

Riga, May 17, 2022

GIVEN Jewellery AS

Reg. No. 40203279291

Lielirbes Street 17A-11, Riga, LV-1046

Annual report for reporting period from 11.12.2020 to 31.12.2021
and an Independent Auditor's Report

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COMPANY INFORMATION

Name of the Company	GIVEN Jewellery AS		
Legal status of the Company	Join stock company		
Registration No., place and date	40203279291, Riga, 11.12.2020		
Registered office	Lielirbes Street 17A-11, Rīga, LV-1046		
Members of the Board	Ģirts Rudzītis	–	Member of the Board from 19.07.2021
	Ainārs Sprīņģis	–	Member of the Board from 11.12.2020 to 19.07.2021
Members of the Council	Ainārs Sprīņģis	–	Chairman of the Council from 13.08.2021
	Alberts Pole	–	Council Member from 11.12.2020
	Māris Keišs	–	Council Member from 11.12.2020
	Andrejs Grigoļunovičs	–	Council Member from 11.12.2020 to 13.08.2021
Annual report prepared by	Lilija Adejeva	–	Chief Accountant
Reporting period	from	11.12.2020	to 31.12.2021
Information on group's subsidiary companies	GIVEN LITHUANIA UAB, Reg. No. 305936789, Lithuania, Krokuvos g.53-3, Vilnius, 09305		
	SIA GIVEN Latvia, Reg. No. 40203166474, Riga, Lielirbes Street 17A - 11, LV-1046		
	Given Estonia OÜ, Reg. No. 14505229, Estonia, Peterburi tee 46, Tallinn 11415		
Information on group's associated companies	SIA ALPPES Capital, Reg. No. 52103097551, Liepaja, Jūras Street 12, LV-3401		
	SIA "A.S. Capital", Reg. No. 40103855894, Riga, Lielirbes Street 17A – 11, LV-1046		
Type of company's activity	Activities of holding companies		
NACE classification code	64.20		
Auditors	"Grant Thornton Baltic Audit" SIA Blaumana Street 22 Riga, LV - 1011 License No. 183		Certified Auditor Raivis Irbītis Certificate No. 205

MANAGEMENT REPORT

Type of activity

AS GIVEN Jewellery (hereinafter - the Company) is a holding Company, established on December 11, 2020. The main activity of the Company's subsidiaries is retail sale of watches and jewellery in specialized stores.

Performance and Financial Situation of the Company

In the reporting period, the Company acquired companies in Latvia (SIA GIVEN Latvia) and Estonia (OÜ GIVEN Estonia), and on 15 November 2021 established a subsidiary in Lithuania (UAB GIVEN Lithuania) (hereinafter all together - the Group). At the end of 2021, the Group had a total of 44 retail stores, of which forty in Latvia and four in Estonia.

The Company, a parent company, manages the Group's companies and provides financing for the development of the Group's companies. During the reporting period, the Company attracted more than EUR 5.6 million in financing in the form of bonds and loans to develop the retail chain in Latvia and Estonia, as well as to start operations in Lithuania.

In the reporting period from 11.12.2020 to 31.12.2021 the Company's interest income was 96'649 EUR, but the Company closed the reporting year with a loss of 35'101 EUR.

Future Development Plans

The Company intends to continue to provide and attract financing to the Group so that it can develop its retail network and e-commerce in the Baltics, expand its product range, as well as promote the network.

Financial risk management

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

Interest rate risk

Interest rate risk arises from changes in interest rates that affect the Company's net profit and future cash flows.

At the end of the year all of the Company's liabilities are interest bearing borrowings with a fixed interest rate. The Company's policy is to ensure that the majority of its borrowings are at a fixed or floating rate. The average interest rate payable on the Company's borrowings is disclosed in Note 9, 10 and 11.

Liquidity risk

Liquidity risk is related to the Company's ability to meet short-term and long-term liabilities in a timely manner.

The Company manages its liquidity risk by arranging an adequate amount of committed credit facilities with banks, planning the repayment terms of trade receivables, and developing and analysing future cash flows.

At the end of the reporting period, the Company's current liabilities do not exceed the Company's current assets.

Credit risk

The Company controls its credit risk by setting credit terms for each borrower separately, as well as by monitoring their liquidity and assessing the current economic situation in the country and in the world.

