GIVEN

AS GIVEN Jewellery

Consolidated Annual Report 2021

Prepared in accordance with International Financial Reporting Standards as adopted by the EU

Together with Independent Auditor's Report

Latvia, 2022

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General Information

Name of the Group	GIVEN Group
Name of the Parent Company	GIVEN Jewellery AS
Legal status of the Parent Group	Joint stock company
Registration No., place and date	40203279291, Riga, Dec 11, 2020
Registered office	Lielirbes iela 17A-11, Rīga, LV-1046
Members of the Board	Ģirts Rudzītis
Members of the Council	Ainārs Spriņģis – Chairman of the Council Alberts Pole – Council Member Māris Keišs – Council Member
Annual report prepared by	Lilija Adejeva – Chief Accountant
Reporting year	from 01.01.2021 to 31.12.2021
Previous reporting period	from 11.12.2020 to 31.12.2020
Subsidiaries	GIVEN LITHUANIA UAB, Reg. No. 305936789, Lithuania, Krokuvos g. 53-3, Vilnius, 09305 GIVEN Latvia SIA, Reg. No. 40203166474, Riga, Lielirbes Street 17A - 11, LV-1046 Given Estonia OÜ, Reg. No. 14505229, Estonia, Peterburi tee 46, Tallinn 11415
Auditors	Grant Thornton Baltic Audit SIA Blaumana street 22, Riga, LV-1011, License No. 183 Raivis Irbītis – Certified Auditor Certificate No. 205

Ģirts Rudzītis ....

Member of the Board *signature*

Management Report

General information

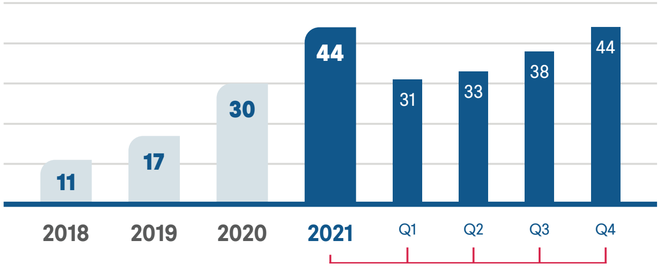
GIVEN Jewellery AS (hereinafter – the Parent Company) was established in December 2020 and together with its subsidaries (hereinafter - the Group) is the leading jewellery retail chain in Latvia and the fastest growing jewellery retail chain in the Baltic States. At the end of 2021, the Group had a total of 44 retail shops, of which 40 in Latvia and four in Estonia, as well as online shop in Latvia (www.given.lv) and in Estonia (www.given.ee). The Group specialises in affordable jewellery with a broad offering of quality products that cater to all budgets and occasions. The Group has also developed its own unique private brands that differentiate the Group's assortment from other competitors. The product offering of the Group primarily consists of precious jewellery from gold and silver, complemented by watches.

Business results

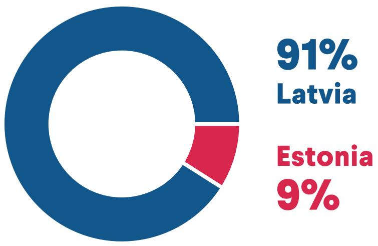
In 2021 the Group's operations were significantly affected by restrictions related to the Covid-19 pandemic. Due to the restrictions, all retail shops in Latvia were closed in the 1st quarter of 2021, as well as various restrictions related to working hours and customer flow were in force in the remaining nine months of 2021, which significantly affected the Group's operations. Nevertheless, in 2021 the Group managed to open 14 new retail shops, become the largest jewellery retail chain in Latvia, as well as achieve its historically highest annual turnover. The growth was enabled by additional financing attracted in 2021 in the form of secured and subordinated bonds and increase of share capital.

In 2021 the Group's revenue was EUR 6.5 million, of which revenue in Latvia accounted for 91%, but in Estonia for 9%. In 2021 e-commerce played a crucial role in the Group's business and accounted for 12% of the Group's retail turnover. The Group closed the reporting year with a profit of EUR 0.5 million and EBITDA of EUR 1.7 million.

Number of shops



Revenue by countries 2021



Revenue by sales channels 2021

Future prospects

The Group has ambitious growth plans for year 2022 - the Group plans to launch the operations in Lithuana and expand its retail chain in Estonia and Latvia. The expansion is driven by the Group's ambition to offer high-quality jewellery available within 30 minutes' reach from anywhere in the Baltic States. Also, the Group's strategy is also to become the top e-commerce platform of jewellery and watches in the Baltic States.

Management Report *(continued)*

Risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, liquidity risk, credit risk and capital risk.

Foreign currency risk

The Group's financial assets and liabilities, which are exposed to foreign currency risk, comprise cash and cash equivalents, trade receivables, trade payables, as well as current and non-current borrowings. The Group is mainly exposed to foreign currency risk of the US dollar (USD).

Interest rate risk

Interest rate risk arises from changes in interest rates that affect the Group's net profit and future cash flows. At the end of the year all of the Group's liabilities are interest bearing borrowings with a fixed interest rate. The Group's policy is to ensure that the majority of its borrowings are at a fixed rate. The interest rate payable on the Group's borrowings is disclosed in Note 16.

Liquidity risk

Liquidity risk is related to the Group's ability to meet short-term and long-term liabilities in a timely manner. The Group manages its liquidity risk by arranging an adequate amount of capital in form of debt or equity, keeping adequate cash reserves, planning the repayment terms of trade receivables, and developing and analysing future cash flows.

Credit risk

The Group is exposed to credit risk through its trade receivables, issued current loans, as well as cash and cash equivalents.

Receivables of the Group consist mainly of receivables from clients and guarantee deposits. The Group manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is minimised.

