

JOINT STOCK COMPANY
„BALTIC TECHNOLOGY VENTURES”

Unified registration number 40103655981

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Translation from Latvian



Member of the Board
Gene Zolotarev



Accountant
Inese Morozova

Riga 2021

JSC "Baltic Technology Ventures"
Annual accounts for the year ended 31 December 2020

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BALANCE SHEET

ASSETS	Note	31.12.2020 EUR	31.12.2019 EUR
I. Long-term investments			
III. Long-term financial investments			
5. Other securities and investments	2	10 000	0
Total long-term financial investments		10 000	0
Total long-term investments		10 000	0
II. Current assets			
II. Debtors			
4. Other debtors	3	45 500	500
7. Deferred expenses	4	0	11
8. Accrued income		717	0
Total debtors		46 217	511
IV. Cash	5	7 824	88
Total current assets		54 041	599
Total assets		64 041	599
LIABILITIES AND EQUITY			
I. Equity			
1. Share capital	6	2 310 980	2 310 980
5. Reserves			
f) other reserves		37 755	37 755
6. Retained profit or non-covered losses brought forward from previous years		-2 352 697	-2 344 936
7. Profit or losses for the reporting year		-27 807	-7 761
Total equity		-31 769	-3 962
III. Liabilities			
I. Long-term liabilities			
8. Payables to affiliated companies	7	12 688	2 500
Total long-term liabilities		12 688	2 500
II. Short-term liabilities			
4. Other borrowings	8	65 215	0
6. Trade payables	9	13 622	75
10. Taxes and mandatory state social insurance contributions	10	50	50
14. Accrued liabilities	11	4 235	1 936
Total short-term liabilities		83 122	2 061
Total liabilities		95 810	4 561
Total liabilities and equity		64 041	599

Notes on pages 7 to 19 form an integral part of these financial statements

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PROFIT AND LOSS ACCOUNT

(according to the function of expenses)

	Note	2020 EUR	2019 EUR
1. Net turnover			
b) from other types of principal activity	12	1 000	0
3. Gross profit or loss		1 000	0
5. Administrative expenses	13	-29 071	-7 711
10. Other interest income and similar income	14		
b) from other parties		717	0
12. Interest expenses and similar expenses	15		
a) to affiliated companies		-188	0
b) to other parties		-215	0
13. Profit or loss before corporate income tax		-27 757	-7 711
14. Corporate income tax for the reporting year	16	-50	-50
15. Profit or loss after corporate income tax		-27 807	-7 761
18. Profit or losses for the reporting year		-27 807	-7 761

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CASH FLOW STATEMENT

(by Indirect method)

	2020	2019
	EUR	EUR
I. Cash flow from operating activities		
1. Profit or loss before corporate income tax	-27 757	-7 711
2. Profit or loss before adjustments of working capital and short-term liabilities	-27 757	-7 711
Adjustments for:		
a) increase or decrease of trade receivables	-706	2
c) increase or decrease of trade payables	16 249	-1 006
3. Gross cash flow from operating activities	-12 214	-8 715
5. Corporate income tax payments	-50	-50
6. Net cash flow from operating activities	-12 264	-8 765
II. Cash flow from investing activities		
1. Acquisition of stocks or shares of affiliated companies, associated companies, or other companies	-10 000	0
5. Loans issued	-45 000	0
9. Net cash flow from investing activities	-55 000	0
III. Cash flow from financing activities		
2. Loans received	75 000	2 500
7. Net cash flow from financing activities	75 000	2 500
V. Net cash flow of the reporting year	7 736	-6 265
VI. Cash and cash equivalents at the beginning of the reporting year	88	6 353
VII. Cash and cash equivalents at the end of the reporting year	7 824	88

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STATEMENT OF CHANGES IN EQUITY

