

Riga, April 29, 2025

AS Grenardi Group

Reg. No. 40203279291

Dēļu Street 2, Riga, LV-1004

Annual report for reporting period from 01.01.2024. to 31.12.2024
and an Independent Auditor's Report

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COMPANY INFORMATION

Name of the Company	AS Grenardi Group		
Legal status of the Company	Joint stock company		
Registration No., place and date	40203279291, Riga, 11.12.2020		
Registered office	Dēļu street 2, Rīga, LV-1004		
	Ainārs Sprinģis	–	Chairman of the Board from 04.06.2024
	Ģirts Rudzītis	–	Chairman of the Board until 04.06.2024
	Līga Emma Gulbe	–	Board member
	Marta Andersone	–	Board member
Members of the Council	Alīna Sprinģe	–	Chairman of the Council from 04.06.2024
	Ainārs Sprinģis	–	Chairman of the Council until 04.06.2024
	Alberts Pole	–	Council member
	Māris Keišs	–	Council member
Annual report prepared by	Lilija Adejeva	–	Chief Accountant
Reporting period	from	01.01.2024.	to 31.12.2024.
Previous reporting year	from	01.01.2023.	to 31.12.2023.
Information on group's subsidiary companies	SIA GIVEN Latvia, Reg.No. 40203166474, Dēļu Street 2, Riga, LV-1004		
	SIA GOLDLIGHT, Reg.nr. 40003480834, Dēļu Street 2, Riga, LV-1004		
	SIA Grenardi Latvia, Reg.Nr.50003474971, Dēļu Street 2, Riga, LV-1004		
	Given Estonia OÜ, Reg.No. 14505229, Estonia, Peterburi tee 46, Tallinn 11415		
	GIVEN LITHUANIA UAB, Reg.No.305936789, Lithuania, Krokuvos g.53-3, Vilnius, 09305 (100% ownership)		
Information on group's subsidiary companies second-tier subsidiary	Grenardi Estonia OÜ, Reg.No. 11518421, Estonia, Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415 (100% owned by SIA Grenardi Latvia)		
Information on group's associated companies	SIA "A.S. Capital", Reg. No. 40103855894, Riga, Dēļu street 2, LV-1004		
	SIA Curiosity Capital, Reg. No. 52103074351, Liepāja, Jūras Street 12, LV-3401		
Type of company's activity	Activities of holding companies		
NACE classification code	64.20		
Auditors	Grant Thornton Baltic Audit SIA	Certified Auditor	
	Blaumana street 22	Raivis Irbītis	
	Riga, LV - 1011	Certificate No. 205	
	License No. 183		

MANAGEMENT REPORT

Type of activity

AS Grenardi Group (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

On November 20, 2024, AS Grenardi Group acquired SIA GOLDLIGHT, which is a jewelry retail chain with 10 stores in Riga, Latvia. After this transaction, at the end of 2024 there were 92 retail stores in the Group, of which 75 were GIVEN, 7 GRENARDI and 10 GOLDLIGHT chain stores.

During 2024, the Group successfully achieved its goal of increasing turnover in the existing store network and by opening stores in strategic locations, however it didn't fully achieve the profitability goals in Lithuania and Estonia.

The parent company oversees the operations of the Group and also provides financing for its development. In the reporting year, the Company attracted over EUR 17 million in financing through bonds and EUR 3 million through share capital increase to develop the retail network in Latvia, Estonia, and Lithuania as well as to refinance existing financial liabilities.

In the reporting period the Company's interest income was 1'169'273 EUR, but the Company closed the reporting year with a loss of 860'238 EUR.

Future Development Plans

In the future, the Company plans to provide and attract financing to support the Group's growth initiatives. In 2025, the Group plans to further improve the profitability and success of the Group's existing retail chain. Additionally, the Group plans to increase its market share in the Baltic States by prioritizing the strengthening of its market position and by expanding its store network in strategic locations. Furthermore, the Group will leverage synergies from the acquisition of GOLDLIGHT to enhance its overall performance. The Group also plans enhancing brand awareness, developing its online stores and introducing new products to surprise customers.

