offer Shares according to the terms and conditions of this Offering.

***Rules of Offer Shares allocation***

The Offer Shares will be allotted in accordance with the following principles:

- first, the Offer Shares will be allotted to the Existing Shareholders, having participated in the Offering and placed their subscription orders for a price, not lesser than the final Offer Price *pro rata* to the nominal values of their shareholdings in the Company as at the close of 26 June 2015 – the number of the Offer Shares will be allotted based on subscription orders placed by the Existing Shareholders, but no more than the number of the Offer Shares that the Company guarantees each of the Existing Shareholders will be allotted according to the formula, indicated in Section *Existing Shareholders' subscription procedure* (Guaranteed amount of Offer Shares to a respective Existing Shareholder). The Issuer will not give preferential treatment or discriminate against and between the Existing Shareholders, while allotting the Offer Shares as indicated in this item;



- next, the remaining Offer Shares after allocation thereof to the Existing Shareholders as indicated in item above, will be allotted to the Retail and Institutional Investors as well as to the Existing Shareholders (with regards to the number of Offer Shares, subscribed by the Existing Shareholders at a price, not lesser than the final Offer Price, exceeding the Guaranteed amount of Offer Shares to a respective Existing Shareholder) at an absolute discretion of the Issuer and the Offering Broker, i.e. the total number of the Offer Shares allotted to the Retail Investors and the Institutional Investors, as well to the Existing Shareholders (having placed the subscriptions at a price, not lesser than the final Offer Price for more Offer Shares than the Guaranteed amount of Offer Shares to a respective Existing Shareholder, with regards to such exceeding number of Offer Shares), including a specific number of Offer Shares, allocated to any individual Investor, will be determined by the Issuer with the Offering Broker at their absolute discretion. In case the Offer Shares will be allotted also to the Retail Investors, having placed the subscriptions at a price, not lesser than the final Offer Price, the Issuer will not give preferential treatment or discriminate against and between the Retail Investors, and in case for the purposes of allocation the subscription of any of such Investors will be reduced, the subscriptions of all other Retail Investors, having placed the subscriptions at a price, not lesser than the final Offer Price will also be subject to reduction in accordance with the proportionate reduction principle. The aforementioned rule shall not be applied towards the Existing Shareholders, in case they place the subscription for acquisition of the Offer Shares at a price, not lesser than the final Offer Price in excess of the Guaranteed amount of Offer Shares to a respective Existing Shareholder with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount. Thus, none of such Existing Shareholders, participating in the allotment of Offer Shares according to this item is guaranteed that it/he/she will be allocated the number of Offer Shares, indicated in its/his/hers order (it may be allotted less Offer Shares, in any case not lesser than the Guaranteed amount of Offer Shares to a respective Existing Shareholder as indicated above). Fractional allocations (after the proportional reduction, if any) will be rounded down to the nearest integer value, and the remaining Offer Shares will be allocated to the Retail Investor who subscribed for the largest number of the Offer Shares.
- As at the date of this Prospectus, there is no restriction on the amount of Offer Shares that will be allocated to each category of Investors. However, the Issuer intends to allocate approximately 10% of the final number of the Offer Shares to the Retail Investors, unless there is insufficient demand to allocate the remaining Offer Shares to the Existing Shareholders and Institutional Investors at the set Offer Price, and vice versa, in which case this proportion may be altered by the Issuer acting in agreement with the Lead Manager.

Subject to the exception of allocation to the Offer Shares to the Existing Shareholders which have placed their subscription orders for a price, not lesser than the final Offer Price, as indicated above, the Issuer and the Offering Broker are not obliged to allocate any Shares to any Investors participating in the Offering. Furthermore, there is no target minimum individual allotment to the Investors.

The final number of the Offer Shares and the allotment between the Existing Shareholders, the Retail Investors and the Institutional Investors, including the reduction of order placed, will be filled with the LB and announced on the Allotment Date as a material event *inter alia* on the website of the Issuer [www.invltechnology.lt](http://www.invltechnology.lt) and of the Offering Broker [www.finasta.com](http://www.finasta.com), as soon as available.

#### **Overallotment and overallotment option**

The Issuer will not grant any overallotment option of the green shoe type and therefore no overallotment is foreseen. No stabilisation will be undertaken.

#### **Public announcement of the Offering results**

Information on the results of the Offering will be announced by way of the notification on material event according to the procedure of the applicable Lithuanian laws, including on the websites of the Issuer ([www.invltechnology.lt](http://www.invltechnology.lt)) and the Offering Broker ([www.finasta.com](http://www.finasta.com)). Furthermore, the placement report will be filed with the LB within 3 business days as from the registration of the capital increase of the Issuer with the Register of Legal Persons.

