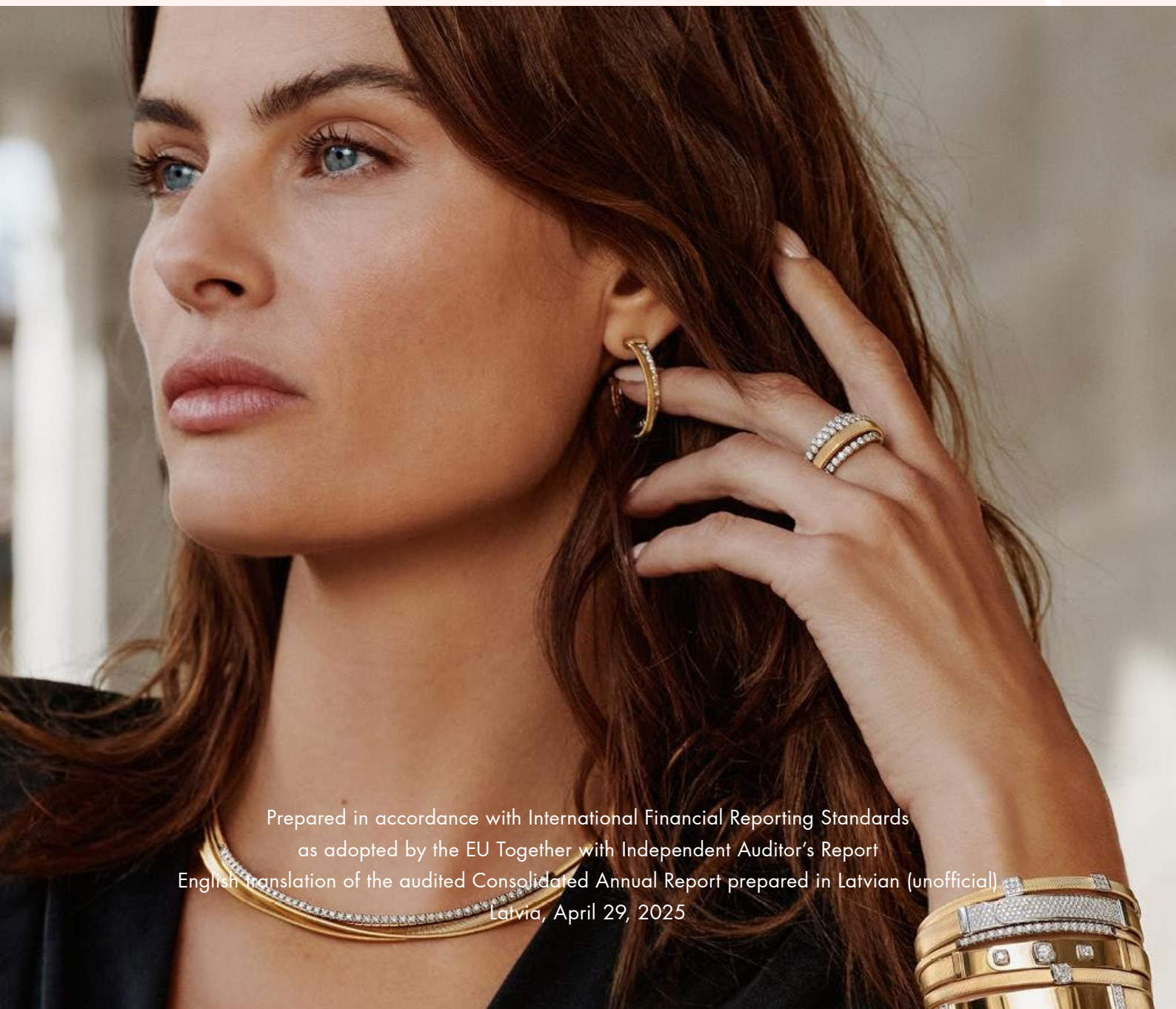


GRENARDI GROUP

Consolidated Annual Report 2024



Prepared in accordance with International Financial Reporting Standards
as adopted by the EU Together with Independent Auditor's Report
English translation of the audited Consolidated Annual Report prepared in Latvian (unofficial)
Latvia, April 29, 2025

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General information

Name of the Group	Grenardi Group
Name of the Parent Company	AS Grenardi Group
Legal status of the Parent Group	Joint stock company
Registration No., place and date	40203279291, Riga, Dec 11, 2020
Registered office	Dēļu iela 2, Rīga, LV-1004
Members of the Board	Ainārs Sprīngis – Chairman of the Board (from 04.06.2024) Līga Emma Gulbe – Member of the Board Marta Andersone – Member of the Board Ģirts Rudzītis – Chairman of the Board (to 04.06.2024)
Members of the Council	Alīna Sprīnģe – Chairman of the Council (from 04.06.2024) Alberts Pole – Council Member Māris Keišs – Council Member Ainārs Sprīngis – Chairman of the Council (to 04.06.2024)
Annual report prepared by	Lilija Adejeva – Chief Accountant
Reporting year	from 01.01.2024 to 31.12.2024
Previous reporting period	from 01.01.2023 to 31.12.2023
Subsidiaries	UAB Given Lithuania, Reg. No. 305936789, Lithuania, Krokuvos g. 53-3, Vilnius, 09305 SIA GOLDLIGHT, Reg. No. 40003480834, Latvia, Rīga, Dēļu iela 2, Rīga, LV-1004 (from 20.11.2024.) SIA Given Latvia, Reg. No. 40203166474, Latvia, Rīga, Dēļu iela 2, LV-1004 OÜ Given Estonia, Reg. No. 14505229, Estonia, Peterburi tee 46, Tallinn 11415 SIA Grenardi Latvia, Reg. No. 50003474971, Latvia, Rīga, Dēļu iela 2, LV-1004 OÜ Grenardi Estonia, Reg. No. 11518421, Estonia, Peterburi tee 46, Tallinn 11415
Auditors	SIA Grant Thornton Baltic Audit Blaumaņa iela 22, Rīga, LV-1011, License No. 183 Raivis Irbītis – Certified Auditor Certificate No. 205



