

Riga, April 21, 2023

**GIVEN Jewellery AS**  
Reg. No. 40203279291  
Lielirbes iela 17A-11, Riga, LV-1046  
**Annual report for year 2022**  
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
Members of the Council	Ainārs Sprīngis	–	Chairman of the Council
	Alberts Pole	–	Council member from
	Māris Keišs	–	Council member from
Annual report prepared by	Lilija Adejeva	–	Chief Accountant
Reporting period	from 01.01.2022	to	31.12.2022
Previous reporting year	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, Liepāja, 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 SI 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 2022, the Group managed to expand its retail chain in the Baltics by opening 20 new stores. At the end of 2022, the Group had 44 retail stores in Latvia, 10 in Estonia and 10 in Lithuania.

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 3.4 million financing in the form of bonds to develop the retail chain in Latvia, Estonia and Lithuania.

In the reporting period the Company's interest income was 490'800 EUR, but the Company closed the reporting year with a loss of 28'435 EUR.

### **Future Development Plans**

The Company intends to continue providing and attracting financing for the Group to continue developing its retail chain and e-commerce in the Baltics, expanding its product range, as well as promoting the brand awareness of the retail chain.

### **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.

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)

April 21, 2023

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**INCOME STATEMENT**  
(classified per function of expenditure)

	Note number	2022 EUR	11.12.2020- 31.12.2021 EUR
Administrative costs	3	(86 284)	(34 422)
Other revenue from interest and similar revenue:	4	490 800	96 469
<i>a) from related parties</i>		<i>490 800</i>	<i>96 469</i>
Interest payments and similar costs:	5	(432 951)	(97 148)
<i>b) for other persons</i>		<i>(432 951)</i>	<i>(97 148)</i>
<b>Profit or loss before corporate income tax</b>		<b>(28 435)</b>	<b>(35 101)</b>
<b>Profit or losses for the reporting year</b>		<b>(28 435)</b>	<b>(35 101)</b>

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

Ģirts Rudzītis  
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**BALANCE SHEET**

ASSETS	Note number	<b>31.12.2022</b> EUR	<b>31.12.2021.</b> EUR
<b>Long-term financial investments</b>			
Participation in the capital of related parties	6	2 725 000	1 010 000
Loans to related parties	7	7 328 045	5 916 045
Other loans and other long-term debtors		71 279	39 724
<b>Total long-term financial investments</b>		<b>10 124 324</b>	<b>6 965 769</b>
<b>Total long-term investments</b>		<b>10 124 324</b>	<b>6 965 769</b>
<b>Current assets</b>			
<b>Inventories</b>			
Advance payments for inventories		-	300
<b>Total inventories</b>		<b>-</b>	<b>300</b>
<b>Debtors</b>			
Receivables from related parties		52 660	33 019
Other debtors	8	688	6 400
Deffered expenses		69 108	29 793
<b>Total debtors</b>		<b>122 456</b>	<b>69 212</b>
<b>Cash</b>		<b>3 492</b>	<b>3 226</b>
<b>Total current assets</b>		<b>125 948</b>	<b>72 738</b>
<b>TOTAL ASSETS</b>		<b>10 250 272</b>	<b>7 038 507</b>

**BALANCE SHEET**

<b>LIABILITIES</b>	Note number	<b>31.12.2022</b>	<b>31.12.2021.</b>
		EUR	EUR
<b>Equity</b>			
Stock or share capital (fixed capital)		1 000 000	1 000 000
Stock (share) issue premium		347 408	347 408
Retained profit or non-covered losses brought forward from previous		(35 101)	-
Profit or losses for the reporting year		(28 435)	(35 101)
<b>Total equity</b>		<b>1 283 872</b>	<b>1 312 307</b>
<b>Liabilities</b>			
<b>Long-term creditors</b>			
Loans against Bonds	9	8 903 000	5 481 483
Loans from related parties	10	-	100 000
Other loans	11	-	98 400
<b>Total long-term creditors</b>		<b>8 903 000</b>	<b>5 679 883</b>
<b>Short-term creditors</b>			
Trade payables		1 217	2 564
Other creditors		62	31
Accrued liabilities	12	62 121	43 722
<b>Total liabilities</b>		<b>63 400</b>	<b>46 317</b>
<b>Total creditors</b>		<b>8 966 400</b>	<b>5 726 200</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10 250 272</b>	<b>7 038 507</b>