The credit risk on cash and cash equivalents is limited because the counterparties are banks and payment systems. To spread the credit risk, the Group deposits its cash reserves with different banks.

Capital risk

The Group aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group. Capital risk is monitored via Capitalization Ratio, which is calculated as the Adjusted Equity to the Group's consolidated assets. The Group monitors equity capital on the basis of the capitalization ratio as defined in Bond prospectus, which as at December 31, 2021 was 36% (see Note 25).

Events after the reporting period

GIVEN JEWELLERY AS secured bonds have been admitted to trading on the Nasdaq Baltic First North Market by Nasdaq Riga as of May 20, 2022.

In line with the Group's growth strategy, in March 2022 the Group opened its first retail shop in Lithuania, Vilnius and continues the expansion of its retail chain in Latvia and Estonia.

Ģirts Rudzītis

Member of the Board .... *signature*

GIVEN

Consolidated annual report for the year ended 31 December 2021
Signed on June 22, 2022

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

	Note	2021 EUR	11.12.2020-31.12.2020 EUR
Revenue	3	6 510 871	427 563
Cost of sales	4	(2 996 595)	(192 145)
Gross profit or loss		**3 514 276**	**235 418**
Selling expenses	5	(2 601 052)	(111 827)
Administrative expenses	6	(654 362)	(68 514)
Other operating income	7	588 142	2 910
Other operating costs	8	(44 624)	(16 455)
Other revenue from interest and similar revenue		3 194	-
Interest expense and similar expense		(328 357)	(9 925)
Profit or loss before corporate income tax		**477 217**	**31 607**
Corporate income tax for the reporting year		(54)	(10 394)
Total comprehensive income for the year		**477 163**	**21 213**

Notes on pages 12 to 35 form an integral part of these financial statements.

Ģirts Rudzītis
Member of the Board .... *signature*

Lilija Adejeva
Chief Accountant .... *signature*

Consolidated Statement of Financial Position

ASSETS	Note	31.12.2021 EUR	31.12.2020 EUR
LONG-TERM INVESTMENTS			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		115 666	55 851
Other intangible assets		14 634	2 988
Goodwill		642 471	642 471
Advance payments for intangible assets		3 939	2 132
Total intangible assets	**9**	**776 710**	**703 442**
Fixed assets, investment properties, and right-of-use assets:			
Long-term investments in rented fixed assets		361 927	292 989
Right of-use-assets		2 704 582	2 428 178
Other fixed assets and inventory		729 068	501 064
Costs of the establishment of fixed assets and unfinished building objects		57 946	18 305
Advance payments for fixed assets		12 850	26 073
Total fixed assets	**10**	**3 866 373**	**3 266 609**
Long-term financial investments			
Other securities and investments		-	110 000
Total long-term financial investments		**-**	**110 000**
TOTAL LONG-TERM INVESTMENTS		**4 643 083**	**4 080 051**
CURRENT ASSETS			
Inventories			
Finished goods and goods for sale		6 090 002	3 491 115
Advance payments for inventories		130 389	20 243
Total inventories		**6 220 391**	**3 511 358**
Receivables			
Trade receivables	11	181 175	95 052
Receivables from associated entities		68 192	28 118
Other receivables	12	482 925	126 267
Deferred expenses		56 985	2 163
Total receivables		**789 277**	**251 600**
Cash	13	693 691	40 833
Total current assets		**7 703 359**	**3 803 791**
TOTAL ASSETS		**12 346 442**	**7 883 842**

Consolidated Statement of Financial Position *(continued)*

EQUITY AND LIABILITIES	Note number	31.12.2021 EUR	31.12.2020 EUR
EQUITY			
Share capital	14	1 000 000	1 000 000
Share premium		347 408	-
Accumulated losses/ Retained earnings:			
brought forward		21 213	-
for the period		477 163	21 213
Total equity		**1 845 784**	**1 021 213**
LIABILITIES			
Long-term liabilities			
Bonds	16	5 440 456	-
Loans from credit institutions		-	536 843
Other loans		198 400	2 413 762
Non-current lease liabilities	15	1 965 409	1 784 865
Total long-term liabilities		**7 604 265**	**4 735 470**
Short-term liabilities			
Received advance payables		60 913	38 325
Trade payables		803 860	372 172
Current lease liabilities	15	854 906	704 113
Payables to associated entities		504 016	751 168
Taxes and State mandatory social insurance payments	17	312 344	150 155
Other liabilities	18	169 016	69 420
Accrued liabilities	19	191 338	41 806
Total short-term liabilities		**2 896 393**	**2 127 159**
Total liabilities		**10 500 658**	**6 862 629**
TOTAL EQUITY AND LIABILITIES		**12 346 442**	**7 883 842**