Management report

General information

AS Grenardi Group (hereinafter – the Parent Company) was established in December 2020 and together with its subsidiaries (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 2024, the Group had a total of 92 retail stores – 75 GIVEN chain stores, 7 GRENARDI chain stores and 10 GOLDLIGHT chain stores. Additionally, the Group has

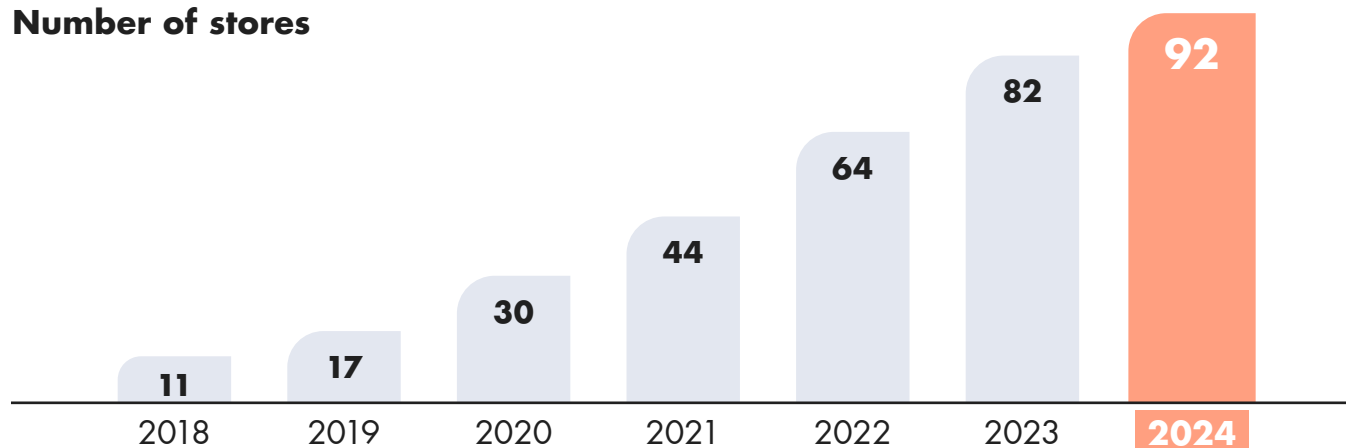
6 online stores www.grenardi.lv, www.grenardi.ee, www.given.lv, www.given.ee, www.given.lt and www.goldlight.lv. The Group offers jewellery in both the affordable and luxury segments. The Group has also developed its own unique private brands that differentiate the Group's assortment from other competitors. The product offering of the Group primarily consists of precious jewellery from gold and silver, complemented by watches.

Business results

2024 was a year marked by steady growth and focused development for Grenardi Group. During this period, AS Grenardi Group focused on increasing gross profit and margin, as well as expanding its retail network. Over the course of the year, the company successfully launched its first public bond program. Continuing to strengthen its position in the Baltic re-

gion, on November 20, 2024, Grenardi Group acquired the jewelry retail network GOLDLIGHT. Retail turnover for 12 months of 2024 amounted to EUR 28.6 million (including VAT) and was by 35% higher than in 2023¹. In 2024, the Group's profit margin reached 59%, marking a 2% increase from the previous year.

Number of stores



¹ The data for the GRENARDI chain has been included since December 1, 2023, while the GOLDLIGHT chain data is incorporated from December 1, 2024.

Management report (continued)

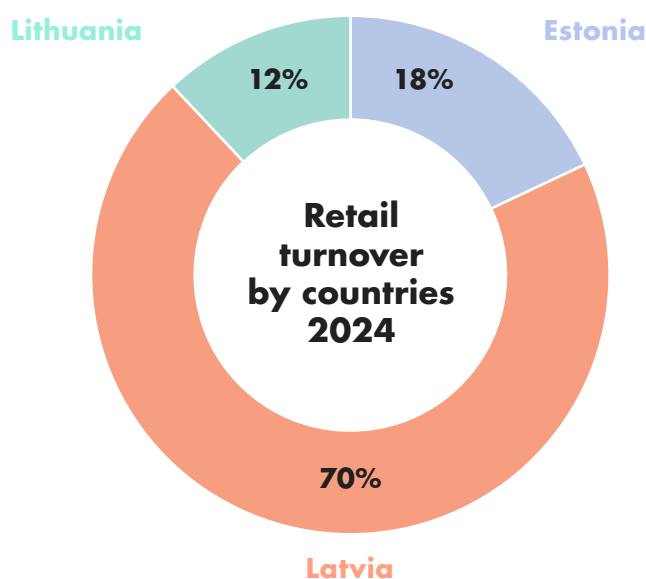
Business results (continued)

The Group concluded the 12 months of 2024 with a net loss of EUR 1.2 million. While operations in Latvia delivered strong net profits, expansion efforts in Lithuania and Estonia have yet to reach profitability. The Group achieved an EBITDA of EUR 4.3 million for the year, with an EBITDA margin of 18%.

As of the end of Q4 2024, the Group's inventory levels increased by 61% compared to Q4 2023. This substantial inventory growth was supported by the successful issuance of bonds (ISIN LV0000860179) in April 2024 and (ISIN LV0000860195) in August 2024, as well as by the acquisition of GOLDLIGHT.

In 2024, the Group opened a total of five new stores – one in Latvia, two in Lithuania, and two in Estonia. Additionally, the Group closed one store in both Latvia and Lithuania, as well as three stores in Estonia. All store openings and closures were carried out exclusively within the GIVEN chain.

Looking ahead to 2025, the Group aims to drive same store sales growth across all chain stores and further enhance its product assortment with new collections. Additionally, the Group will pursue opportunities to expand its store network in strategic locations and leverage synergies from the GOLDLIGHT acquisition to enhance overall profitability. These initiatives are designed to strengthen its market position and improve financial performance in the upcoming quarters.