#### **Cancellation, Suspension or Postponement of the Offering**

The Issuer may cancel the Offering, upon recommendation of the Offering Broker or at its own initiative, at any time prior to the Settlement Date without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the subscription period, or decide that the Offering will be postponed and that new dates of the Offering will be provided by the Issuer later.

The Issuer may cancel the Offering, upon recommendation of the Offering Broker if the Issuer considers it impracticable or inadvisable to proceed with the Offering. Such reasons include, but are not limited to: (i) suspension or material limitation of trading in securities generally on the OMX, as well as any other official stock exchange in the EU and the United States; (ii) sudden and material adverse change in the economic or political situation in Lithuania or worldwide; (iii) a material loss or interference with the Issuer's or its Portfolio companies business, or (iv) any material change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of the Issuer's operations or the operations of the Portfolio companies. In such an event, subscriptions for Offer Shares that have been made will be disregarded, and any subscription payments made will be returned without interest or any other compensation.

If the Offering is suspended, the Issuer may decide that subscriptions made and payments made will be deemed to remain valid, however for not longer than seven business days. In such case, Investors may withdraw subscriptions



made by submitting a relevant statement to that effect within two business days after the report on the suspension is announced.

Any decision on cancellation, suspension, postponement or changes of dates of the Offering will be published by way of a material event notification and in a manner compliant with applicable regulations, as well as market practices in Lithuania.

If the Offering is cancelled or suspended, Investors who placed subscription orders and paid for the subscription will get their payments back:

- if the Offering is cancelled – within three business days after the public announcement by the Company of the Offering cancellation;
- if the Offering is suspended – within three business days after the date on which the Investor has made a statement cancelling his subscription or three business days after the date that the Issuer announces that the orders placed are not valid.

The timely repayment of money paid will be without any interest or compensation.

### **Change of terms of the Offering**

In accordance with the relevant regulations in force in Lithuania applicable to public offerings and the admission of securities to trading on a regulated market, any significant change to the Prospectus, as defined in the aforementioned regulations, will be communicated through a supplement to the Prospectus, if required. The supplement to the Prospectus will need to be approved by the LB and published in the same manner as the Prospectus. If the supplement is published after approval of the Prospectus by the LB and relates to events or circumstances which occurred prior to the Allotment Date and about which the Issuer or the Offering Broker have learnt prior to the allotment, Investors who have placed their subscription orders before publication of the supplement will have a right to withdraw their subscriptions within two business days from the publication of the supplement to the Prospectus.

In such a case, if necessary, the Settlement Date will be adjusted in order to enable the Investors to withdraw their subscriptions.

Moreover, information resulting in changes to the content of the Prospectus or supplements already made available to the public in respect of the organization or conduct of subscription of Offer Shares or the Admission, which do not require publication of the supplement, will be published in the same manner as the Prospectus in compliance with applicable regulations. Such information will be simultaneously submitted to the LB. In such a case, the Investors shall not have a right to withdraw their subscriptions.

### **Admission of the New Shares to trading on the regulated market**

All the Shares of the Company are already admitted to trading on the Secondary List of the OMX. The Issuer intends to execute all the actions for admission of the Offer Shares to the same regulated market (OMX).

The admission and introduction of the New Shares to trading on the OMX requires, *inter alia*: (a) the approval of the Prospectus by the LB; (b) execution of the Offering; (c) registration of the capital increase of the Company with the Register of Legal Persons; (d) registration of the New Shares with the LCSD and assimilation with the currently registered Shares. At the time of registration of the New Shares with the LCSD the Shares will be simultaneously introduced to trading on the OMX.

Thus, the New Shares will be eligible for the listing upon their payment by Investors and the aforementioned registrations. The Issuer will not be seeking to apply for listing of temporary share receipts, such as “rights to shares”. No entity has a commitment of any kind to act in secondary trading in the Shares or provide liquidity through bid and offer rates.

Trading in the Shares is expected to commence till the end of July 2015. Any dealings in the Offer Shares prior to the start of trading on the OMX will be at the sole risk of investors concerned. In particular, as such transactions are not carried out on a regulated market, they are likely to result – depending on the particular circumstances of each transaction and the parties to it – in a stamp duty or similar tax being assessed.

### **Selling Securities Holder**

There is no selling securities holder, participating in the Offering and all the New Shares will be issued solely by the Company.

### **Offering Broker**

The Company has appointed Bank Finasta AB, a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 301502699, with its registered address at Maironio str. 11, Vilnius, Lithuania, to act as the offering broker in Lithuania.

## Market Maker

As of the Prospectus the Company has not concluded any agreement in subject of market maker service for Shares admitted to trading on the OMX.