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 7 and 9.

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.

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.

Ainārs Sprīngis
(Member of the Board)

Līga Emma Gulbe
(Board member)

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INCOME STATEMENT
(classified per function of expenditure)

	Note number	2024 EUR	2023 EUR
Selling costs		(787)	-
Administrative costs	3	(278 103)	(128 006)
Other revenue from interest and similar revenue:	4	1 169 273	742 849
<i>a) from related parties</i>		1 169 273	742 849
Interest payments and similar costs:	5	(1 750 621)	(731 395)
<i>b) for other persons</i>		(1 750 621)	(731 395)
Profit or loss before corporate income tax		(860 238)	(116 552)
Enterprise income tax for the reporting year		-	(206)
Profit or loss after calculation of enterprise income tax		(860 238)	(116 758)
Profit or losses for the reporting year		(860 238)	(116 758)

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

Ainārs Sprinģis
(Member of the Board)

Līga Emma Gulbe
(Board member)

Annual report prepared by:

Lilija Adejeva
(Chief Accountant)

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BALANCE SHEET

ASSETS	Note number	31.12.2024. EUR	31.12.2023. EUR
Long-term financial investments			
Participation in the capital of related parties	6	19 130 252	14 444 000
Loans to related parties	7	13 897 045	8 123 045
Other loans and other long-term debtors		193 643	39 276
Total long-term financial investments		33 220 940	22 606 321
Total long-term investments		33 220 940	22 606 321
Debtors			
Receivables from related parties		123 885	117 216
Other debtors	8	37 604	95
Deffered expenses		179 648	76 480
Total debtors		341 137	193 791
Cash		14 299	87 215
Total current assets		355 436	281 006
TOTAL ASSETS		33 576 376	22 887 327

BALANCE SHEET

LIABILITIES		31.12.2024.	31.12.2023.
	Note number	EUR	EUR
Equity			
Stock or share capital (fixed capital)		8 434 286	7 200 001
Stock (share) issue premium		2 460 125	694 407
Retained profit or non-covered losses brought forward from		(180 294)	(63 536)
Profit or losses for the reporting year		(860 238)	(116 758)
Total equity		9 853 879	7 714 114
Liabilities			
Long-term creditors			
Loans against Bonds	9	22 000 000	8 544 000
Total long-term creditors		22 000 000	8 544 000
Short-term creditors			
Bonds	9	1 682 000	3 000 000
Trade payables		3 346	4 954
Taxes and State mandatory social insurance payments		4 746	1 438
Other creditors		536	3 520 577
Accrued liabilities	10	31 869	102 244
Total liabilities		1 722 497	6 629 213
Total creditors		23 722 497	15 173 213
TOTAL EQUITY AND LIABILITIES		33 576 376	22 887 327

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

Ainārs Sprinģis
(Member of the Board)

Līga Emma Gulbe
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CASH FLOW STATEMENT

(indirect method)

	Note number	01.01.2024 - 31.12.2024 EUR	01.01.2023 - 31.12.2023 EUR
Cash flow of principal activity			
Profit or loss before corporate income tax		(860 238)	(116 552)
Corrections:			-
Other revenue from interest and similar revenue		(1 169 273)	(742 849)
Corrections of reduction in value of long-term and short-term financial investments		(154 367)	48 389
Interest payments and similar costs		1 750 621	731 395
Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors		(433 257)	(79 617)
Corrections:			-
Increase or decrease in balances of receivables		(147 346)	(71 335)
Increase or decrease in balances of trade payables, and other creditors		(3 588 716)	3 565 813
Gross cash flow of principal activity		(4 169 319)	3 414 861
Expenses for interest payments		(1 750 621)	(731 395)
Expenses for enterprise income tax payments		-	(206)
Net cash flow of principal activity		(5 919 940)	2 683 260
Investment activity cash flow			-
Long-term investments in leased fixed assets		-	(16 386)
Investments in subsidiaries		(4 686 252)	(11 719 000)
Loans issued		(5 774 000)	(795 000)
Interest received		1 169 273	742 849
Investment activity cash flow		(9 290 979)	(11 787 537)
Financing activity cash flow			-
Issue or investments in capital		3 000 003	6 547 000
Loans received		12 138 000	2 641 000
Financing activity cash flow		15 138 003	9 188 000
Net cash flow of the reporting year		(72 916)	83 723
Balance of cash and its equivalents at the beginning of the		87 215	3 226
Balance of cash and its equivalents at the end of the reporting		14 299	87 215