Future prospects

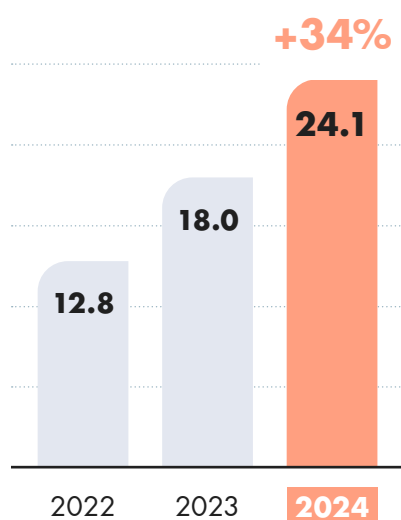
While the macroeconomic and geopolitical environment remains uncertain, with a strengthening market position and a long-term vision AS Grenardi Group is confident in its ability to adapt to the market conditions while driving its strategic priorities and to be the leading jewellery retail chain in the Baltic States. The Group has ambitious plans for 2025 – focus on strengthening profitability and

optimizing the performance of its existing retail chain as well as the launch of business operations in Czech Republic in the middle of 2025. Additionally, it will pursue opportunities to expand its store network in strategic locations and leverage synergies from the GOLDLIGHT acquisition to enhance overall profitability.

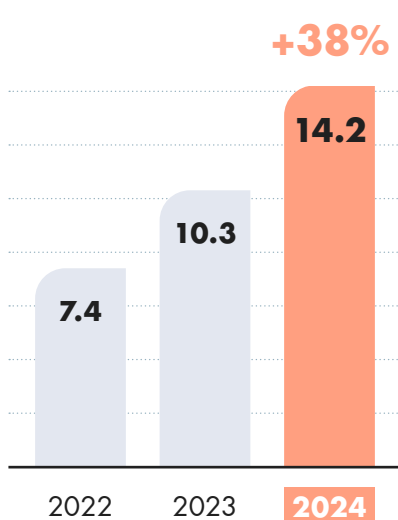
Management report (continued)

Financial performance highlights of AS Grenardi Group

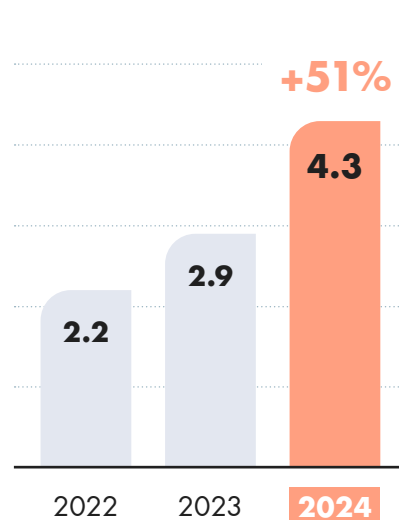
Revenue, €M



Gross profit, €M



EBITDA, €M



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.

The Company'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 17.

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.

Management report (continued)

Risk management (continued)

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, 2024 was 32.71% (see Note 28).

Market risk

The Group is exposed to market risk arising from fluctuations in the prices of gold and other precious metals, given its operations in the jewelry retail sector. Precious metal prices are determined on international markets and can significantly influence both the cost of goods purchased and the selling prices of finished products. Increases in precious metal prices may adversely impact the Group's profitability and competitiveness, while decreases may reduce the value of existing inventory. To mitigate this risk, the Group continuously monitors market developments and adjusts its pricing strategy as necessary.

Events after the reporting period

On January 13, 2025, AS Grenardi Group established a new subsidiary in the Czech Republic, Grenardi Czechia s.r.o. The company plans to commence operational activities in the Czech Republic in the middle of 2025. AS Grenardi Group announced the decision to execute a call option with respect to the bond issue with

ISIN code LV0000860104 on 31 March 2025, with the record date on 28 March 2025. According to the Terms of the Issue, bondholders (ISIN LV0000860104) received 102% of the nominal value of their bonds together with accrued and unpaid interest.

Statement of the Managements' Responsibility

Members of the Board are responsible for the preparation of the consolidated financial statements in accordance with applicable law and regulations. Under that law, Members of the Board have been elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In preparing the consolidated financial statements, Members of the Board should:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that AS Grenardi Group will continue in business as a going concern.

Members of the Board are responsible for ensuring that proper accounting records are kept that disclose, with reasonable accuracy, at any time, the financial position of AS Grenardi Group and enable Members of the Board to ensure that the consolidated financial statements comply with the IFRS as adopted by the EU. This responsibility includes designing, implementing, and maintaining such internal control as Members of the Board determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Members of the Board are also responsible for safeguarding the assets of AS Grenardi Group, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On the basis of information at the disposal of the Members of the Board of AS Grenardi Group the financial accounts have been prepared in accordance with the requirements of the applicable laws and regulations and give true and fair view of the assets, liabilities, financial position, and profit or loss of the capital company and consolidation group and that true information is included in the management report for the year 2024.

On behalf of the Board:

Ainārs Sprīngis

Chairman of the Board

Riga, 29 April, 2025

Grenardi Group footprint in Baltics



92

Total number
of stores in Baltics



ESTONIA

12 GIVEN stores
3 GRENARDI stores
www.given.ee
www.grenardi.ee

LATVIA

46 GIVEN stores
4 GRENARDI stores
10 GOLDLIGHT stores
www.given.lv
www.grenardi.lv
www.goldlight.lv

LITHUANIA

17 GIVEN stores
www.given.lt

Consolidated Financial Statements



Consolidated Statement of Comprehensive Income

	Note Nr.	2024 EUR	2023 EUR
Net turnover	3	24 062 673	18 011 354
Cost of sales	4	(9 880 831)	(7 698 091)
Gross profit or loss		14 181 842	10 313 263
Selling expenses	5	(10 258 126)	(7 632 164)
Administrative expenses	6	(2 611 577)	(1 943 937)
Other operating income	7	198 262	106 643
Other operating costs	8	(305 004)	(82 906)
Other revenue from interest and similar revenue		8 638	221
Interest expense and similar expense		(2 352 841)	(1 104 038)
Profit or loss before corporate income tax		(1 138 806)	(342 918)
Income tax	9, 21	(49 548)	94 198
Profit or loss after calculation of corporate income tax		(1 188 354)	(248 720)
Total comprehensive income for the year		(1 188 354)	(248 720)

Notes on pages 17 to 44 form an integral part of these financial statements.