Ģirts Rudzītis
(Member of the Board)

May 17, 2022

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INCOME STATEMENT
(classified per function of expenditure)

	Note number	11.12.2020 - 31.12.2021 EUR
Administrative costs	3	(34 422)
Other revenue from interest and similar revenue:	4	96 469
<i>a) from related parties</i>		96 469
Interest payments and similar costs:	5	(97 148)
<i>b) for other persons</i>		<u>(97 148)</u>
Profit or loss before corporate income tax		<u>(35 101)</u>
Profit or losses for the reporting period		<u><u>(35 101)</u></u>

Notes on pages 10 to 16 form an integral part of these financial statements.

Ģirts Rudzītis
(Member of the Board)

May 17, 2022

Annual report prepared by:

Lilija Adejeva
(Chief Accountant)

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BALANCE SHEET

ASSETS	Note number	31.12.2021 EUR
Long-term financial investments		
Participation in the capital of related parties	6	1 010 000
Loans to related parties	7	5 916 045
Other loans and other long-term debtors		39 724
Total long-term financial investments		6 965 769
Total long-term investments		6 965 769
Current assets		
Inventories		
Advance payments for inventories		300
Total inventories		300
Debtors		
Receivables from related parties		33 019
Other debtors	8	6 400
Deffered expenses		29 793
Total debtors		69 212
Cash		3 226
Total current assets		72 738
TOTAL ASSETS		7 038 507

BALANCE SHEET

EQUITY AND LIABILITIES	Note number	31.12.2021 EUR
Equity		
Stock or share capital (fixed capital)		1 000 000
Stock (share) issue premium		347 408
Profit or losses for the reporting period		(35 101)
Total equity		<u>1 312 307</u>
Liabilities		
Long-term creditors		
Loans against Bonds	9	5 481 483
Loans from related parties	10	100 000
Other loans	11	98 400
Total long-term creditors		<u>5 679 883</u>
Short-term creditors		
Trade payables		2 564
Other creditors		31
Accrued liabilities	12	43 722
Total liabilities		<u>46 317</u>
Total creditors		<u>5 726 200</u>
TOTAL EQUITY AND LIABILITIES		<u>7 038 507</u>

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Ģirts Rudzītis
(Member of the Board)

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CASH FLOW STATEMENT

(indirect method)

	Note number	11.12.2020 - 31.12.2021
		EUR
Cash flow of principal activity		
Profit or loss before corporate income tax		(35 101)
Corrections:		
Other revenue from interest and similar revenue		(96 469)
Corrections of reduction in value of long-term and short-term financial investments		32 276
Interest payments and similar costs		97 148
Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors		(2 146)
Corrections:		
Increase or decrease in balances of receivables		(69 213)
Increase or decrease in balances of inventories		(300)
Increase or decrease in balances of trade payables, and other creditors		46 317
Gross cash flow of principal activity		(25 342)
Expenses for interest payments		(97 148)
Net cash flow of principal activity		(122 490)
Investment activity cash flow		
Long-term investments in leased fixed assets		(72 000)
Investments in subsidiaries		(1 010 000)
Loans issued		(5 916 045)
Interest received		96 469
Investment activity cash flow		(6 901 576)
Financing activity cash flow		
Issue or investments in capital		1 347 408
Loans received		5 679 884
Financing activity cash flow		7 027 292
Net cash flow of the reporting year		3 226
Balance of cash and its equivalents at the beginning of the reporting year		-
Balance of cash and its equivalents at the end of the reporting year		3 226

Notes on pages 10 to 16 form an integral part of these financial statements.

Ģirts Rudzītis
 (Member of the Board)

May 17, 2022

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 (Chief Accountant)

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STATEMENT OF CHANGES IN EQUITY

	Stock or share capital (fixed capital)	Stock (share) premium account	Retained earnings or uncovered loss	Total equity
	EUR	EUR	EUR	EUR
As at 11.12.2020	-	-	-	-
Increase in stock or share capital (fixed capital)	1 000 000	347 408	-	1 347 408
Decrease in retained profit	-	-	(35 101)	(35 101)
As at 31.12.2021	1 000 000	347 408	(35 101)	1 312 307

Notes on pages 10 to 16 form an integral part of these financial statements.