Ģirts Rudzītis
Member of the Board .... *signature*

Lilija Adejeva
Chief Accountant .... *signature*

Consolidated Statement of Cash Flows

	2021 EUR	11.12.2020- 31.12.2020 EUR
Cash flow from operating activities		
Profit or loss before corporate income tax	477 217	31 607
Corrections:		
Corrections of decrease in value of fixed assets	876 939	60 783
Corrections of decrease in value of intangible assets	21 363	67
Profit or loss from fluctuations of foreign currency rates	(1 401)	-
Other revenue from interest and similar revenue	(3 194)	-
Corrections of reduction in value of long-term and short-term financial investments	32 276	-
Interest payments and similar costs	314 203	9 925
Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors	**1 717 403**	**102 382**
Corrections:		
Increase or decrease in balances recievables	(497 952)	(143 562)
Increase or decrease in balances of inventories	(2 709 034)	(162 049)
Increase or decrease in balances of payables	649 082	(268 513)
Gross cash flow from operating activities	**(840 501)**	**(471 742)**
Expenses for interest payments	(314 203)	(9 925)
Expenses for corporate income tax payments	(54)	-
Net cash flows from operating activities	**(1 154 758)**	**(481 667)**
Investment activity cash flow		
Acquisition of fixed assets and intangible assets	(656 728)	-
Revenue from sale of fixed assets and intangible investments	3 980	-
Loans issued	-	(110 000)
Loans repaid	110 000	-
Interest received	3 194	-
Cash flows from investing activities	**(539 554)**	**(110 000)**
Cash flows from financing activities		
Proceeds from issue of share capital	347 408	325 000
Loans received and bonds issued	6 311 663	200 800
Repayment of loans	(3 721 901)	(785)
Payment of principal portion of lease liabilities	(591 401)	(24 365)
Cash flows from financing activities	**2 345 769**	**500 650**
Result of fluctuations of foreign currency exchange rates	1 401	-
Net cash flow of the reporting year	**652 858**	**(91 017)**
Balance of cash and its equivalents at the beginning of the reporting year	**40 833**	**131 850**
Balance of cash and its equivalents at the end of the reporting year	**693 691**	**40 833**

Consolidated Statement of Changes in Equity

	Share capital EUR	Share premium account EUR	Retained earnings or uncovered loss EUR	Total equity EUR
As at 11.12.2020	**-**	**-**	**-**	**-**
Increase in share capital	1 000 000	-	-	1 000 000
Decrease in retained profit	-	-	21 213	21 213
As at 31.12.2020	**1 000 000**	**-**	21 213	**1 021 213**
Increase in share capital	-	347 408	-	347 408
Increase in retained profit	-	-	477 163	477 163
As at 31.12.2021	**1 000 000**	**347 408**	**498 376**	**1 845 784**

Notes on pages 12 to 35 form an integral part of these financial statements.

GIVEN

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

(1) Corporate information

GIVEN Jewellery AS (the Parent Company) and its subsidiaries (together The Group) was established in December, 2020. The Parent Company was incorporated on December 11, 2020 as a joint stock company for an unlimited duration. The registered office of the Parent Company is Lielirbes street 17A-11, Riga, LV-1046.

The Parent Company acquired SIA GIVEN Latvia on December 12, 2020, GIVEN Estonia OÜ on December 28, 2020, and established UAB GIVEN Lithuania on November 15, 2021. The Parent Company is the sole shareholder of its subsidiaries.

(2) Significant accounting principles

Basis of preparation

The consolidated annual report has been prepared in accordance with International Financial Reporting Standards as adopted in the European Union (further IFRS). As the Group was established in December 2020, therefore 2021 is the first consolidated Report for a full financial year for the Group and there fore consolidated financia data for previouse accounting period December 11 till December 31, 2020 are not comparable.

These consolidated financial statements include the disclosures required by IFRS that are applicable for financial years beginning on or after 1 January 2021. The most significant impact from adoption of IFRS compared to Latvian and Estonian statutory requirements is from IFRS 16.

The consolidated Statement of Comprehenisce Income or Loss has been prepared according to the function of expense method.

Consolidation

The consolidated financial statements of the Group include:

Subsidiary name	Registration number	Country of incorporation	Principal activities	Controlled since
GIVEN Jewellery AS	40203279291	Latvia	Holding company	-
GIVEN LITHUANIA UAB	305936789	Lithuania	Retail sale of watches and jewellery in specialised shops	15.11.2021
GIVEN Latvia SIA	40203166474	Latvia	Retail sale of watches and jewellery in specialised shops	12.12.2020
Given Estonia OÜ	14505229	Estonia	Retail sale of watches and jewellery in specialised shops	28.12.2020

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Consolidation (continued)

Subsidiaries are the entities controlled by the Parent Company. Control is achieved when the Parent Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect its returns.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Reporting period

The reporting period is 12 months:
01.01.2021 to 31.12.2021
The previous reporting period is less than a month:
11.12.2020 to 31.12.2020

Accounting principles

These financial statements are prepared on the going concern basis, the accounting and measurement methods applied are consistent with those of the previous financial year, and prudent estimates have been made in preparing these financial statements.

Transactions in foreign currencies

The presentation currency of the Group is the euro (EUR), the monetary unit of the European Union.

Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the euro applying the euro foreign exchange reference rate published by the European Central Bank at the last day of the reporting year.

31.12.2021 .... USD 1,1326
31.12.2020 .... USD 1,2271

Foreign exchange gains and losses are recognised in the statement of profit or loss for the respective reporting period.

Related parties

A related party is a person or an entity that is related to the reporting Group.
A person or a close member of that person's family is related to the reporting Group if that person has control, joint control or significant influence over the reporting Group or is a member of the key management personnel of the reporting Group.

An entity is related to the reporting Group if both are members of the same group. Besides, an entity is related to the reporting Group if the entity is controlled, jointly controlled or significantly influenced by a related party of the reporting Group or this related party of the reporting Group is a member of the key management personnel of that entity or of a parent of that entity.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Intangible assets, goodwill and fixed assets

Fixed assets are displayed in their acquisition value less depreciation. The acquisition value of fixed assets consists of purchase price, import duties and non-refundable purchase taxes, other costs directly attributable to delivery of the assets to their location and getting in the working condition pursuant to the suggested use. Depreciation and amortisation is calculated over the useful life of the asset according to the linear method applying the following depreciation rates as the basis of calculation:

Buildings and structures – 5-10%
Technological equipment – 20-35%
Computer hardware – 20-35%
Other fixed assets – 20-35%

Intangible assets are displayed in their acquisition value less depreciation. Depreciation has been calculated within the period of useful life of an asset according to the linear method, applying the following depreciation rates:

Licenses – 10-20%
Other intangible investments – 20-35%

Gains or losses from sales of fixed assets are displayed in the income statement of the respective period. Repair or renovation expenses that increase the useful life of fixed assets or their value are capitalised and written off within the period of useful life of assets. Other repair or renovation expenses are recognised as the loss of the accounting period.