Ainārs Sprīngis

Chairman of the Board

signature

Līga Emma Gulbe

Member of the Board

signature

Lilija Adejeva

Chief Accountant

signature

Consolidated Statement of Financial Position

ASSETS	Note Nr.	31.12.2024 EUR	31.12.2023 EUR
LONG-TERM INVESTMENTS			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		165 873	186 259
Other intangible assets		35 669	23 587
Goodwill		7 935 748	7 454 905
Advance payments for intangible assets		11 034	-
Total intangible assets	10	8 148 324	7 664 751
Fixed assets, investment properties, and right-of-use assets:			
Long-term investments in rented fixed assets		877 729	940 717
Right of-use-assets		6 610 992	6 511 269
Other fixed assets and inventory		1 379 429	1 755 821
Costs of the establishment of fixed assets and unfinished building objects		77 177	86 821
Advance payments for fixed assets		806	10 801
Total fixed assets	11	8 946 133	9 305 429
Long-term financial investments			
Other loans and other long-term debtors		31 034	-
Deferred tax assets	21	142 490	144 704
Total long-term financial investments		173 524	144 704
TOTAL LONG-TERM INVESTMENTS		17 267 981	17 114 884
CURRENT ASSETS			
Inventories			
Finished goods and goods for sale		24 900 119	15 511 313
Advance payments for inventories		80 823	160 831
Total inventories		24 980 942	15 672 144
Receivables			
Trade receivables	12	459 997	660 947
Receivables from associated entities		3 046	14 445
Other receivables	13	384 697	352 861
Deferred expenses		190 603	118 392
Accrued income		3 465	39 270
Total receivables		1 041 808	1 185 915
Cash	14	2 466 294	1 620 802
TOTAL CURRENT ASSETS		28 489 044	18 478 861
TOTAL ASSETS		45 757 025	35 593 745

Notes on pages 17 to 44 form an integral part of these financial statements.

Consolidated Statement of Financial Position (continued)

EQUITY AND LIABILITIES	Note Nr.	31.12.2024 EUR	31.12.2023 EUR
EQUITY			
Share capital	15	8 434 286	7 200 001
Share premium		2 460 125	694 407
Accumulated losses/Retained earnings:			
brought forward		263 134	511 854
for the period		(1 188 354)	(248 720)
Total equity		9 969 191	8 157 542
LIABILITIES			
Long-term liabilities			
Bonds	17	21 668 782	8 460 864
Other loans		-	29 182
Non-current lease liabilities	16	4 308 096	4 577 262
Total long-term liabilities		25 976 878	13 067 308
Short-term liabilities			
Loans against debentures	17	1 682 000	3 000 000
Loans from credit institutions		-	164 871
Other loans		1 990	6 622
Received advance payables		267 515	180 725
Trade payables		3 259 316	3 387 956
Current lease liabilities	16	2 695 193	2 283 939
Payables to related parties		-	14 787
Taxes and State mandatory social insurance payments	18	1 103 686	1 013 934
Other liabilities	19	436 982	3 971 015
Accrued liabilities	20	364 274	345 046
Total short-term liabilities		9 810 956	14 368 895
Total liabilities		35 787 834	27 436 203
TOTAL EQUITY AND LIABILITIES		45 757 025	35 593 745

Notes on pages 17 to 44 form an integral part of these financial statements.

Ainārs Sprīngis

Chairman of the Board

signature

Līga Emma Gulbe

Member of the Board

signature

Lilija Adejeva

Chief Accountant

signature

Consolidated Statement of Cash Flows

(indirect method)

	2024 EUR	2023 EUR
Cash flow from operating activities		
Profit or loss before corporate income tax	(1 138 806)	(342 918)
Corrections:		
Corrections of decrease in value of fixed assets	2 911 830	2 037 803
Corrections of decrease in value of intangible assets	108 987	61 874
Profit or loss from fluctuations of foreign currency rates	(67 852)	(35 658)
Other revenue from interest and similar revenue	(6 950)	(3 931)
Corrections of reduction in value of long-term and short-term financial investments	0	83 021
Interest payments and similar costs	2 192 398	1 033 981
Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors	3 999 607	2 834 173
Corrections:		
Increase or decrease in balances receivables	168 470	(497 862)
Increase or decrease in balances of inventories	(7 166 767)	(1 894 947)
Increase or decrease in balances of payables	(3 685 719)	173 697
Gross cash flow from operating activities	(6 684 409)	615 061
Expenses for interest payments	(2 194 125)	(1 033 981)
Expenses for corporate income tax payments	(49 458)	(367)
Net cash flow from operating activities	(8 927 992)	(419 287)
Cash flows from investing activities		
Acquisition of stocks or shares of related undertakings, associated undertakings, or other undertakings, net of acquired cash	(2 741 234)	(6 263 539)
Long term financial investment	(154 367)	(16 386)
Acquisition of fixed assets and intangible assets	(55 868)	-
Revenue from sale of fixed assets and intangible investments	145 086	6 265
Interest received	8 677	4 083
Cash flows from investing activities	(3 177 203)	(6 989 795)
Cash flows from financing activities		
Income from stock issue or investments of capital participatory shares	3 000 003	6 547 000
Loans received and bonds issued	22 571 407	2 498 227
Repayment of loans	(10 621 383)	(166 390)
Payment of principal portion of lease liabilities	(2 067 192)	(1 363 172)
Cash flows from financing activities	12 882 835	7 515 665
Result of fluctuations of foreign currency exchange rates	67 852	35 658
Net cash flow of the reporting year	845 492	142 241
Balance of cash and its equivalents at the beginning of the reporting year	1 620 802	1 478 563
Balance of cash and its equivalents at the end of the reporting year	2 466 294	1 620 802

Consolidated Statement Changes in Equity

	Share capital EUR	Share premium EUR	Retained earnings or uncovered loses EUR	Total equity EUR
As at 31.12.2022	1 000 000	347 408	511 854	1 859 262
Share issue premium	6 200 001	346 999	-	6 547 000
Increase/decrease in retained profit	-	-	(248 720)	(248 720)
As at 31.12.2023	7 200 001	694 407	263 134	8 157 542
Increase in share capital	1 234 285	-	-	1 234 285
Share issue premium	-	1 765 718	-	1 765 718
Increase/decrease in retained profit	-	-	(1 188 354)	(1 188 354)
As at 31.12.2024	8 434 286	2 460 125	(925 220)	9 969 191

Notes on pages 17 to 44 form an integral part of these financial statements.