	2020	2019
	EUR	EUR
I. Share capital		
1 At the balance sheet date of the previous year	2 310 980	2 310 980
4 At the balance sheet date of the current year	2 310 980	2 310 980
V. Reserves		
1 At the balance sheet date of the previous year	37 755	37 755
4 At the balance sheet date of the current year	37 755	37 755
VI. Uncovered losses		
1 At the balance sheet date of the previous year	-2 352 697	-2 344 936
3 Increase of decrease in the retained profit	-27 807	-7 761
4 At the balance sheet date of the current year	-2 380 504	-2 352 697
VII. Equity		
1 At the balance sheet date of the previous year	-3 962	3 799
3 At the balance sheet date of the current year	-31 769	-3 962

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NOTES TO THE FINANCIAL STATEMENTS

Information on the Company

Name of the Company	Joint stock company Baltic Technology Ventures	
Legal status of the Company	Joint stock company	
Registration No., place and date	40103655981, Riga, 04.04.2013	
Legal address	<i>Rūpniecības Street 1-5, Riga, LV-1010</i>	
The Board	<i>Gene Zolotarev</i>	member of the Board
The Council	<i>Arta Snipe</i>	deputy chairman of the Council (until 01.04.2021.)
	<i>Jānis Mellups</i>	chairman of the Council (until 01.04.2021.)
	<i>Sandra Liepiņa</i>	member of the Council (until 01.04.2021.)
	<i>Ketan Karia</i>	member of the Council (from 01.04.2021.)
	<i>Vladimirs Loginovs</i>	member of the Council (from 01.04.2021.)
	<i>Jānis Zelmenis</i>	member of the Council (from 01.04.2021.)
Shareholders as of 31.12.2020	SSE Baltic Opportunities Limited	97.69%
	Other shareholders	2.31%
Type of operations	Other financial service activities, except insurance and pension funding n.e.c. (64.99 NACE version 2) Activities of holding companies (64.20 NACE version 2)	
Financial year	01.01.2020	31.12.2020
Person responsible for accounting	SIA "DUCODOT" Reg. No. 40003784665 Zalves Street 45-6B, Riga, LV-1046	
Name and address of the auditor	Svetlana Šemele-Baikova LR Certified Auditor LZRA Certificate No. 212	SIA "Nexia Audit Advice" Baznicas Street 31-14, Riga, LV-1010, Latvia Reg.No. 40003858822 Certified Auditors' Company Licence Nr. 134

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial statements preparation basis

The report is prepared in accordance with the laws of the Republic of Latvia "On Accounting" and "The Law of the Annual Accounts and Consolidated Annual Accounts" and the Regulations No. 775 of 22 December 2015 of the Cabinet of Ministers of the Republic of Latvia "On Application of the Law of the Annual Accounts and Consolidated Annual Accounts".

The profit and loss account is prepared in accordance with the turnover costing method. This financial statement is prepared in euro (EUR), which is the functional currency of the Company and the official currency of the Republic of Latvia. The accounting policies used by the Company are consistent with those used in the previous accounting period.

Accounting principles

The financial statements were prepared in accordance with the following policies:

- a) going concern assumption that the Company will continue as a going concern;
- b) consistent valuation principles with those used in the prior year;
- c) items were valued in accordance with the principle of prudence:
 - the financial statements reflect only the profit generated to the balance sheet date;
 - all incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the date of the balance sheet and preparation of the financial statements;
 - all amounts of impairment and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit;
- d) income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses were matched with revenue for the reporting period;
- e) assets and liabilities have been valued separately;
- f) the opening balance agrees to the prior year closing balance;
- g) all material items, which would influence the decision-making process of users of the financial statements have been recognized and insignificant items have been combined and their details disclosed in the notes;
- h) business transactions are recorded taking into account their economic contents and substance, rather than the legal form.

Financial year

01.01.2020 to 31.12.2020

Use of estimates

The preparation of the financial statements requires that the management rely on certain estimates and assumptions that affect the balances of the items of the balance sheet and profit and loss account disclosed in the financial statements, as well as the amount of contingent liabilities. Future events may affect the assumptions underlying the relevant estimates. Any effect of the changes in the estimates is disclosed in the financial statements at the time of identifying them.