## Dilution

The issue of New Shares comprises of approximately 227.08% of the Company's authorised capital prior to its increase. In case all the Offer Shares are allocated to the Investors and all the Existing Shareholder acquire Offer Shares, the holdings of the Existing Shareholders would not be diluted from the amount of Shares, held by them prior to increase of the authorised capital of the Company. In case none of the Existing Shareholders would participate in the Offering and all the Offer Shares would be acquired by the Retail and Institutional Investors, the indicated dilution would amount to approximately 69.43%, i. e. the Issuer's shareholders that existed before the increase of the authorised capital would own approximately 30.57% of the Issuer's shares after the issue.

## 5.7 Placing

### Placement Agreement

On 29 May 2015 the Issuer has entered, into a placement agreement (the "Placement Agreement") in respect of the Offering with the Offering Broker, in which the Offering Broker committed to undertake certain actions in connection with organization of the Offering.

The Issuer and the Offering Broker do not expect to enter into an underwriting agreement.

The Offering Broker will act as an offering agent with respect to the Offer Shares for the purposes of the Offering and admission to trading on the OMX of the New Shares.

Following the preliminary calculations, the Issuer's expenses, related to this issue, shall comprise of up to 3 percent from the gross proceeds from the placement of the Offer Shares (including the fees for the Lead Manager, the legal counsel, fees to the LB for approval of the Prospectus, fees to the CSDL and OMX and fees for the preparation of the Prospectus).

The final amount of expenses will be calculated after the Offering and will be publicly announced within two weeks from the Settlement Date.

The Issuer agreed to pay all commissions and expenses in connection with the Offering. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.

### Lock-up Agreements

No lock-up agreements will be signed with respect to the Offering.

However, following the Shareholders' Agreement, dated 26 November 2014: LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė (the shareholders of INVL Technology AB (the Former parent company) who together managed 89.68% of this company at that time), and Kazimieras Tonkūnas, Gytis Umantas, Artūras Milašauskas, Vida Juozapavičienė, Marius Leščinskas, Rokas Ralys and Tomas Šeikus, shareholders of BAIP grupė AB (currently – the Company), who together managed 20% of BAIP grupė AB at that time (INVL Technology AB owned the rest 80% at that time), have *inter alia* agreed that for the term of validity of the agreement, the parties will not transfer the Shares of the Company to third persons (not being a party to the agreement). This limitation shall not be applicable to the Shares, acquired by Invalda INVL AB when executing the advanced trade plan, as well as to other Shares of the Company, freely traded on the regulated market and acquired by the parties to the agreement after conclusion thereof. These Shares may be traded without any limitations.

Furthermore, on 27 May 2015 parties to Shareholders' Agreement agreed that after registration of the increased share capital of the Company with the Register of Legal Persons, based on the decisions of the General Meeting, dated 10 April 2015, and subject to the condition that during this Offering the Company will raise not less than EUR 10,000,000, Invalda INVL AB will acquire for the final Offer Price in total 551,523 Shares of the Company from Kazimieras Tonkūnas (165,000 Shares), Gytis Umantas (85,000 Shares), Artūras Milašauskas (50,000 Shares), Vida Juozapavičienė (50,000 Shares), Marius Leščinskas (55,000 Shares), Rokas Ralys (95,893 Shares) and Tomas Šeikus (50,630 Shares). Furthermore, these shareholders agreed after execution of this transaction (if it will be executed) they shall not to sell any of Company's Shares, held by them for a 12 months period as from registration of the capital increase of the Company with the Register of Legal Persons.

In addition, following the abovementioned Shareholders' Agreement (including the amendment thereto), LJB Investments UAB, Irena Ona Mišeikienė, Lucrum Investicija UAB, Invalda INVL AB, Alvydas Banys, Darius Šulnis, Indrė Mišeikytė have obliged each not to sell more than 50 percent of each of their Shares held at the end of placement for 12 months.

### **Interests of Natural and Legal Persons Participating in the Offering**

The Offering Broker has a contractual relationship with the Issuer in connection with the Offering and the Admission, and has been mandated to act as the offering agent for the Offering of the Offer Shares and listing thereof on the OMX.

The Offering Broker and its affiliates have engaged in and may in the future engage in advisory services and other commercial dealings in the ordinary course of business with the Company and any of their affiliates. The Offering Broker and its affiliates have received and may in the future receive customary fees and commissions for these transactions and services.

### **Legal Advisor**

The legal advisor to the Issuer regarding preparation of the Prospectus is law firm TARK GRUNTE SUTKIENE, with its office at Didžioji str. 23, Vilnius, Lithuania.

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