Ainārs Sprīngis

Chairman of the Board

signature

Līga Emma Gulbe

Member of the Board

signature

Lilija Adejeva

Chief Accountant

signature

Notes to the Consolidated Financial Statements



Notes to the Consolidated Financial Statements

(1) Corporate information

AS Grenardi Group (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 Dēļu street 2, Riga, LV-1004. The Parent Company acquired SIA Given Latvia on December 12, 2020, OÜ Given Estonia on December 28, 2020, and established UAB Given

Lithuania on November 15, 2021. On December 1, 2023, AS Given Jewellery (previous name of the Parent Company) acquired the GRENARDI retail chain (which includes SIA Grenardi Latvia and OÜ Grenardi Estonia) and was renamed AS Grenardi Group after the transaction. On November 20, 2024, AS Grenardi Group acquired the GOLDLIGHT retail chain. 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). These consolidated financial statements include the disclosures required by IFRS that are applicable for

financial years beginning on or after 1 January 2024. The most significant impact from adoption of IFRS compared to Latvian, Estonian and Lithuanian statutory requirements is from IFRS 16 "Operative lease".

Notes to the Consolidated Financial Statements (continued)

(2) Significant accounting principles (continued)

Consolidation

The consolidated financial statements of the Group include:

Company name	Registration number	Country of incorporation	Principal activities	Controlled since
AS Grenardi Group	40203279291	Latvia	Holding company	-
UAB Given Lithuania	305936789	Lithuania	Retail sale of watches and jewellery in specialised stores	15.11.2021
SIA Given Latvia	40203166474	Latvia	Retail sale of watches and jewellery in specialised stores	12.12.2020
OÜ Given Estonia	14505229	Estonia	Retail sale of watches and jewellery in specialised stores	28.12.2020
SIA Grenardi Latvia	50003474971	Latvia	Retail sale of watches and jewellery in specialised stores	01.12.2023
OÜ Grenardi Estonia	11518421	Estonia	Retail sale of watches and jewellery in specialised stores	01.12.2023
SIA GOLDLIGHT	40003480834	Latvia	Retail sale of watches and jewellery in specialised stores	01.12.2024

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.

Notes to the Consolidated Financial Statements (continued)

(2) Significant accounting principles (continued)

Reporting period

The reporting period is 12 months:

01.01.2024 to 31.12.2024

The previous reporting period is 12 months:

01.01.2023 to 31.12.2023

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.

31.12.2024..... USD 1.0389

31.12.2023..... USD 1.1050

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.

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	10-35%
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.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles (continued)

Intangible assets, goodwill and fixed assets *(continued)*

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 its carrying amount, the impairment loss is recognized.

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.

Notes to the Consolidated Financial Statements *(continued)*

(2) Significant accounting principles (continued)

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.

Deferred tax assets and liabilities

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying value for accounting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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.

The effective tax rate in the reporting period for the all operations of the Group was close to zero. The

assessment of the recognisable amount of the tax asset is based on reasonably certain three year forecast to utilised accumulated tax loss by the respective entities. The recognised deferred tax asset represents unutilised tax loss in Lithuania.

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

Group as a lessee

The Group 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 store premises. The Group has used a flat discount rate of 4.5 % for the entire lease portfolio for lease agreements signed before January 1, 2023. Discount rate of 6.0% used for lease agreements signed during 2023.

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. 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 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments) - Amendments (IASB: effective for annual periods beginning on or after 1 January 2025)

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) Net turnover

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

Turnover by country	2024 EUR	2023 EUR
Latvia	16 883 734	13 432 675
Estonia	4 084 498	2 459 316
Lithuania	3 002 607	2 061 954
Other European Union countries	91 834	57 409
Total	24 062 673	18 011 354

Turnover by type	2024 EUR	2023 EUR
Retail	23 703 017	17 515 071
Wholesale	165 927	302 882
Other	193 729	193 401
Total	24 062 673	18 011 354

(4) Cost of sales

	2024 EUR	2023 EUR
Cost of goods purchased	9 880 831	7 698 091
Total	9 880 831	7 698 091

Notes to the Consolidated Financial Statements (continued)

(5) Selling expenses

	2024 EUR	2023 EUR
Personnel costs	4 564 195	3 444 050
Depreciation of property, plant and equipment and intangible assets	3 052 881	2 100 845
Payment for services	331 571	210 730
Advertising expenses	908 253	808 009
Transport costs	188 416	190 885
Retail space rental & utilities (IFRS 16 adjustment)	607 365	395 321
Other selling expenses	605 445	482 325
Total	10 258 126	7 632 164

(6) Administrative expenses

	2024 EUR	2023 EUR
Personnel costs	1 832 731	1 551 652
Bank charges	165 622	93 191
Professional services expenses	73 210	30 225
Office costs	260 554	153 962
Other administration costs	279 460	114 907
Total	2 611 577	1 943 937

Notes to the Consolidated Financial Statements (continued)

(7) Other operating income

	2024 EUR	2023 EUR
Revenue from foreign currency fluctuations	-	35 658
Proceeds from sale of fixed assets	70 073	-
Other income	128 189	70 985
Total	198 262	106 643