Currency unit and revaluation of foreign currency

The functional currency of the Company and the currency used in the financial statements is the official currency of the Republic of Latvia - euro. Foreign currency transactions have been translated into euro applying the exchange rate valid at the beginning of the day of transaction which is published on the European Central Bank's website. Monetary assets and liabilities are translated from the foreign currency to the euro in accordance with the foreign exchange rates in force on the last date of the reporting year.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account at their net value.

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Long-term and short-term items

Long-term items include amounts that are due to be received, paid or written off later than one year after the end of the respective reporting year. Amounts receivable, payable or written off during the year are presented in the short-term items.

Related parties

Related parties are considered to be the Company's shareholders, members of the Board (the Company's key management personnel) and companies which may have a control and significant impact on the Company's activities, close family members of the aforementioned individuals, as well as companies under the control or significant influence of such individuals. Companies in which the Company has significant influence or control are also considered related parties.

Affiliated companies

An affiliated company is a company that is directly or indirectly controlled by another company (parent company - more than 50% of the shareholders 'or members' voting rights in this company). The parent controls the financial and business policies of the subsidiary. The Company recognizes investment income only when it receives a distribution from the associate after the acquisition date. The distribution received in excess of this profit is treated as a cost of recovering the investment and is recognized as a reduction of the cost of acquiring the investment in the equity of the associates.

Own Stocks or Shares and Participation in Other Companies

The acquired own stock or shares are indicated in the balance sheet item "Own stock and shares", but participation in the equity capital of other companies is indicated in the balance sheet item "Participation in the capital of affiliated companies", "Participation in the capital of the associated companies" or "Other securities and investments".

Accounts receivable

Accounts receivables are recorded in the balance sheet as their net value less provisions made to cover anticipated loss on bad and doubtful accounts receivable. Specific provisions for doubtful accounts receivable are made when the recoverability of the specific debtor is considered to be uncertain. Accounts receivable is written off if their recovery is considered impossible.

Indications of debt impairment include:

- late payment of the debt, the debtor still does not pay after repeated reminders or the debtor doubts the Company's right to recover this debt;
- the debtor's poor financial situation and negative operating results or other circumstances that indicate the debtor's inability to pay the full amount of the debt, etc.

Trade debtors

Trade debtors are recorded in the balance sheet as their net value less provisions made to cover anticipated loss on bad and doubtful accounts receivable.

Other receivables

The item "Other debtors" comprises all receivables not included in other balance sheet asset positions, i.e.: tax overpayments, debit balances of accounts payable.

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Deferred expenses and revenues

Payments made before the balance sheet date but referring to the next reporting years shall be indicated in the item "Deferred expenses".

Payments received before the balance sheet date but referring to the next reporting years or further reporting years shall be indicated in the balance sheet item "Deferred revenue".

Other securities and investments

Long-term investments in debt securities and securities are stated in the balance sheet at cost. Short-term investments in quoted shares and securities are carried in the balance sheet at market value, determined on the basis of transactions on the stock

Cash

Cash and cash equivalents comprise balances of current accounts in banks and cash on hand.

Share capital

The share capital presents the value of shares in accordance with the value registered in the Commercial Register.

Share premium

If stocks or shares of new issue have been sold for a larger amount than the nominal value, the difference shall be indicated in the item "Share premium" of the balance sheet liability section "Equity". If stocks or shares of new issue have been sold for an amount below the nominal value, the difference shall be indicated in the same item as a negative number.

Reserves

Reserves are a part of the net profit of the reporting year, which is directed to special purposes (incl. to cover losses) as per requirements of the law and the Articles of Association.

Accounts payables

Accounts payables balances are presented in accordance with the supporting documents, and they are aligned with the creditors' own data.

Loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of borrowing costs.