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

Ainārs Sprinģis
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STATEMENT OF CHANGES IN EQUITY

	Stock or share capital (fixed capital) EUR	Stock (share) premium account EUR	Retained earnings or uncovered loss EUR	Total equity EUR
As at 31.12.2022.	1 000 000	347 408	(63 536)	1 283 872
Increase/decrease in stock or share capital (fixed capital)	6 200 001	346 999	-	6 547 000
Increase/decrease in retained profit	-	-	(116 758)	(116 758)
As at 31.12.2023.	7 200 001	694 407	(180 294)	7 714 114
Increase in stock or share capital (fixed capital)	1 234 285	1 765 718	-	3 000 003
Decrease in retained profit	-	-	(860 238)	(860 238)
As at 31.12.2024.	8 434 286	2 460 125	(1 040 532)	9 853 879

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

Ainārs Sprinģis
(Member of the Board)

Līga Emma Gulbe
(Board member)

Annual report prepared by:

Lilija Adejeva
(Chief Accountant)

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NOTES TO THE FINANCIAL STATEMENTS

(1) Corporate information

Grenardi Group AS (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on December 11, 2020. The registered office of the Company is at Dēļu Street 2, Riga, LV-1004. 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	01.01.2024	to	31.12.2024.
The previous reporting period is 12 months from	01.01.2023	to	31.12.2023.

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

	2024	2023
	EUR	EUR
Bank charges	175 381	104 646
Professional services expenses	83 874	18 962
Personnel costs	15 205	2 794
State social insurance contributions	3 585	658
Other administration costs	58	946
Total	278 103	128 006

(4) Other revenue from interest and similar revenue:

	2024	2023
	EUR	EUR
Interest income	1 169 273	742 849
Total	1 169 273	742 849

(5) Interest payments and similar costs:

	2024	2023
	EUR	EUR
Interest costs	1 750 621	731 395
Total	1 750 621	731 395

(6) Participation in the capital of related parties

	31.12.2024. EUR	31.12.2023. EUR
Acquisition value at the beginning of the reporting year	14 444 000	2 725 000
Investments in the beginning of period	14 444 000	2 725 000
Acquisition (+)	2 860 252	10 019 000
Investments (+)	1 826 000	1 700 000
Acquisition value at the end of the reporting period	19 130 252	14 444 000
Investments in the beginning of period	19 130 252	14 444 000

Change of investments:

In 2024, the Company has made additional investments in the share capital of subsidiary companies. The share capital of OÜ Given Estonia was increased by EUR 826 000 while the share capital of UAB GIVEN Lithuania was increased by EUR 1 000 000. Additionally, the Vompny acquired the shares of SIA GOLDLIGHT for a total sum of EUR 2 860 252.