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Ģirts Rudzītis  
 (Member of the Board)

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**CASH FLOW STATEMENT**

(indirect method)

	Note number	01.01.2022 - 31.12.2022	11.12.2020- 31.12.2021
EUR			
<b>Cash flow of principal activity</b>			
Profit or loss before corporate income tax		(28 435)	(35 101)
<b>Corrections:</b>			-
Other revenue from interest and similar revenue		(490 800)	(96 469)
Corrections of reduction in value of long-term and short-term financial investments		86 548	32 276
Interest payments and similar costs		432 951	97 148
<b>Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors</b>		<b>264</b>	<b>(2 146)</b>
<b>Corrections:</b>			-
Increase or decrease in balances of receivables		(53 244)	(69 213)
Increase or decrease in balances of inventories		300	(300)
Increase or decrease in balances of trade payables, and other creditors		17 083	46 317
<b>Gross cash flow of principal activity</b>		<b>(35 597)</b>	<b>(25 342)</b>
Expenses for interest payments		(432 951)	(97 148)
<b>Net cash flow of principal activity</b>		<b>(468 548)</b>	<b>(122 490)</b>
<b>Investment activity cash flow</b>			-
Long-term investments in leased fixed assets		(118 103)	(72 000)
Investments in subsidiaries		(1 715 000)	(1 010 000)
Loans issued		(1 412 000)	(5 916 045)
Interest received		490 800	96 469
<b>Investment activity cash flow</b>		<b>(2 754 303)</b>	<b>(6 901 576)</b>
<b>Financing activity cash flow</b>			-
Issue or investments in capital		-	1 347 408
Loans received		3 223 117	5 679 884
<b>Financing activity cash flow</b>		<b>3 223 117</b>	<b>7 027 292</b>
<b>Net cash flow of the reporting year</b>		<b>266</b>	<b>3 226</b>
<b>Balance of cash and its equivalents at the beginning of the</b>		<b>3 226</b>	-
<b>Balance of cash and its equivalents at the end of the</b>		<b>3 492</b>	<b>3 226</b>

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**STATEMENT OF CHANGES IN EQUITY**

	<b>Stock or share capital (fixed capital)</b>	<b>Stock (share) premium account</b>	<b>Retained earnings or uncovered loss</b>	<b>Total equity</b>
	EUR	EUR	EUR	EUR
<b>As at 11.12.2020.</b>	-	-	-	-
Increase/decrease in stock or share capital (fixed capital)	1 000 000	347 408	-	1 347 408
Increase/decrease in retained profit	-	-	(35 101)	(35 101)
<b>As at 31.12.2021.</b>	<b>1 000 000</b>	<b>347 408</b>	<b>(35 101)</b>	<b>1 312 307</b>
Decrease in retained profit	-	-	(28 435)	(28 435)
<b>As at 31.12.2022.</b>	<b>1 000 000</b>	<b>347 408</b>	<b>(63 536)</b>	<b>1 283 872</b>

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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 11th of December 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 Law" on "Annual Reports and Consolidated Annual Reports".

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 months	01.01.2022	to	31.12.2022
The previous reporting period is from	11.12.2020	to	31.12.2021

#### **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.

### **Enterprise 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 "Enterprise 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

### **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**

	<b>2022</b>	<b>11.12.2020- 31.12.2021</b>
	EUR	EUR
Personnel costs	403	-
State social insurance contributions	94	-
Bank charges	57 958	12 021
Professional services expenses	27 820	22 318
Other administration costs	9	83
<b>Total</b>	<b>86 284</b>	<b>34 422</b>

**(4) Other revenue from interest and similar revenue:**

	<b>2022</b>	<b>11.12.2020- 31.12.2021</b>
	EUR	EUR
Interest income	490 800	96 469
<b>Total</b>	<b>490 800</b>	<b>96 469</b>

**(5) Interest payments and similar costs:**

	<b>2022</b>	<b>11.12.2020- 31.12.2021</b>
	EUR	EUR
Interest costs	432 951	97 148
<b>Total</b>	<b>432 951</b>	<b>97 148</b>

**(6) Participation in the capital of related parties**

	<b>31.12.2022.</b>	<b>31.12.2021.</b>
	EUR	EUR
Acquisition value at the beginning of the reporting year	1 010 000	-
<b>Investments in the beginning of period</b>	<b>1 010 000</b>	<b>-</b>
Acquisition (+)	-	675 000
Investments (+)	1 715 000	335 000
Acquisition value at the end of the reporting period	2 725 000	1 010 000
<b>Investments in the beginning of period</b>	<b>2 725 000</b>	<b>1 010 000</b>

**Change of investments:**

In 2022, the Company has made additional investments in the share capital of subsidiary companies. The share capital of SIA GIVEN Latvia was increased by 775,000 euros, the share capital of UAB GIVEN Lithuania by EUR 565'000, and a contribution was made to the share capital of OÜ GIVEN Estonia in the amount of EUR 375,000.