Provisions

Provisions are recognized when the Company has a present (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of provisions to be reimbursed (for example, insurance agreements), the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Accrued income

Accrued income comprises clearly known payment amounts with buyers and purchasers for delivery of goods or provision of services during the reporting year, for which the underlying supporting document (invoice) was not yet issued on the balance sheet date due to agreement terms.

Accrued liabilities

Accrued liabilities comprise clearly known liability amounts which suppliers and contractors for delivery of goods or the provision of services during the reporting year, for which the underlying supporting document (invoice) was not yet received on the balance sheet date due to delivery, purchase of agreement terms or for other reasons.

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Other payables

The item "Other creditors" comprises accounts payables not included in other balance sheet liabilities positions, including the credit balance of accounts receivables.

Taxes and mandatory state social insurance contributions

The Company reconciles tax information with the tax administration. As creditors, the Company presents only tax liabilities. All tax overpayments are included in other debtors.

Recognition of revenue

Revenue is recognized based on the likelihood of gaining economic benefit and to the extent that it is reasonably measurable, net of value added tax and discounts. Revenue is recognized based on the following conditions:

Provision of services

Revenue from services is recognized in the period when the services are rendered.

Revenue from services and its respective costs are recognized based on the degree of service delivery at the balance sheet date.

If the outcome of a transaction involving a service cannot be estimated reliably, revenue is recognized only to the extent of the costs recognized that are recoverable.

Other income

Other income is income that is not included in net sales, is generated as a result of economic activity or is related to it or directly results from it. Other revenue is recognized as follows:

- revenue from fines and penalties – upon receipt;
- revenue from sales of non-current assets – at net value, the gain or loss on the sale of a long-term investment is calculated as the difference between the carrying amount of the asset and the proceeds from the sale and is included in the income statement in the period in which it arises;
- foreign exchange gains - net result , foreign exchange gains or losses are calculated as the difference between foreign exchange gains and losses and are included in the income statement in the period in which they arise;
- interest income from credit institutions registered in the Republic of Latvia on current account balances - at the time of receipt;
- dividend income - at the time the right to receive payment is established;
- other income - at the time they occur.

Corporate income tax

Corporate income tax consists of corporate income tax calculated for the reporting year. Corporate income tax for the reporting year is recognized in the profit and loss account. Corporate income tax is calculated in accordance with Law on Corporate income tax by determining the taxable base, dividing the value of taxable objects by a coefficient of 0.8 and applying the statutory tax rate of 20%.

Subsequent events

The financial statements reflects events after the balance sheet date that provide additional information about the Company's financial position at the balance sheet date (adjusting events). If the events after the end of the reporting year are not adjusting, they are reflected in the notes to the financial statements only if they are significant.

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Adjustments to previous year 's figures

In 2020, according to the Management, changes were made in the classification of items in comparison with 2019. (The reclassification has no effect on the financial result. In the report of 2020 , the comparative figures for year 2019 are classified according to year 2020 principles and are comparable). Compared to the prior reporting year, the accounting and valuation methods used by the company have not changed.

Adjustments	in 2019 before reclassification	Changes in EUR	In 2019 after reclassification
Adjustments to the Profit and loss account			
Other operating expenses	-4 178	4 178	0
Administrative expenses	-3 533	-4 178	-7 711
Adjustments to the Balance sheet			
Other borrowings, short-term creditors	2 500	-2 500	0
Payables to affiliated companies, long-term creditors	0	2 500	2 500

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NOTES TO THE FINANCIAL STATEMENTS (continued)

	2020	2019
1 Average number of employees	0	0

The member of the Board and the members of the Council did not receive remuneration for discharging their duties in 2020 and in 2019.

NOTES TO THE BALANCE SHEET

	31.12.2020.	31.12.2019.
	EUR	EUR
2. Other securities and investments		
ThisIsTheCore SIA	10 000	0
	10 000	0

In August 2020, the shares of ThisIsTheCore SIA were acquired, becoming the owner of 3.01% of its capital by investing EUR 10,000 in their capital.