Expenses related to leasehold improvements are capitalised and displayed in the fixed assets. Depreciation is calculated over the lease period using the linear method.

Loan issue expenses that are directly related to formation of fixed assets and construction in progress are capitalised, if such expenses are reasonably attributable and directly related. Loan issue expenses are capitalised before putting the fixed assets into operation.

Research costs are recognized in the statement of profit and loss of the reporting year they are incurred. The Company's development costs are capitalized if their recoverability in the future may be substantially proved. Amortisation is calculated during the whole recovery period of development costs.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. Such units represent the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash flows of other assets or CGUs. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than it's carrying amount, the impairment loss is recognized.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Valuation of inventories

Inventory cost price is determined using FIFO method. Inventories are stated at the lower of cost or net realizable value at the balance date.

If necessary, obsolete, slow-moving or damaged inventories are written down. Stock balances are checked in the inventory.

Receivables

A receivable represents the Group's and Parent Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

The Group and the Parent Company split trade receivable balances in two portfolios based on a business model.

- Trade receivables from contracts with customers within a business model with the objective to hold financial assets in order to collect contractual cash flows are accounted at amortized cost and reviewed for impairment.
- Trade receivables from contracts with customers held with the only objective of selling the financial assets are accounted for at FVTPL.

Deferred expenses

The deferred expenses reflect the payments made during the accounting year, but the use of expenditure is referring to the following reporting periods. The balance value of the balance sheet asset is assessed to the extent that the expected economic benefit is expected in the following reporting periods.

Cash

Cash is cash in hand and non-cash in payment accounts and deposit accounts.

Loans and borrowings

All borrowings are recognized initially at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. In subsequent periods, borrowings are recognized at amortized cost.

A borrowing is classified as long-term if the payment or write-off occurs later than one year after the end of the respective reporting year. Amounts payable or written off during the year are presented under short-term borrowings.

Bonds

A financial liability is measured at amortized cost in case it is not held-for-trading and is not designated as held-for-trading in the initial recognition. These financial liabilities are initially measured at fair value less directly attributable transaction costs. After the initial recognition, these liabilities are measured at amortized cost, using the effective interest rate.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Financial lease liabilities

Leases of assets under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease. Lease interest payments are included in the income statement for the period in order to reflect a constant rate of lease liability.

Lease is classified as a financial lease if in fact all risks and remunerations that are a characteristic of ownership are transferred to a tenant and if it corresponds to at least one of the following conditions:

a) ownership to the leased asset will be transferred to the tenant upon expiration of the leasing term;
b) the lease term includes the majority of the asset's time of useful life;
c) the leased assets are so specific that only the tenant is entitled to use them without a significant modification.

The assets for financial lease are initially recognised as the Company's assets after their true value or after the current value of the minimum leasing payments if it is lower than the true value. Each of these values are determined on the date of acquiring the lease asset. Lease liabilities are included in the balance sheet as long-term and short-term liabilities of financial lease. Financial expenditure are reflected in the income statement on the relevant period so that a regular and periodic cost rate from the liability surplus would be provided for each reporting period.

Operative lease - Application of IFRS 16 in the Reporting period

Lessee

The Company recognizes as a lessee the right to use an asset that reflects its right to use the underlying asset and a lease liability that reflects its obligation to make lease payments.

Each lease payment is apportioned between the lease liability and interest expense on the lease liability. Interest expense on the lease liability is recognized in the lease term's income statement to form a constant periodic rate of interest on each period's remaining lease liability. The right-of-use asset is amortized on a straight-line basis from the inception date to the end of the underlying asset's useful life.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Operative lease - Application of IFRS 16 in the Reporting period *(continued)*

Classification

When agreeing, the Group assesses whether the agreement is a lease or includes a lease. A contract is a lease or includes a lease if it gives the right to control the use of an identifiable asset for a specified period of time in exchange for consideration. To assess whether an arrangement is or contains a lease, the Group assesses whether:

- The contract provides for the use of an identifiable asset - the asset may be specified directly or indirectly. It must be physically separable or reflect the full capacity of the asset from the physically separable asset. If the supplier has a significant right to replace the asset, the asset is not identifiable;
- The Group has the right to obtain all economic benefits from the use of an identifiable asset throughout its useful life;
- The Group has the right to determine the use of an identifiable asset. The Group has the right to determine the manner of use when deciding how and for what purpose the asset will be used. Where appropriate decisions about how and for what purpose an asset is used are predetermined, the Group must assess whether they have the right to operate the asset or to assign the asset to the asset in a particular way or whether the Group has designed the asset in a manner that predetermines it, how and for what purpose the asset will be used.

Right to use

Leases are recognized as rights to use the asset and the corresponding lease liability at the date when the leased asset is available for use by the Group. The cost of the right to use the asset consists of:

- the amounts of the initial valuation of the lease liabilities less the compensation received from the lessor for the construction of the object (FIT-OUT)
- any lease payments made on or before the commencement date, less any lease payments received;
- renewal costs related to the dismantling and renewal of fixed assets;
- any initial direct costs.