Ģirts Rudzītis
(Member of the Board)

May 17, 2022

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(Chief Accountant)

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NOTES TO THE FINANCIAL STATEMENTS

(1) Corporate information

GIVEN Jewellery AS (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on December 11, 2020. The registered office of the Company is at Lielirbes Street 17A-11, Riga, LV-1046. The core business activity of the Company is activities of a holding company.

(2) Significant accounting principles

Principles of preparation of financial statements

The annual report has been prepared in accordance with laws of the Republic of Latvia – the "Law on Accounting" and the "Annual Reports and Consolidated Annual Reports Law".

The statement of profit or loss has been prepared according to the function of expense method.

The statement of cash flows has been prepared under the indirect method.

Reporting period

The reporting period is 12,6 months 11.12.2020 to 31.12.2021

The Company started its activity on 11.12.2020. There are no comparative figures as the Company started operations on 11.12.2020 and in accordance with Section 24 (3) of the Accounting Law, the first accounting year of a newly created company may cover a shorter or longer period, but not more than 18 months.

Accounting principles

These financial statements are prepared on the going concern basis, and prudent estimates have been made in preparing these financial statements.

Related parties

A related party is a person or an entity that is related to the reporting Company.

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

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

Long-term financial investments

Related undertakings

A related undertaking is a company which is directly or indirectly controlled by another company (the parent company – more than 50% of the shareholders' voting rights in this company). The parent company controls the subsidiary company's financial and business policy. The company recognizes income from investments only in case if it receives distribution of profit from the related company after the purchase date. The received distribution which exceeds this profit shall be considered as investment recovery costs and is recognized as a decrease of purchase costs in the related company's investment.

Associated undertakings

Associated undertaking is a company over which the group has direct or indirect significant influence (at least 20% but not more than 50% of the shareholders' voting rights in this company) but has no control over financial and operating policy. The company recognizes income from investments only in case if it receives distribution of profit from the related company after the purchase date. The received distribution which exceeds this profit shall be considered as investment recovery costs and is recognized as a decrease of purchase costs in the related company's investment.

Financial instruments

Long-term loans and claims

A financial asset created by the Company by lending money or providing service directly to the debtor; not created with the purpose to sell it immediately or in the near future. Initially loans are recognised in their initial value set by adding the expenses related to issue of the loan to the fair value of the loan amount. After initial recognition the loans are recognised in their amortised value, applying the effective interest rate method. The amortised value is calculated with the account of the loan issue expenses as well as any loan-related discounts and bonuses. The profit or loss due to amortisation is displayed in the profit and loss statement as interest income and expenses. If active decrease in the value has occurred respective reserves are made.

Debtors

Debtors are recognized according to the amount of initial invoices, less allowances for doubtful debts. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts. Receivables are written off if their recovery is considered as impossible.

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 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.

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.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company 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.

Corporate income tax

The corporate income tax for the reporting period consists of the calculated tax for such period. The corporate income tax is recognised in the profit or loss statement. The tax for the reporting period is calculated according to the provisions of the law "Corporate Income Tax Law".

Corporate income tax is calculated for distributed profit (dividends) and conditionally distributed profit by applying the rate of 20%. Corporate income tax is recognised at the moment when the participants of the Company make a decision on distribution of profit, or when the costs not promoting further development of the Company (conditionally distributed profit) is recorded.

Subsequent events

Post-year-end events that provide additional information about the Company'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.

(3) Administrative costs

	11.12.2020 - 31.12.2021
	EUR
Bank charges	12 021
Professional services expenses	22 318
Other administration costs	83
Total	34 422

(4) Other revenue from interest and similar revenue:

	11.12.2020 - 31.12.2021
	EUR
Interest income	96 469
Total	96 469

(5) Interest payments and similar costs:

	11.12.2020 - 31.12.2021
	EUR
Interest costs	97 148
Total	97 148

(6) Participation in the capital of related parties

	31.12.2021
	<u>EUR</u>
Investments in the beginning of period	-
Acquisition (+)	675 000
Investments (+)	335 000
Investments in the beginning of period	<u><u>1 010 000</u></u>

Change of investments:

On 11.12.2020, AS GIVEN Jewellery acquired the subsidiary SIA Given Latvia with a share capital of EUR 600'000. On 15.12.2020 the decision of the sole member was made to increase the share capital of SIA Given Latvia by 325'000 EUR, in total amount 925'000 EUR. The main activity of the subsidiary is the retail sale of watches and jewellery in specialized stores. On 28.12.2020, AS GIVEN Jewellery acquired the subsidiary Given Estonia OÜ with a share capital of EUR 75'000. The main activity of the subsidiary is the retail sale of watches and jewellery in specialized stores. On 21.10.2021, the incorporation deed was signed on the founding of GIVEN LITHUANIA UAB in the Republic of Lithuania with a share capital of EUR 20'000, from which 10'000 EUR payment has been made till 31.12.2021.