	31.12.2020.	31.12.2019.
	EUR	EUR
3. Other debtors		
<i>Loan to a legal entity*</i>	45 000	0
<i>Other debtors</i>	500	500
Total	45 500	500

* In August 2020, the Company has issued a loan of EUR 10 000 to OROCON SIA for 12 (twelve months) at the annual interest rate of 5%

** In August 2020, the Company has issued a loan of EUR 10 000 to ThisIsTheCore SIA for 12 (twelve months) at the annual interest rate of 5%.

*** In September 2020, the Company has issued a loan of EUR 10 000 to Kedeon Solutions SIA for 12 (twelve months) at the annual interest rate of 6%.

*** In September 2020, the Company has issued a loan of EUR 15 000 to SizzApp SIA for 12 (twelve months) at the annual interest rate of 5%.

	31.12.2020.	31.12.2019.
	EUR	EUR
4. Deferred expenses		
<i>Domain subscription</i>	0	11
Total	0	11

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5. Cash	31.12.2020.	31.12.2019.
	EUR	EUR
<i>Cash at bank</i>	<u>7 824</u>	<u>88</u>
Total	<u>7 824</u>	<u>88</u>

6. Share capital

The share capital of the Company is EUR 2 310 980.

The share capital of the Company consists of 23 109 800 shares with voting rights.

The nominal value of each share is 0.10 EUR.

All shares are issued in dematerialized form. All shares have equal rights to receive dividends and liquidation quota and voting rights at the shareholders' meeting.

As of August 21, 2013, all the Company's shares are included in the Baltic Alternative Market "First North" organized by Nasdaq - the securities market, where the market is supervised by the Exchange and Certified Advisors in accordance with the First North rules issued by the Exchange. First North is an alternative to listing on the official Baltic list. Many companies on the First North list are not subject to many of the requirements of the Baltic official list, incl. also with regard to disclosure of information.

In 2017, the shareholders' structure of AS Baltic Technology Ventures changed and SSE Baltic Opportunities Limited, a company registered in Cyprus, became the major shareholder (98%). The transfer of shares took place in connection with the restructuring of the Company's shareholder assets by transferring the shares of AS Baltic Technology Ventures from MCM Maximus Capital Management Limited to SSE Baltic Opportunities Limited.

There are no restrictions on the disposal of shares or obtaining special consent for the disposal of shares.

There are no shareholders with special control rights. The rights of shareholders are regulated by the legislation of the Republic of Latvia. The Company's Articles of Association do not contain any restrictions or provisions regarding voting rights. The Company is not aware of any shareholder agreements.

The election of the members of the Board, any changes in the Board and amendments to the Articles of Association take place in accordance with the legislation of the Republic of Latvia and the Company's Articles of Association.

The authorization of the members of the Board are determined by the Commercial Law and the Company's Articles of Association. The members of the Board do not have the authority to issue or buy back shares without the authorization of the shareholders' meeting.

There are no material agreements and contracts entered into by a target company and in which it is intended that in case of change of the control type they enter into effect, the validity of which has expired or which are amended, and consequences of entering into effect, termination or amending thereof.

There are no agreements between a capital company and members of the board thereof, which provide for the compensations in cases when they resign from their position, they are dismissed without any justified reason or they are dismissed after a share buy-back offer is made.

7. Payables to related undertakings (long-term)			31.12.2020.	31.12.2019.
	Interest rate	Maturity term	EUR	EUR
SSE BALTIC OPPORTUNITIES LIMITED	0%	31.12.2023.	<u>2 500</u>	<u>2 500</u>
SSE BALTIC OPPORTUNITIES LIMITED	2%	31.12.2023.	10 000	0
Accrued interests			<u>188</u>	<u>0</u>
Total			<u>12 688</u>	<u>2 500</u>

* The maturity term of long-term borrowings is from 2 to 5 years.