(8) Other operating costs

	2024 EUR	2023 EUR
Provisions for bad and doubtful debts	27 452	30 557
Loss from disposal and sale of fixed assets	41 726	8 320
Donations	41 922	6 850
Loss from exchange rate fluctuations	96 416	-
Other costs	97 488	37 179
Total	305 004	82 906

(9) Income tax

	2024 EUR	2023 EUR
Current corporate income tax charge for the reporting year	(49 548)	(367)
Deferred corporate income tax due to changes in temporary differences (Lithuania)*	-	94 565
Total	(49 548)	94 198

* see Note 21

Notes to the Consolidated Financial Statements (continued)

(10) Intangible assets

	Concessions, patents, licences, trademarks and similar rights EUR	Other intangible assets EUR	Goodwill EUR	Advance payments for intangible assets EUR	Total intangible assets EUR
Acquisition value 31.12.2023	374 971	90 103	7 454 905	-	7 919 979
Additions	73 518	32 287	480 843	11 034	597 682
Disposal	(2 950)	-	-	-	(2 950)
Reclassified	9 000	(9 000)	-	-	-
Acquisition value 31.12.2024	454 539	113 390	7 935 748	11 034	8 514 711
Accumulated amortization 31.12.2023	188 712	66 516	-	-	255 228
Amortization charge	102 564	11 205	-	-	113 769
Amortization of intangible assets that have been liquidated or reclassified	(2 610)	-	-	-	(2 610)
Accumulated amortization 31.12.2024	288 666	77 721	-	-	366 387
Net book value 31.12.2023	186 259	23 587	7 454 905	-	7 664 751
Net book value 31.12.2024	165 873	35 669	7 935 748	11 034	8 148 324

Notes to the Consolidated Financial Statements (continued)

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

	Right-of-use assets EUR	Long-term investments in rented fixed assets EUR	Other fixed assets and inventory EUR	Costs of the establishment of fixed assets and unfinished building objects EUR	Advance payments for fixed assets EUR	Total fixed assets EUR
Acquisition value 31.12.2023.	8 949 649	1 575 983	2 849 821	86 821	10 801	13 473 075
Additions	2 175 107	415 224	616 617	68 392	-	3 275 340
Disposal	-	(119 451)	(137 106)	(12 273)	(9 673)	(278 503)
Reclassified	-	63 778	2 307	(65 763)	(322)	0
Acquisition value 31.12.2024	11 124 756	1 935 534	3 331 639	77 177	806	16 469 912
Accumulated depreciation 31.12.2023	2 438 380	635 266	1 094 000	-	-	4 167 646
Depreciation charge	2 075 384	471 059	943 859	-	-	3 490 302
Depreciation of fixed assets that have been liquidated or reclassified	-	(48 520)	(85 649)	-	-	(134 169)
Accumulated depreciation 31.12.2024	4 513 764	1 057 805	1 952 210	-	-	7 523 779
Net book value 31.12.2023	6 511 269	940 717	1 755 821	86 821	10 801	9 305 429
Net book value 31.12.2024	6 610 992	877 729	1 379 429	77 177	806	8 946 133

Notes to the Consolidated Financial Statements (continued)

(12) Trade receivables

	31.12.2024 EUR	31.12.2023 EUR
Trade receivables carrying amount	575 469	749 002
Allowance for expected credit loss	(115 472)	(88 055)
Total	459 997	660 947

(13) Other receivables

	31.12.2024 EUR	31.12.2023 EUR
Guarantee deposits	295 195	195 846
Other debtors	89 502	157 015
Total	384 697	352 861

(14) Cash

	31.12.2024 EUR	31.12.2023 EUR
Cash in bank accounts (EUR)	2 347 661	1 482 054
Cash on hand	118 633	138 748
Total	2 466 294	1 620 802

(15) Share capital

On 31 December 2024, the share capital has been fully paid.
It consists of 84 342 863 shares with the nominal value of EUR 0.1 each.

Notes to the Consolidated Financial Statements (continued)

(16) Lease liabilities

Lease liabilities	31.12.2024 EUR	31.12.2023 EUR
Discounted lease liabilities at the beginning of the year	6 861 201	4 138 539
New contracts during the reporting period	2 224 300	4 085 422
Terminated contracts during the reporting period	(131 253)	-
Minus: Rental costs determined during the reporting period	(2 381 012)	(1 654 471)
Plus: Lease interest expense during the reporting period	430 053	291 712
Total	7 003 289	6 861 201
Long - term part of lease liabilities (from 1 year to 5 years)	4 308 096	4 577 262
Short - term part of lease liabilities	2 695 193	2 283 939
Total	7 003 289	6 861 201

Lease commitments include the lease of retail space. In 2024 the Group had 92 active lease agreement for premises. In accordance with the Group's policy, it applies IFRS 16 Leases.

Notes to the Consolidated Financial Statements (continued)

(17) Bonds

	% likme	Atmaksas termiņš	31.12.2024 EUR	31.12.2023 EUR
Subordinated bonds ¹	6%	31.05.2028	4 812 729	4 220 610
Secured bonds ²	6%	30.04.2024	-	3 019 039
Secured bonds ³	3M EURIBOR+6%	31.07.2025	1 671 567	4 221 215
Secured bonds ⁴	10%	16.04.2027	11 909 107	-
Secured bonds ⁵	10%	30.08.2027	4 957 379	-
Total			23 350 782	11 460 864

¹ On November 30, 2021, Grenardi Group AS issued subordinated bonds, which enables to attract financing in the amount of seven million euros. The annual interest rate of the issues is 6% and their maturity is 7.5 years. On 31 July 2024 the Group registered amendments for subordinated bonds in additional amount of EUR 2 million (total nominal value of subordinated bonds EUR 7 million). As at December 31, 2024 the Group has raised a total of EUR 5 000 000. According to IAS 9, bonds are shown at amortized cost applying effective interest rate of 6.06%.

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 2022 in favor of ZAB VILGERTS SIA, Registration No. 40203309933 as a collateral for bonds issued by Grenardi Group AS (ISIN: LV0000860054). As at April 30, 2024 the Group has redeemed all outstanding bonds in amount of EUR 3 000 000.