Company`s name	Owned shares	Acquisition (including investments) value	Investment book value	Profit or loss	Equity value as at 31.12.2021
	%	EUR	EUR	EUR	EUR
SIA GIVEN Latvia	100	925 000	925 000	370 025	854 375
GIVEN LITHUANIA UAB*	100	10 000	10 000	(22 493)	(12 493)
OÜ Given Estonia*	100	75 000	75 000	(35 173)	(72 484)
Total	X	1 010 000	1 010 000	312 359	769 398

**As of this reporting date, the company's data has not been audited.*

(7) Loans to related parties

	% rate	Due date	Amount, EUR	Changes within the reporting period	31.12.2021
			EUR	EUR	EUR
Long-term loans					
SIA GIVEN Latvia	6%	31.12.2023	5 734 045	5 734 045	5 734 045
OÜ Given Estonia	6%	31.12.2023	182 000	182 000	182 000
Total long term loans			5 916 045	5 916 045	5 916 045

The loans have been issued without security for the purpose of borrower's business financing.

(8) Other debtors

	31.12.2021
	<u>EUR</u>
Overpayments to suppliers	6 400
Total	<u><u>6 400</u></u>

(9) Loans against Bonds

	% rate	Due date	31.12.2021 EUR
Subordinated bonds ¹	6%	30.11.2026	2 603 000
Covered bonds ²	6%	30.04.2024	2 878 483
Total			5 481 483

¹ On November 30, 2021, GIVEN Jewellery 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.

² On November 2, 2021 the Company issued covered 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).

(10) Loans from related parties

	% rate	Due date	31.12.2021 EUR
Long-term loans (from 1 to 5 years)			
SIA ALPPES Capital	6%	31.12.2023	100 000
Total	X	X	100 000

(11) Other loans

	% rate	Due date	31.12.2021 EUR
Long-term loans (from 1 to 5 years)			
AS Avole Holdings**	6%	31.12.2023	32 934
AS Novo Holdings**	6%	31.12.2023	32 733
SIA EMK Ventures**	6%	31.12.2023	32 733
Total			98 400

**Long - term unsecured loans with a fixed annual rate.

(12) Accrued liabilities

	31.12.2021 EUR
Accrued interest expense	32 640
Accrued liabilities to suppliers	11 082
Total	43 722

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

The Russian invasion in Ukraine started in February 2022 has significantly changed the political and economic situation in the world, and it will certainly affect the economies of the Baltic States. Sanctions, trade restrictions and resource prices are expected to affect the economy. The management and the owners of the Company follow the situation and believe that the Company will continue to operate stably. This conclusion is based on information available at the time of approval of these financial statements and the impact of future events on future operations may differ from the current assessment. In the period between the last day of the accounting year to the date of signing the financial report no other events have occurred, as a result of which these financial statements should be adjusted.

(14) Going concern

The financial statements are prepared on the assumption that the Company will continue as a going concern.

Girts Rudzītis
(Member of the Board)

May 17, 2022

Annual report prepared by:
Lilija Adejeva
(Chief Accountant)

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INDEPENDENT AUDITORS' REPORT

Grant Thornton Baltic Audit SIA
Blaumaņa str. 22
LV-1011 Rīga
Latvia

To the shareholder of "GIVEN Jewellery" AS

T +371 6721 7569
E info@lv.gt.com
www.grantthornton.lv

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of AS "GIVEN Jewellery" ("the Company") set out on pages 5 to 16 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 2021,
- the profit and loss statement for the year then ended,
- the statement of changes 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 "GIVEN Jewellery" as at 31 December 2021, 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.

Reporting on Other Information

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

- Information about the Company, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on page 4 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.

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License No. 183

Silvija Gulbe
Member of the Board

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Raivis Irbītis
Sworn auditor
Certificate No. 205

Riga, 17th of May, 2022