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8. Other borrowings (short-term)	Interest rate	Maturity term	31.12.2020.	31.12.2019.	
			EUR	EUR	
	1%	10.08.2021.	35 134	0	
	1%	16.09.2021.	30 081	0	
Total			65 215	0	
9. Trade payables			31.12.2020.	31.12.2019.	
			EUR	EUR	
			13 622	75	
Total			13 622	75	
10. Taxes and mandatory state social insurance contributions			31.12.2020.	Changes in the reporting year	31.12.2019.
			EUR	EUR	EUR
			50	0	50
Total			50	0	50
11. Accrued liabilities			31.12.2020.	31.12.2019.	
			EUR	EUR	
			4 325	1 936	
Total			4 325	1 936	

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NOTES TO THE PROFIT AND LOSS ACCOUNT

12. Net turnover	2020	2019
<i>By type of activity</i>	EUR	EUR
Revenue from the services	<u>1 000</u>	<u>0</u>
Total	<u>1 000</u>	<u>0</u>
13. Administrative expenses	2020	2019
	EUR	EUR
Legal services	<u>13 056</u>	<u>998</u>
Professional fees	<u>13 109</u>	<u>6 114</u>
Bank services	<u>120</u>	<u>0</u>
Other administrative expenses	<u>2 786</u>	<u>599</u>
Total	<u>29 071</u>	<u>7 711</u>
14. Interest income and similar income	2020	2019
	EUR	EUR
b) from other parties	<u>717</u>	<u>0</u>
Total	<u>717</u>	<u>0</u>
15. Interest expenses and similar expenses	2020	2019
	EUR	EUR
a) to affiliated companies	<u>188</u>	<u>0</u>
b) to other parties	<u>215</u>	<u>0</u>
Total	<u>403</u>	<u>0</u>
16. Corporate income tax for the reporting year	2020	2019
	EUR	EUR
Corporate income tax	<u>50</u>	<u>50</u>
Total	<u>50</u>	<u>50</u>

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17. Financial risk management

The Company is exposed to financial instruments such as loans from shareholders, other companies and other receivables that arise directly from its operations. .

Financial risk

The main financial risks associated with the Company's financial instruments are liquidity risk and credit risk.

Liquidity risk

The Company monitors its liquidity risk by maintaining a sufficient amount of cash at bank or providing sufficient funding through borrowings from the shareholder and the credit institution, as well as through finance lease.

Credit risk

The Company is exposed to credit risk through its trade receivables and cash. The Company monitors its credit risk by constantly evaluating the client credit history and setting credit terms for each client individually. The Company does not have significant concentrations of credit risk with respect to any one counterparty or group of counterparties with similar characteristics.

18. Transactions with related parties

	31.12.2020	31.12.2019
Type of transaction		EUR
MCM MAXIMUS CAPITAL MANAGEMENT LIMITED, trade debtors	500	500
SSE BALTIC OPPORTUNITIES LIMITED, long-term borrowing	12 688	2 500
MAXIMUS CAPITAL S.A, short-term borrowing	35 134	0
MAXIMUS CAPITAL MANAGEMENT SIA, short-term borrowing	30 081	0
	78 403	3 000

	2020	2019
Type of transaction	EUR	EUR
SSE BALTIC OPPORTUNITIES LIMITED, interest payments	188	0
MAXIMUS CAPITAL S.A, interest payments	134	0
MAXIMUS CAPITAL MANAGEMENT SIA, interest payments	81	0
	403	0

19. Certified auditor's remuneration

	2020	2019
	EUR	EUR
Statutory audit of financial statements	4 235	1 936

20. Off-balance sheet liabilities and pledges

The Company has no information on off-balance sheet liabilities, issued guarantees, claims in court, etc., which would affect the Company's financial position as of December 31,2020.