³ On July 8, 2022 the Parent 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 Grenardi Group AS (ISIN: LV0000870104). On August 30, 2024, during the exchange offer, bonds in an amount of EUR 2'318'000 were exchanged to equal nominal amount of secured bonds (ISIN: LV0000860195). As at December 31, 2024 the outstanding amount of bonds was EUR 1 682 000. According to IAS 9, loans against bonds are shown at amortized cost applying effective interest rate of 13.24%.

⁴ On April 16, 2024 the Parent Company issued secured bonds in the amount of twelve million euros. The annual interest rate of the issues is 10% and their maturity is 3 years. All the property belonging to SIA GIVEN Latvia, SIA Grenardi Latvia, GIVEN Lithuania UAB, GIVEN Estonia OU and Grenardi Estonia OU 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 2024 in favor of ZAB VILGERTS SIA, Registration No. 40203309933 as a collateral for bonds issued by Grenardi Group AS (ISIN: LV0000860179). As at December 31, 2024 the Group has raised a total of EUR 12 000 000. According to IAS 9, loans against bonds are shown at amortized cost applying effective interest rate of 11.36%.

⁵ On August 30, 2024 the Parent Company issued secured bonds in the amount of five million euros. The annual interest rate of the issues is 10% and their maturity is 3 years. All the property belonging to SIA GIVEN Latvia, SIA Grenardi Latvia, GIVEN Lithuania UAB, GIVEN Estonia OU and Grenardi Estonia OU 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 2024 in favor of ZAB VILGERTS SIA, Registration No. 40203309933 as a collateral for bonds issued by Grenardi Group AS (ISIN: LV0000860195). As at December 31, 2024 the Group has raised a total of EUR 5 000 000. According to IAS 9, loans against bonds are shown at amortized cost applying effective interest rate of 11.28%.

Notes to the Consolidated Financial Statements (continued)

(18) Taxes and State mandatory social insurance payments

	31.12.2024 EUR	31.12.2023 EUR
Value added tax	817 055	759 443
Personal income tax	103 706	91 144
Social contributions	182 200	161 978
Corporate income tax	365	1 050
Risk duty	80	69
Natural resources tax	280	250
Total	1 103 686	1 013 934
	31.12.2024 EUR	31.12.2023 EUR
Tax debt	1 103 686	1 013 934

(19) Other liabilities

	31.12.2024 EUR	31.12.2023 EUR
Wages and salaries	342 347	315 783
Settlements with other creditors	94 635	3 655 232
Total	436 982	3 971 015

(20) Accrued liabilities

	31.12.2024 EUR	31.12.2023 EUR
Accrued vacation pay	280 198	177 049
Accrued liabilities for employee bonuses	-	50 047
Accrued interest expense	-	36 565
Accrued liabilities to suppliers	84 076	81 385
Total	364 274	345 046

Notes to the Consolidated Financial Statements (continued)

(21) Deferred tax assets

	31.12.2024 EUR	31.12.2023 EUR
Deferred tax assets	142 490	144 704
Total	142 490	144 704

A deferred tax asset has been recognized in UAB Given Lithuania. Based on five-year business plan the Group management believes that the tax asset arising from tax losses will be utilized in the nearest few years against future profits.

(22) Transactions with related parties

Related party	Services rendered and goods sold 2024 EUR	Services rendered and goods purchased 2024 EUR	Amounts owed by related parties 31.12.2024 EUR	Payables to related parties 31.12.2024 EUR
SIA Grenardi Latvia	303 941	2 379 975	125 661	1 423 518
OÜ Grenardi Estonia	1 220 168	60 718	537 293	25 964
SIA GIVEN Latvia	1 188 339	4 075 894	773 078	685 365
UAB GIVEN Lithuania	2 402 159	31 858	506 811	9 634
OÜ GIVEN Estonia	1 628 001	119 384	371 421	66 546
Other	88 892	163 671	23 883	127 120
Total	6 831 500	6 831 500	2 338 147	2 338 147

Transactions are made at market prices.

(23) Average number of employees

	2024 EUR	2023 EUR
Members of the Board	3	3
Members of the Council	3	3
Other employees	296	247
Average number of employees	299	250

Notes to the Consolidated Financial Statements *(continued)*

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

The Supervisory Board does not receive remuneration for fulfilling its duties. The Management Board members receive compensation based on authorization agreements.

The Management Board members' remuneration for fulfilling their duties in 2024 amounted to EUR

14,600, and the State Social Insurance Mandatory Contributions (SSIMC) amounted to EUR 3,444.

In comparison, in 2023, the remuneration for fulfilling their duties amounted to EUR 2,190, and the SSIMC amounted to EUR 517

(25) Information on issued guarantees, warranties, and other possible liabilities and pledged assets

In 2024, all the property belonging to SIA GIVEN Latvia as an aggregation of the property at the time of pledging, as well as the future components of the aggregation of the property, have been pledged in favor of ZAB VILGERTS SIA, registration no. 40203309933, registered as a first-order commercial pledge as a collateral for bonds issued by the parent company Grenardi Group AS, registration number 40203279291 (ISIN: LV0000860104, ISIN: LV0000860179 and ISIN: LV0000860195), as well as the second, third and fourth-order commercial pledge is registered on the same collateral in favor Signet Bank AS, registration no. 40003076407 to secure the guarantees issued by Signet Bank AS to the lessors of retail premises of SIA GIVEN Latvia, OU GIVEN Estonia and UAB GIVEN Lithuania (see Note 17).

All the property belonging to OÜ GIVEN Estonia, UAB GIVEN Lithuania, SIA Grenardi Latvia and OÜ Grenardi Estonia as an aggregation of the property

at the time of pledging, as well as the future components of the aggregation of the property, have been pledged in favor of ZAB VILGERTS SIA, registration no. 40203309933, registered as a first-order commercial pledge as a collateral for bonds (ISIN: LV0000860104, ISIN: LV0000860179 and ISIN: LV0000860195) issued by Grenardi Group AS, registration number 40203279291 (see Note 17).