<b>Company`s name</b>	<b>Owned shares</b>	<b>Investment book value, 31.12.2022</b>	<b>Investment book value, 31.12.2021</b>
	%	EUR	EUR
SIA GIVEN Latvia	100	1 700 000	925 000
GIVEN LITHUANIA	100	575 000	10 000
OÜ Given Estonia	100	450 000	75 000
<b>Total</b>	<b>X</b>	<b>2 725 000</b>	<b>1 010 000</b>

**(7) Loans to related parties**

	<b>% rate</b>	<b>Due date</b>	<b>Amount, EUR</b>	<b>Changes within the reporting period</b>	<b>31.12.2022.</b>	<b>31.12.2021.</b>
			EUR	EUR	EUR	EUR
<b>Long-term loans</b>						
SIA GIVEN Latvia	7%	31.12.2024	4 853 045	(881 000)	4 853 045	5 734 045
UAB GIVEN Lithuania	7%	31.12.2024	1 218 000	1 218 000	1 218 000	-
OÜ Given Estonia	7%	31.12.2024	1 257 000	1 075 000	1 257 000	182 000
<b>Total long term loans</b>			<b>7 328 045</b>	<b>1 412 000</b>	<b>7 328 045</b>	<b>5 916 045</b>

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

**(8) Other debtors**

	<b>31.12.2022.</b>	<b>31.12.2021.</b>
	EUR	EUR
Overpayments to suppliers	688	6 400
<b>Total</b>	<b>688</b>	<b>6 400</b>

**(9) Loans against debentures**

	% rate	Due date	31.12.2022. EUR	31.12.2021. EUR
Subordinated bonds <sup>1</sup>	6%	30.11.2026	3 703 000	2 603 000
Covered bonds <sup>2</sup>	6%	30.04.2024.	3 000 000	2 878 483
Covered bonds <sup>3</sup>	3M EURIBOR+6%	31.07.2025.	2 200 000	-
<b>Total</b>			<b>8 903 000</b>	<b>5 481 483</b>

<sup>1</sup>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.

<sup>2</sup> On November 2, 2021 the 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 AS GIVEN Jewellery (ISIN: LV0000860054).

<sup>3</sup> On July 8, 2022 the Company issued secured bonds in the amount of four million euros. The annual interest rate of the issues is 3M EURIBOR +6% and their maturity is 3 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 2022 in favor of ZAB VILGERTS SIA, Registration No. 40203309933 as a collateral for bonds issued by AS GIVEN Jewellery (ISIN: LV0000860104).

**(10) Loans from credit institutions**

	% rate	Due date	31.12.2022. EUR	31.12.2021. EUR
<b>Long-term loans (from 1 to 5 years)</b>				
SIA ALPPES Capital	6%	31.12.2023	-	100 000
<b>Total</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>100 000</b>

**(11) Other loans**

	% rate	Due date	31.12.2022. EUR	31.12.2021. EUR
<b>Long-term loans (from 1 to 5 years)</b>				
SIA ALPPES Capital	6%	31.12.2023	-	32 934
AS Novo Holdings**	6%	31.12.2023	-	32 733
SIA EMK Ventures**	6%	31.12.2023	-	32 733
<b>Total</b>			<b>-</b>	<b>98 400</b>

Short - term unsecured loans with a fixed annual rate

**(12) Accrued liabilities**

	31.12.2022. EUR	31.12.2021. EUR
Accrued interest expense	58 749	32 640
Accrued liabilities to suppliers	3 372	11 082
<b>Total</b>	<b>62 121</b>	<b>43 722</b>

**(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 has affected and will keep affecting the economies of the Baltic States. When developing the strategy for 2023, the Company has taken into account the risk of further inflation and increase in interest rates.. 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

Ģirts Rudzītis  
(Member of the Board)

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