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Information on significant events not included in the balance sheet or profit and loss account

21. Information about off-balance sheet arrangements that have an impact on the assessment of the company's financial position

On March 16, 2020, the Company acquired two intellectual property rights projects (1) a haptic navigation bracelet for vision impaired persons (iWrist brand) and (2) a programmable keyboard with aim to develop each project into a commercial product for an eventual monetization (trade sale, private equity fund, consumer electronics firm, etc.). The company plans to invest in their development, design, compliance, prototyping and marketing. The contract and agreement for the acquisition of intellectual property rights provide for remuneration of 25% of the economic benefits that will accrue from the usage, licensing or sale of these rights. These intellectual property rights and related liabilities have not been recognized in these financial statements because the recognition criteria were not met.

22. Events after the balance sheet date

The first Secondary Public Share Offering

The first Secondary Public Share Offering of the Company was finalized on 26 February 2021 resulting in subscription for 950 000 new shares.

The share capital increase was registered with the Register of Enterprises of the Republic of Latvia on 4 March 2021. Based on the amount of the subscribed capital, the share capital of JSC Baltic Technology Ventures has been increased to EUR 2 405 980.

Changes in the Council

At the extraordinary shareholders' meeting on March 26, 2021, the Council of the Company was elected for a term of five years:

Jānis Zelmenis;
Vladimirs Loginovs;
Ketan Karia.

Receipt of patents

On 6 April 2021, the Latvian Patent Office granted the Company two patents for innovation technologies associated with patent application Nos. LVP2020000024 and LVP2020000025.

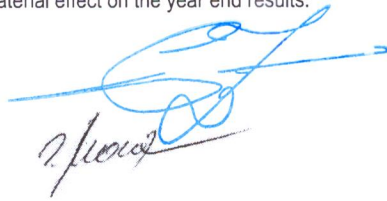
The trading with the Company's shares is suspended

In April 2021, as part of the investor protection process, the regulators carried out investor protection activities, as a result the trading of the Company's shares on the Nasdaq Baltic Alternative Market "First North" was suspended. The decision to suspend trading was taken pending the disclosure of new and relevant information. Additional disclosures relate to the initial recognition and measurement of intellectual property. At the time of publishing of these financial statements, trading of the Company's shares has not yet resumed. The investor protection process has not yet been completed by the regulators and it is not possible to predict what decisions will be made within this process, therefore there is uncertainty regarding the outcome of the investor protection process and the resumption of trading of the Company's shares.

JSC "Baltic Technology Ventures"
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During the period between the last day of the financial year and the date of signing of this report there have been no other significant events that would have a material effect on the year end results.

Member of the Board



Gene Zolotarev

Accountant

Inese Morozova

05 May 2021

JSC "Baltic Technology Ventures"
Annual accounts for the year ended 31 December 2020

Report of the Management

Performance of the Company during the year

The 2020 financial year was undoubtedly significant for A/S Baltic Technology Ventures (further - the Company), in which the Company embarked on the new strategic development focusing 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 from JSC "Baltic Telekom" to JSC "Baltic Technology Ventures".

In March 2020, the Company 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. In 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 in 2020, the process faced a 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.

During the preparation of the financial statements, the assessment of IPs and their initial recognition in the interim report for the first 6 months of 2020 according to the laws and regulations of the Republic of Latvia were evaluated. In result, it was decided do not to recognize IPs in the financial statements.

The past financial year was also marked by strong progress in the core business activities of the Company. The Company has completed investment and business development agreements with 7 technology companies across the Baltic region. 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.

The Company has closed the financial year with a loss of 27 807 EUR, which was in line with the aggressive growth following the change of business strategy.

On 4 December 2020 the Company has successfully launched the first Secondary Public Offering (further - SPO) what has been completed on 26 February 2021. SPO resulted in subscription for 950 000 new shares by investors from the United States, United Kingdom, Switzerland, Monaco, Ukraine, Latvia and Israel. The Company's share capital increased accordingly up to 2 405 980 EUR and the Company is well-capitalized to support its business growth.

Future development and future prospects of the Company

In 2021 the Company has signed an agreement with SIA TaxLink and plans to further strengthen its operations by developing a comprehensive Risk Management Framework to ensure the Company adhered to best international practice in risk management, regulatory and legal compliance.