The right to use an asset is amortized on a straight-line basis from the inception date to the end of the underlying asset's useful life. Depreciation is calculated on a straight-line basis from the inception of the lease until the end of the lease term unless an asset is planned to be redeemed. The right to use the asset is periodically reduced by any impairment loss, if any, and adjusted for changes in the value of the lease liability.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Operative lease - Application of IFRS 16 in the Reporting period *(continued)*

Lease obligations

Upon initial recognition of a lease, the Group will recognize a lease liability carried at the present value of the lease payments due during the lease term. Lease payments include fixed payments less any rental incentives received and variable lease payments that depend on an index or rate. Variable lease payments independent of an index or rate are recognized as an expense in the period in which they are incurred.

The Group has entered into several premises lease agreements, mainly for the lease of shop premises. The Group has used a flat discount rate of 4.5 % for the entire lease portfolio.

Each lease payment is apportioned between the lease liability and the finance charge. Finance costs are charged to the income statement over the lease term to arrive at a constant periodic interest rate on the liability's remaining balance. The right to use the asset is depreciated over the lease term on a straight-line basis.

Short-term leases and leases with a low value of the underlying asset

Lease payments related to short-term leases or leases with a low value of the underlying asset are recognized as an expense in the income statement on a straight-line basis. Short-term leases are leases that are for 12 months or less at the inception date.

Accrued liabilities

Accrued liabilities are clearly known trade liability sums for the goods or services received within the reporting year when a relevant payment document (an invoice) has failed to be received on the date of drawing up the balance sheet. The liability sums are calculated, based on the price, which is defined in the relevant agreement, and on the documents that approve actual receipt of the goods or services.

Accrued liabilities for unused vacation compensation

Accrued liabilities for unused vacation compensations are established by multiplying the average wage for the last six months of the reporting period with the number of days of unused annual leaves on the end date of the reporting period, including also the mandatory state social insurance contributions made by the employer.

Accrued liabilities for not received expense invoices

Accrued liabilities for unreceived invoices are clearly known trade liability sums for the goods or services received within the reporting year when a relevant payment document (an invoice) has failed to be received on the date of drawing up the balance sheet. The liability sums are calculated, based on the price, which is defined in the relevant agreement, and on the documents that approve actual receipt of the goods or services.

Accrued liabilities for bonus compensation

Accrued liabilities for bonus payments are made according to the operational results of the reporting year. The accrued liabilities are diminished by making actual money payments to employees.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, less value added tax and sales-related discounts. Revenue is recognized by reference to the economic nature and substance of the transaction rather than its legal form.

Expenses are recognized as incurred. Expenses are recognized net of the amount of value added tax. In certain situations value added tax incurred on a services received or calculated in accordance with legislation requirements is not recoverable in full from the taxation authority. In such cases value added tax is recognized as part of the related expense item as applicable. The same principles is applied if value added tax is not recoverable on acquisition of an asset.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, and amounts of income earned and expense incurred in connection with the sale of the relevant goods can be measured reliably.

Rendering of services

Revenue from services is recognized in the period in which the services are rendered. Revenue from services and related costs are recognized by reference to the stage of completion of the transaction 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.

The effective interest rate method

Under IFRS 9 for all financial instruments measured at amortized cost interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Accounting for grants

In compliance with IAS 20, a government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Corporate income tax

Current corporate income tax rates for the subsidiaries are: Latvia – 20%, Estonia – 20%, Lithuania – 15%.

In Latvia and Estonia legal entities are not required to pay income tax on earned profits. Corporate income tax is paid on distributed profits and deemed profit distributions. Starting from 1 January 2018, both distributed profits and deemed profit distributions are subject to the tax rate of 20 per cent of their gross amount, or 20/80 of net expense in Latvia. Corporate income tax on other deemed profit items is recognised at the time when expense is incurred in the reporting year. In Lithuania earnings are taxable when earned.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable. The actual results may ultimately differ from those estimates (e.g., vacation pay reserve, etc.).

The Group based its assumptions and estimates on the parameters available when the financial statements were prepared. However, the current circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Any gain or loss arising on derecognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount of the item and is included in the statement of profit or loss in the year the item is derecognized.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of profit or loss.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the year the item is derecognized.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles *(continued)*

Standards, amendments and interpretations issued and endorsed in the EU but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. Those which may be relevant to the Group are set out below.

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies - Amendments (IASB: effective for annual periods beginning on or after 1 January 2023)
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates – Amendments (IASB: effective for annual periods beginning on or after 1 January 2023)
- IFRS 3, IAS 16, IAS 37 - Amendments (effective for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS 2018-2020 Cycle – Amendments (effective for annual periods beginning on or after 1 January 2022)
- IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Amendments (IASB: effective for annual periods beginning on or after 1 January 2023)
- IAS 1: Classification of Liabilities as Current or Non-current - Amendments (IASB: effective for annual periods beginning on or after 1 January 2023)
- IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction – Amendments (IASB: effective for annual periods beginning on or after 1 January 2023)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments in their present form, will have a material impact on the Group.

Subsequent events

Post-year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

Notes to the Consolidated Financial Statements *(continued)*

(3) Revenue

Revenue - proceeds from the Group's major activity - retail sale of jewellery and watches without value added tax.