In 2024, OÜ GIVEN Estonia, SIA GIVEN Latvia and UAB GIVEN Lithuania have valid guarantee obligations to the owners of EUR 3'000'000 (three million euros) Secured Notes (ISIN: LV0000860054) and EUR 4'000'000 (four million euros) Secured Notes (ISIN: LV0000870104) issued by Grenardi Group AS, registration number 40203279291, for the fulfilment of obligations towards creditors under the notes in accordance with the terms of the issue, guaranteeing the repayment of the debt (see Note 17).

Notes to the Consolidated Financial Statements (continued)

(25) Information on issued guarantees, warranties, and other possible liabilities and pledged assets (continued)

The inventory belonging to SIA GOLDLIGHT as an aggregation of the property at the time of pledging, as well as the future components of the aggregation of property, have been pledged in favor of Citadele banka AS, registration no. 40103303559, establishing a first-order commercial pledge on it, as security for

guarantees issued by Citadele banka AS to the lessors of retail premises of SIA GOLDLIGHT. SIA Grenardi Latvia has valid guarantee obligations to SIA GOLDLIGHT for fulfilling its commitments to Citadele banka AS, covering guarantees issued to the lessors of SIA GOLDLIGHT's retail premises.

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

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

pany has 92 long-term lease agreements with shopping centers. (see Note 16.)

(27) Share based payment reserve

In 2022 employees working for the Group entered into share option agreements with AS Grenardi Group. According to the regulations, the conditional increase of the share capital cannot exceed EUR 41 666.50 or 4% of the share capital registered at the time of the conclusion of the agreement. In 2024, 32% of the stock options for distribution of AS Grenardi Group were granted.

Employees of subsidiaries in Estonia and Lithuania have entered into a share option agreement with OÜ Given Estonia and UAB Given Lithuania respectively. The option plan concerns maximum of 4% of the Subsidiaries' voting Shares of the same category as AS Grenardi Group owns. In 2024 in both subsidiaries 50% of the stock options were granted. In the event of the exercise of stock options, the impact on the Group's financial indicators will not be significant.

The aim of the share based options is to retain employees and increase their motivation through possibility to directly benefit from the growth in value of the company. The vesting conditions for employees is mainly performance based.

Employee stock options are granted free of charge to employees with management responsibilities. The exercise price of the share options is equal to the nominal price of the underlying shares. In case of fulfillment of the stock option criteria, new shares will be issued and there will be no impact on the separate accounts of the Group companies. According to the estimates, the vesting period will start in 2026.

As of 31 December 2024, 0% of the granted options have been exercised in the Group.

Notes to the Consolidated Financial Statements (continued)

(28) Commitments and Contingencies

There are covenants in the prospectus for the senior secured bonds issued (ISIN: LV0000860104, ISIN: LV0000860179 and ISIN: LV0000860195).

According to the prospectus, the Group shall comply 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 1.25x (one point twenty five times), calculated for the Relevant Period at the end of each quarter (for bonds ISIN: LV0000860179 and ISIN: LV0000860195) and 1.4x (one point four times), calculated for the Relevant Period at the end of each quarter (for bonds ISIN: LV0000860104).

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) 2.04¹
- b) 32.71%
- c) 1.31²

Interest coverage ratio was affected due to lower than budgeted financial performance and rentability in Lithuania and Estonia. While both countries reported a remarkable growth in the same store sales, the average retail turnover per store is still lagging behind the more mature stores in Latvia. Inventory coverage ratio affected by the acquisition of GOLDLIGHT at the end of 2024 as it resulted in cash outflow from the Parent Company in an amount equal to the purchase price.

Additionally, the Group registered amendments in March 2025 for the Terms of the Notes issue (ISIN: LV0000870103) to provision that cash interest expense is substituted with payment-in-kind until at least by 1 January, 2026. The amendments will allow the Group to reduce the cash interest expense in the upcoming quarters and improve the interest coverage ratio.

¹Interest coverage ratio calculated according to paragraph 13.23. of the base prospectus (ISIN LV0000860179) and assuming that subordinated bonds (ISIN LV0000870103) in amount of € 1.000M and that ISIN LV0000860104 bonds in amount of € 1.682M were repaid already on 01.01.2024 thus reducing the cash interest payment for interest coverage ratio calculations. The call option for ISIN LV0000860104 was announced on February 28, 2025, with an execution date of March 31, 2025 while the subordinated bonds in amount of € 1.000M were replaced with share capital increase of € 1.000M in March 2025.

²Inventory coverage ratio covenant cured as call option for ISIN LV0000860104 bonds was announced on February 28, 2025 with an execution date of March 31, 2025.

Notes to the Consolidated Financial Statements *(continued)*

(29) 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. The Company'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 17.

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 Company'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, 2024 was 32.71% (see Note 28).

Market risk

The Group is exposed to market risk arising from fluctuations in the prices of gold and other precious metals, given its operations in the jewelry retail sector. Precious metal prices are determined on international markets and can significantly influence both the cost of goods purchased and the selling prices of finished products. Increases in precious metal prices may adversely impact the Group's profitability and competitiveness, while decreases may reduce the value of existing inventory. To mitigate this risk, the Group continuously monitors market developments and adjusts its pricing strategy as necessary.

Notes to the Consolidated Financial Statements (continued)

(30) Events after the reporting period

On January 13, 2025, AS Grenardi Group established a new subsidiary in the Czech Republic, Grenardi Czechia s.r.o. The company plans to commence operational activities in the Czech Republic in the middle of 2025.

AS Grenardi Group announced the decision to execute a call option with respect to the bond issue with ISIN code LV0000860104 on 31 March 2025, with the record date on 28 March 2025. According to the Terms of the Issue, bondholders (ISIN LV0000860104) received 102% of the nominal value of their bonds together with accrued and unpaid interest.

(31) Going concern

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

Ainārs Sprīngis

Chairman of the Board

signature

Līga Emma Gulbe

Member of the Board

signature

Lilija Adejeva

Chief Accountant

signature



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Latvia, 2025