The Company aims to be more engaged on early stage venture capital investments in technology companies and innovation projects by increasing the number of companies in the portfolio up to 20 start-up companies by the end of 2021.

To continue the implementation of the Company's innovation projects and will focus on identifying an anchor investor to finance manufacturing of device prototypes.

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Events after the balance sheet date

The first Secondary Public Share Offering

The first Secondary Public Share Offering of the Company was finalized on 26 February 2021 resulting in subscription for 950 000 new shares.

The share capital increase was registered with the Register of Enterprises of the Republic of Latvia on 4 March 2021. Based on the amount of the subscribed capital, the share capital of JSC Baltic Technology Ventures has been increased to EUR 2 405 980.

The changes in the Council

At the extraordinary shareholders' meeting on March 26, 2021, the Council of the Company was elected for a term of five years:

Jānis Zelmenis;

Vladimirs Loginovs;

Ketan Karia.

Receipt of patents

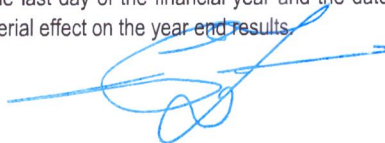
On 6 April 2021, the Latvian Patent Office granted the Company two patents for innovation technologies associated with patent application Nos. LVP2020000024 and LVP2020000025.

The trading with the Company's shares is suspended

In April 2021, as part of the investor protection process, the regulators carried out investor protection activities, as a result the trading of the Company's shares on the Nasdaq Baltic Alternative Market "First North" was suspended. The decision to suspend trading was taken pending the disclosure of new and relevant information. Additional disclosures relate to the initial recognition and measurement of intellectual property. At the time of publishing of these financial statements, trading of the Company's shares has not yet resumed. The investor protection process has not yet been completed by the regulators and it is not possible to predict what decisions will be made within this process, therefore there is uncertainty regarding the outcome of the investor protection process and the resumption of trading of the Company's shares.

During the period between the last day of the financial year and the date of signing of this report there have been no other significant events that would have a material effect on the year end results.

Member of the Board



Gene Zolotarev

05 May 2021

INDEPENDENT AUDITOR'S REPORT

To the stockholders of
AS "Baltic Technology Ventures"

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of AS "Baltic Technology Ventures", reg.No. 40103655981 ("the Company") set out on pages 3 to 19 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 2020,
- the profit and loss statement for the year then ended,
- the statement of changed in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AS "Baltic Technology Ventures" in liquidation as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

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

Emphasis of Matters

We draw attention to Note 22 "Events after the balance sheet date" to the financial statements. In April 2021, as part of the investor protection process, the regulators carried out investor protection activities, as a result the trading of the Company's shares on the Nasdaq Baltic Alternative Market "First North" was suspended. The decision to suspend trading was taken pending the disclosure of new and relevant information. Additional disclosures relate to the initial recognition and measurement of intellectual property. At the time of publishing of these financial statements, trading of the Company's shares has not yet resumed. The investor protection process has not yet been completed by the regulators and it is not possible to predict what decisions will be made within this process, therefore there is uncertainty regarding the outcome of the investor protection process and the resumption of trading of the Company's shares. Our opinion is not modified in respect of this matter.

Key Audit Matters

We have not determined any key audit matters to be communicated in our report of the financial statements of the current period.

Other matter

AS "Baltic Technology Ventures" financial statements for the year ended 31 December 2019 were audited by another auditor who issued an unmodified opinion on 23 March 2020 for these financial statements.

Reporting on Other Information

The Company management is responsible for the other information. The other information is the Management Report, as set out on pages 20 to 21 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SIA "Nexia Audit Advice"
The Firm of Sworn Auditors, Licence No. 134



Svetlana Šemele-Baikova
The responsible Certified Auditor, Certificate No. 212

Riga, Latvia
May 5, 2021



Andrejs Ponomarjovs
Chairman of the Board,
Director General