Revenue by country	2021 EUR	11.12.2020-31.12.2020 EUR
Latvia	5 905 257	427 563
Estonia	605 614	-
Total	**6 510 871**	**427 563**

(4) Cost of sales

	2021 EUR	11.12.2020-31.12.2020 EUR
Cost of goods purchased	2 996 595	192 145
Total	**2 996 595**	**192 145**

(5) Selling expenses

	2021 EUR	11.12.2020-31.12.2020 EUR
Personnel costs	1 096 412	70 691
Depreciation of property, plant and equipment and intangible assets	898 757	33 382
Payment for services	304 869	-
Advertising expenses	233 054	-
Transport costs	13 351	-
Retail space rental & utilities (IFRS 16 adjustment)	(41 550)	(26 252)
Other selling expenses	96 159	34 006
Total	**2 601 052**	**111 827**

Notes to the Consolidated Financial Statements *(continued)*

(6) Administrative expenses

	2021 EUR	11.12.2020-31.12.2020 EUR
Personnel costs	460 691	15 226
Bank charges	63 767	9 041
Professional services expenses	39 044	4 843
Office costs	32 717	-
Other administration costs	58 143	39 404
Total	**654 362**	**68 514**

(7) Other operating income

	2021 EUR	11.12.2020-31.12.2020 EUR
Recieved financial support*	572 100	-
Revenue from foreign currency fluctuations	1 401	-
Other income	14 641	2 910
Total	**588 142**	**2 910**

* Clarification on financial assistance received during the reporting year and previous years

Provider of financial support	Year of receipt	Sum, EUR	Receipt objective	Conditions
State revenue service	2021	100 000	One-off aid to the company to ensure working capital	The funding must be used from the moment of submitting the application until July 31, 2021.
State revenue service	2021	100 000	One-off aid to the company to ensure working capital	The funding must be used from the moment of submitting the application until July 31, 2021.
State revenue service	2021	100 000	One-off aid to the company to ensure working capital	The funding must be used from the moment of submitting the application until July 31, 2021.
State revenue service	2022	134 883	One-off aid to the company to ensure working capital	The funding must be used within two months after the decision
State revenue service	2022	134 896	One-off aid to the company to ensure working capital	The funding must be used within two months after the decision

Notes to the Consolidated Financial Statements *(continued)*

(8) Other operating costs

	2021 EUR	11.12.2020-31.12.2020 EUR
Provisions for bad and doubtful debts	31 145	-
Loss from disposal and sale of fixed assets**	3 981	16 455
Donations	2 580	-
Other costs	6 918	-
Total	**44 624**	**16 455**

** Information on profit or loss from disposal of long-term investment objects during the reporting year

Long-term investment object	Balance value at the moment of exclusion	Alienation income	Alienation expenses	Gross income or profit	Profit or loss from the object's alienation
Object No. 1	5 678	7 981	-	2 303	2 303
Object No. 2	516	-	-	(516)	(516)
Object No. 3	5 768	-	-	(5 768)	(5 768)
Total	**11 446**	**7 981**	**-**	**(3 981)**	**(3 981)**

Notes to the Consolidated Financial Statements *(continued)*

(9) Intangible assets

	Concessions, patents, licences, trademarks and similar rights EUR	Other intangible investments EUR	Goodwill EUR	Advance payments for intangible investments EUR	Total intangible assets EUR
Acquisition value 11.12.2020	-	-	-	-	-
Additions *	63 558	4 500	642 471	2 132	712 661
Acquisition value 31.12.2020	**63 558**	**4 500**	**642 471**	**2 132**	**712 661**
Acquisition value 01.01.2021	63 558	4 500	642 471	2 132	712 661
Additions	65 940	13 686	-	15 521	95 147
Disposal	(1 290)	-	-	-	(1 290)
Reclassified	13 714	-	-	(13 714)	-
Acquisition value 31.12.2021	**141 922**	**18 186**	**642 471**	**3 939**	**806 518**
Accumulated amortization 11.12.2020	-	-	-	-	-
Accumulated amortization 31.12.2020	7 707	1 512	-	-	9 219
Amortization charge	19 323	2 040	-	-	21 363
Amortization of intangible assets that have been liquidated or reclassified	(774)	-	-	-	(774)
Accumulated amortization 31.12.2021	**26 256**	**3 552**	**-**	**-**	**29 808**
Net book value 11.12.2020	**-**	**-**	**-**	**-**	**-**
Net book value 31.12.2020	**55 851**	**2 988**	**642 471**	**2 132**	**703 442**
Net book value 31.12.2021	**115 666**	**14 634**	**642 471**	**3 939**	**776 710**

* Balances of intangible assets of subsidiaries included in the consolidation as of 31.12.2020.

Notes to the Consolidated Financial Statements *(continued)*

(10) Fixed assets, investment properties, and right-of-use assets:

	Right-of-use assets EUR	Long-term invest-ments in rented fixed assets EUR	Other fixed assets and inventory EUR	Costs of the establishment of fixed assets and unfin-ished building objects EUR	Advance payments for fixed assets EUR	Total fixed assets EUR
Acquisition value 11.12.2020	0	0	0	0	0	0
Additions*	2 904 866	363 318	637 393	18 305	26 073	3 949 955
Acquisition value 31.12.2020	2 904 866	363 318	637 393	18 305	26 073	3 949 955
Acquisition value 01.01.2021	2 904 866	363 318	637 393	18 305	26 073	3 949 955
Additions	918 587	100 150	329 942	157 679	101 431	1 607 789
Disposal	-	(7 248)	(18 464)	(4 985)	-	(30 697)
Reclassified	-	55 476	57 577	(113 053)	(114 654)	(114 654)
Acquisition value 31.12.2021	**3 823 453**	**511 696**	**1 006 448**	**57 946**	**12 850**	**5 412 393**
Accumulated depreciation 11.12.2020	-	-	-	-	-	-
Accumulated depreciation 31.12.2020	476 688	70 329	136 329	-	-	683 346
Depreciation charge	642 183	83 780	150 976	-	-	876 939
Depreciation of fixed assets that have been liqui-dated or reclassified	-	(4 340)	(9 925)	-	-	(14 265)
Accumulated deprecia-tion 31.12.2021	**1 118 871**	**149 769**	**277 380**	**-**	**-**	**1 546 020**
Net book value 11.12.2020	-	-	-	-	-	-
Net book value 31.12.2020	2 428 178	292 989	501 064	18 305	26 073	3 266 609
Net book value 31.12.2021	2 704 582	361 927	729 068	57 946	12 850	3 866 373

* Balances of fixed assets of subsidiaries included in the consolidation as of 31.12.2020.

