

Report of the Supervisory Board

AS “Baltic Technology Ventures”

2 May 2021

The Supervisory Board of Baltic Technology Ventures (BTV) is an independent body of the Company responsible for overseeing and advising the Management Board about general business progress and operational performance. The Supervisory Board is taking into account the interests of BTV and its relevant stakeholders in the performance of its duties.

1. Main activities in the financial year 2020

The 2020 financial year was undoubtedly significant for Baltic Technology Ventures, in which the Company embarked on the new strategic development in its corporate history. At the beginning of the year, BTV announced a strategic change to focus on early stage venture capital investments in technology companies and innovation projects. Along with the change of the strategy, the name of the Company was also changed to “Baltic Technology Ventures”.

In March 2020, BTV has acquired two intellectual property (IP) rights for two innovations: (1) a haptic navigation bracelet and (2) a programmable keyboard. The Company contracted SIA BDO Assurance to develop business plans for two projects, and SIA Smart Continent issued certified valuation for each. On 6 April 2021, the Latvian Patent Office granted the Company two patents for both innovations. Despite initial success to develop two IPs into commercial products for eventual monetization, the process faced a momentary setback due to the spread of covid-19.

Given the setback with the IP projects and difficulties in finding seed investors for the project to fund building and distribution of prototypes, it was decided to move the execution of IP projects to a lower priority and reflect that on the annual report accordingly.

The past financial year was also marked by strong progress in the core business activities of the Company. BTV has completed an investment and business development agreement with 7 technology companies across the Baltics. The Company is also pleased to have assembled a deep bench of experts from key sectors to help its portfolio companies on their growth path. BTV has closed the financial year with a loss of 27,807 euros, which was in line with the aggressive growth following the change of business strategy.

2020 was also characterized by the successful launch of the first Secondary Public Offering (SPO) of the Company on 4 December 2020 and completion on 26 February 2021. The Supervisory Board is glad to see that the SPO resulted in subscription for 950,000 new shares by investors from the United States, United Kingdom, Switzerland, Monaco, Ukraine, Latvia and Israel. BTV’s share capital increased accordingly up to 2 405 980 euros and the Company is well-capitalized to support its business growth.

It should also be stated that the Supervisory Board of the Company has changed at the extraordinary shareholders meeting held on 26 March 2021. The members Arta Snipe, Jānis Mellups and Sandra Liepiņa

have been recalled from office. The shareholders also have elected the new members of the Supervisory Board: Jānis Zelmenis, Vladimirs Loginovs and Ketan Karia. The period of 5 years has been adopted to be the term of the office. The new Supervisory Board members are committed to closely supporting the Management Board in the development and implementation of the new business strategy.

The Supervisory Board endorses the Management Board's decision to cultivate the prudent principles of responsible operations and develop a comprehensive Risk Management Framework. BTV engaged TaxLink Latvia to assist in this process and significantly bolster the Company's capabilities in preventing and/or mitigating operational, legal and regulatory risk factors.

2. Financial statements and annual report 2020

SIA Nexia Audit Advice was elected as the sworn auditor for the audit of the annual report of the Company for the year 2020. The Supervisory Board reviewed the annual report prepared by the Management Board and, in the Supervisory Board's opinion, the report was prepared in full compliance with the generally accepted accounting principles, accounting regulations of the Republic of Latvia and relevant European Union accounting directives.

3. In conclusion

The Supervisory Board is satisfied with the results of the Company and accepts the work of the Management Board in 2020. It is also proposed to release the Management Board from liability for the financial year 2020.

The Supervisory Board sees no reason to object to the Management Board's proposal to cover the losses for the year 2020 of joint-stock company "Baltic Technology Ventures" in the amount of 27,807 euros from profit of next years.

The Supervisory Board wishes to thank the Management Board and the entire staff of BTV for the effort and contribution in 2020 and looks forward to the upcoming year.

Supervisory Board of BTV

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