Company`s name	Owned shares	Investment in subsidiaries, 31.12.2024	Investment in subsidiaries, 31.12.2023
	%	EUR	EUR
SIA GIVEN Latvia	100	1 700 000	1 700 000
SIA GOLDLIGHT	100	2 860 252	-
GIVEN LITHUANIA UAB	100	2 475 000	1 475 000
OÜ Given Estonia	100	2 076 000	1 250 000
SIA Grenardi Latvia	100	10 019 000	10 019 000
Total	X	19 130 252	4 425 000

(7) Loans to related parties

	% rate	Due date	Amount, EUR	Changes within the reporting period	31.12.2024. EUR	31.12.2023. EUR
Long-term loans			EUR	EUR	EUR	EUR
SIA GIVEN Latvia	10%	31.12.2026.	7 030 045	(8 000)	7 030 045	4 845 045
UAB GIVEN Lithuania	10%	31.12.2026.	3 263 000	1 525 000	3 263 000	1 738 000
OÜ Given Estonia	10%	31.12.2026.	1 874 000	334 000	1 874 000	1 540 000
GRENARDI ESTONIA OU	10%	31.12.2027.	1 730 000	-	1 730 000	-
Total long term loans	X	X	13 897 045	1 851 000	13 897 045	8 123 045

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

(8) Other debtors

	31.12.2024. EUR	31.12.2023. EUR
Overpayments to suppliers	37 604	95
Total	37 604	95

(9) Bonds

	% rate	Due date	31.12.2024. EUR	31.12.2023. EUR
Subordinated bonds ¹	6%	31.05.2028.	5 000 000	4 544 000
Covered bonds ²	6%	30.04.2024.	-	3 000 000
Covered bonds ³	10%	16.04.2027.	12 000 000	-
Covered bonds ⁴	10%	30.08.2027.	5 000 000	-
Covered bonds ⁵	EURIBOR+6%	31.07.2025.	1 682 000	4 000 000
Total			23 682 000	11 544 000

¹On November 30, 2021, AS Grenardi Group 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 Company 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 Company has raised a total of EUR 5'000'000

²On 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 2022 in favor of ZAB VILGERTS SIA, Registration No. 40203309933 as a collateral for bonds issued by AS Grenardi Group (ISIN: LV0000860054). As at April 30, 2024 the Company has redeemed all outstanding bonds in amount of EUR 3'000'000.

³On April 16, 2024 the 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 AS Grenardi Group (ISIN: LV0000860179). As at December 31, 2024 the Company has raised a total of EUR 12'000'000.

⁴On August 30, 2024 the 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 AS Grenardi Group (ISIN: LV0000860195). As at December 31, 2024 the Company has raised a total of EUR 5'000'000.

⁵On 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 Grenardi Group (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

(10) Accrued liabilities

	31.12.2024. EUR	31.12.2023. EUR
Accrued interest expense	25 819	97 858
Accrued liabilities to suppliers	6 050	4 386
Total	31 869	102 244

(11) Average number of employees

	2024	2023
Members of the Board	3	3
Other employees	1	1
Average number of employees	2	2

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

The Supervisory Board does not receive remuneration for fulfilling its duties. Members of the Management Board receive remuneration based on a mandate agreement. In 2024, the total remuneration paid to Management Board members for fulfilling their duties amounted to EUR 14 600, with mandatory state social insurance contributions (VSAOI) totaling EUR 3 444. In 2023, the remuneration for fulfilling duties was EUR 2 190, and VSAOI contributions amounted to EUR 517.

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

After the end of the reporting year, on February 27, 2025, the Company initiated call option with execution date on March 31, 2025, to refinance bonds (ISIN LV0000860104) with a maturity date of July 31, 2025.

(14) Going concern

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

Ainārs Sprinģis
(Member of the Board)

Līga Emma Gulbe
(Board member)

Annual report prepared by:
Lilija Adejeva
(Chief Accountant)

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INDEPENDENT AUDITORS' REPORT

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

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To the shareholder of “Grenardi Group” AS

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of AS “Grenardi Group” (“the Company”) set out on pages 5 to 16 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 2024,
- the profit and loss statement for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AS “Grenardi Group” as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the ‘Law On the Annual Reports and Consolidated Annual Reports’ of the Republic of Latvia.

Basis for Opinion

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

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

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

Reporting on Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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WITH A SECURE ELECTRONIC SIGNATURE AND
CONTAINS TIME STAMP

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