Notes to the Consolidated Financial Statements *(continued)*

(11) Trade receivables

	31.12.2021 EUR	31.12.2020 EUR
Trade receivables carrying amount	212 320	95 052
Allowance for expected credit loss	(31 145)	-
Total	**181 175**	**95 052**

(12) Other receivables

	31.12.2021 EUR	31.12.2020 EUR
Guarantee deposits	179 272	61 879
Other debtors	303 653	64 388
Total	**482 925**	**126 267**

(13) Cash

	31.12.2021 EUR	31.12.2020 EUR
Cash in bank accounts (EUR)	649 136	26 207
Cash on hand	44 555	14 626
Total	**693 691**	**40 833**

Notes to the Consolidated Financial Statements *(continued)*

(14) Share capital

On 31 December 2021, the share capital has been fully paid.
It consists of 10 000 001 shares with the nominal value of EUR 0.1 each.

(15) Lease liabilities

	31.12.2021 EUR	**11.12.2020-31.12.2020* EUR**
Discounted lease liabilities at the beginning of the year	2 488 978	2 513 343
New contracts during the reporting period	919 717	-
Terminated contracts during the reporting period	-	-
Minus: Rental costs determined during the reporting period	(704 113)	(30 137)
Plus: Lease interest expense during the reporting period	115 733	5 773
Lease liabilities at the end of the year	**2 820 315**	**2 488 978**
Long - term part of lease liabilities (from 1 year to 5 years)	1 965 409	1 784 865
Short - term part of lease liabilities	854 906	704 113
	2 820 315	**2 488 978**

Lease commitments include the lease of retail space and cars. In 2021 the Group had 44 active lease agreement for premises and three operative leasing agreements for cars. In accordance with the Group's policy, it applies IFRS 16 Leases.

Notes to the Consolidated Financial Statements *(continued)*

(16) Bonds

	% rate	Due date	31.12.2021 EUR	31.12.2020 EUR
Long-term loans (from 1 to 5 years)				
Subordinated bonds [1]	6%	30.11.2026	2 602 880	-
Secured bonds [2]	6%	30.04.2024	2 837 576	-
Total			**5 440 456**	**-**

[1] On November 30, 2021, GIVEN Jewelery AS issued subordinated bonds, which enables to attract financing in the amount of five million euros (with a nominal value of 1'000 EUR). The annual interest rate of the issues is 6% and their maturity is 5 years. As at Decemrer 31, 2021 the Group has raised a total of EUR 2'603'000. According to IAS 9, bonds are shown at amortized cost applying effective interest rate of 7.34%.

[2] On November 2, 2021 the Parent Company issued secured bonds in the amount of three million euros. The annual interest rate of the issues is 6% and their maturity is 2,5 years. All the property belonging to SIA GIVEN Latvia as a joint property at the time of the pledge, as well as the subsequent components of the joint property, establishing a first-order commercial pledge on it, have been pledged in 2021 in favor of ZAB VILGERTS SIA, Registration No. 40203309933 as a collateral for bonds issued by GIVEN Jewellery AS (ISIN: LV0000860054). As at December 31, 2021 the Group has raised a total of EUR 2'878'483. According to IAS 9, bonds are shown at amortized cost applying effective interest rate of 6.18%.

(17) Taxes and State mandatory social insurance payments

	31.12.2021 EUR	31.12.2020 EUR
Value added tax	193 189	25 905
Personal income tax	35 368	34 186
Social contributions	76 096	66 855
Corporate income tax	7 481	23 065
Risk duty	43	144
Natural resources tax	167	-
Total	**312 344**	**150 155**
Including:		
Tax surplus	-	-
Tax debt	312 344	150 155

Notes to the Consolidated Financial Statements *(continued)*

(18) Other liabilities

Short-term other creditors	31.12.2021 EUR	31.12.2020 EUR
Wages and salaries	151 654	64 600
Settlements with other creditors	17 362	4 820
Total short-term other creditors	**169 016**	**69 420**

(19) Accrued liabilities

Short-term other creditors	31.12.2021 EUR	31.12.2020 EUR
Accrued vacation pay	105 892	37 306
Accrued liabilities for employee bonuses	16 855	-
Accrued interest expense	24 869	-
Accrued liabilities to suppliers	43 722	4 500
Total	**191 338**	**41 806**

(20) Transactions with related parties

Related party	Services rendered and goods sold 2021 EUR	Services rendered and goods purchased 2021 EUR	Amounts owed by related parties 31.12.2021 EUR	Payables to related parties 31.12.2020 EUR
SIA Grenardi	159 088	1 380 806	33 147	630 280
Other	3 087	56 640	41 754	2 901 164
Total	**162 175**	**1 437 446**	**74 901**	**3 531 444**

Transactions are made at market prices.

(21) Average number of employees

	2021	11.12.2020-31.12.2020
Members of the Board	2	2
Other employees	112	68
Average number of employees	**114**	**70**

Notes to the Consolidated Financial Statements *(continued)*

(22) Information on the payments for members of the council and the board

Members of the Board of the Company do not receive remuneration for the work perfomed.

(23) Information on the payments for members of the council and the board

All the property belonging to SIA GIVEN Latvia as a joint property at the time of the pledge, as well as the subsequent components of the joint property, establishing a first-order commercial pledge on it, have been pledged in 2021 in favor of ZAB VILGERTS SIA, Registration No. 40203309933 as a collateral for bonds (ISIN: LV0000860054) issued by the parent company AS GIVEN Jewellery, as well as establishing the second and third order commercial pledges on the same collateral in favor of Signet Bank AS, registration No. 40003076407, to secure the guarantees issued by Signet Bank AS to the lessors of the retail premises of SIA GIVEN Latvia and OÜ GIVEN Estonia. The commercial pledge agreements concluded with Baltic International Bank SE in 2020 are no longer valid after the full repayment of the granted credit line and cancellation of the issued guarantees.

In 2021 OÜ GIVEN Estonia and SIA GIVEN Latvia have become the Guarantors to the owners of the EUR 3'000'000 (three million Euro) 6.00% Senior Secured Notes due 30 April 2024 issued by AS GIVEN Jewellery, registration number 40203279291, ISIN: LV0000860054 and guarantee the fulfillment of issuer's obligations towards creditors under the notes and the terms of the Issue, i.e., the repayment of the debt.

(24) Information on lease and rent agreements, that have important influence on Group's activity

The Group's shops are located in rented premises. The Group has entered into long-term lease agreements with shopping centers. At the end of the year the Group has 44 long-term lease agreements with shopping centers.

Notes to the Consolidated Financial Statements *(continued)*

(25) Commitments and Contingencies

There are covenants in the prospectus for the senior secured bonds issued (ISIN LV0000860062). According to the prosepectus, the Group shall company with the following financial covenants:

a) To maintain consolidated Interest Coverage Ratio of at least 2x (two times), calculated for the Relevant Period at the end of each quarter.
b) To maintain consolidated Capitalization Ratio at least 30% (thirty per cent) calculated for the Relevant Period at the end of each quarter.
c) To maintain Inventory Coverage Ratio for the Collateral Provider of at least 1.4x (one point four times), calculated for the Relevant Period at the end of each quarter.

The Relevant Period means each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar quarter.

During the reporting period the Group complied with all covenants as per prospectus.

The covenants are fulfilled with the following ratios:
a) 5.0
b) 36%
c) 2.0

Notes to the Consolidated Financial Statements *(continued)*

(26) Information on lease and rent agreements, that have important influence on Group's activity

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, liquidity risk, credit risk and capital risk.

Foreign currency risk

The Group's financial assets and liabilities, which are exposed to foreign currency risk, comprise cash and cash equivalents, trade receivables, trade payables, as well as current and non-current borrowings. The Group is mainly exposed to foreign currency risk of the US dollar (USD).

Interest rate risk

Interest rate risk arises from changes in interest rates that affect the Group's net profit and future cash flows. At the end of the year all of the Group's liabilities are interest bearing borrowings with a fixed interest rate. The Group's policy is to ensure that the majority of its borrowings are at a fixed rate. The interest rate payable on the Group's borrowings is disclosed in Note 16.

Liquidity risk

Liquidity risk is related to the Group's ability to meet short-term and long-term liabilities in a timely manner. The Group manages its liquidity risk by arranging an adequate amount of capital in form of debt or equity, keeping adequate cash reserves, planning the repayment terms of trade receivables, and developing and analysing future cash flows.

Credit risk

The Group is exposed to credit risk through its trade receivables, issued current loans, as well as cash and cash equivalents.

Receivables of the Group consist mainly of receivables from clients and guarantee deposits. The Group manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is minimised.

The credit risk on cash and cash equivalents is limited because the counterparties are banks and payment systems. To spread the credit risk, the Group deposits its cash reserves with different banks.

Capital risk

The Group aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group. Capital risk is monitored via Capitalization Ratio, which is calculated as the Adjusted Equity to the Group's consolidated assets. The Group monitors equity capital on the basis of the capitalization ratio as defined in Bond prospectus, which as at December 31, 2021 was 36% (see Note 25).

Notes to the Consolidated Financial Statements *(continued)*

(27) Important events after the end of the report year

The management has carefully considered all the information available to the Group, including the impact of the COVID-19 crisis and the Russian invasion of Ukraine that began on February 24, 2022. Currently there is high uncertainty on how the war in Ukraine will impact the world's economy and the development of financial markets, including the availability of resources, inflation, and the purchasing power of population. However, no significant impact on the Group's financial performance was observed in the first quarter of 2022, and we believe that the going concern basis is fully applicable in the financial statements.

In the period from the last day of the reporting year to the date of signing these financial statements, there have been no other events that would result in adjustments to these financial statements or that should be explained in these financial statements.

(28) Going concern

The financial statements are prepared with the assumption that the Group will continue as a going concern.

INDEPENDENT AUDITORS' REPORT

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To the shareholder of "GIVEN Jewellery" AS

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AS "GIVEN Jewellery" ("the Company") and its subsidiaries ("the Group") set out on pages 6 to 35 of the accompanying consolidated Annual Report, which comprise:

- the consolidated statement of financial position as at 31 December 2021,
- the consolidated statement of comprehensive statement for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of SIA "GIVEN Jewellery" and its subsidiaries as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by European Union (hereinafter IFRS).

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 Consolidated Financial Statements section of our report.

We are independent of the Group 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.

Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises:

- Information about the Group, as set out on page 3 of the accompanying consolidated Report,
- the Management Report, as set out on page 4 to 5 of the accompanying consolidated Annual Report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Group 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 consolidated financial statements are prepared is consistent with the consolidated 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 Consolidated Financial Statements

The management is responsible for the preparation of a financial statement giving a true and fair view in accordance with the International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 „Grant Thornton Baltic Audit"
License No. 183

Silvija Gulbe Member of the Board	Raivis Irbītis Sworn auditor Certificate No. 205

THIS DOCUMENT IS ELECTRONICALLY SIGNED WITH A SECURE ELECTRONIC SIGNATUREAND CONTAINS TIME STAMP

GIVEN

www.givenjewellery.com

Latvia, 2022