

GRENARDI

G R O U P

AS Grenardi Group unaudited condensed consolidated financial statements for the period ended in 30 June 2024

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

Latvia, October 10, 2024



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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 | Join stock company |
| Registration No., place and date | 40203279291, Rīga, Dec 11, 2020 |
| Registered office | Dēļu iela 2, Rīga, LV-1004 |
| Members of the Board | Ainārs Sprīņģis – Chairman of the Board Līga Emma Gulbe – Member of the Board Marta Andersone – Member of the Board |
| Members of the Council | Alīna Sprīņģe – Chairwoman of the Council Alberts Pole – Council Member Māris Keišs – Council Member |
| Reporting period | from 01.01.2024 to 30.06.2024 |
| Subsidiaries | UAB Given Lithuania, Reg. No. 305936789, Lithuania, Krokuvos g. 53-3, Vilnius, 09305 SIA Given Latvia, Reg. No. 40203166474, Rīga, Dēļu iela 2, LV-1004 OÜ Given Estonia, Reg. No. 14505229, Estonia, Peterburi tee 46, Tallinn 11415 SIA Grenardi Latvia, Reg. No. 50003474971, Rīga, Dēļu iela 2, LV-1004 OÜ Grenardi Estonia, Reg.No. 11518421, Estonia, Peterburi tee 46, Tallinn 11415 |



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. As of June 30, 2024, the Group had a total of 81 retail stores – 74 of which were GIVEN chain stores and 7 were GRENARDI chain stores. Additionally, the Group has

5 online stores www.grenardi.lv, www.grenardi.ee, www.given.lv, www.given.ee, www.given.lt. 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

Retail turnover of Grenardi Group in Q2 2024 amounted to EUR 6.2 million (including VAT) and was 39% higher than in the same period of 2023 (GRENARDI chain data included from Dec 1, 2023). The retail turnover of GIVEN chain amounted to EUR 4.6 million (including VAT) and was 5% higher than in the same period of 2023.

The Group concluded the first half of 2024 with a net loss of EUR 1.3 million, primarily driven by lower-than-expected sales performance in the Lithuanian and Estonian markets.

To address this, the Group is implementing measures aimed at improving sales and gross margin in the second half of 2024. These efforts include increasing the average inventory per store, enhancing the product assortment with new collections as well as reviewing pricing.

As of the end of Q2 2024, the Group's inventory levels have risen by 19% compared to Q1 2024 and by 23% compared to Q4 2023. This double-digit inventory growth was supported by the successful issuance of bonds (ISIN LV0000860179) in April 2024.

In Q2 2024 Grenardi Group opened 1 new GIVEN store in Estonia Rocca Al Mare shopping mall in Tallinn and closed 4 GIVEN stores – 1 store in Latvia, 1 store in Lithuania and 2 stores in Estonia.

On May 3, 2024, audit committee was established. The three appointed audit committee members are Mārtiņš Baumanis, Māris Keišs and Emīls Latkovskis.

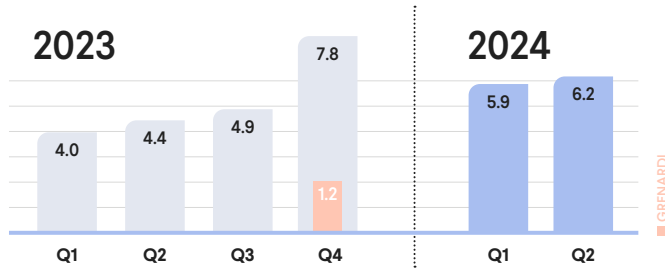
On May 8, 2024, AS Grenardi Group's bonds (ISIN LV0000860195) were successfully listed on the Nasdaq Riga regulated market Baltic Bond List.

On June 4, 2024, AS Grenardi Group strengthened the management team – Ainārs Sprīņģis, the founder and co-owner of AS Grenardi Group, was appointed as Chairman of the Management Board and Group CEO. Alīna Sprīņģe, the Group's Creative Director and co-owner, was appointed as a Chairwoman of the Supervisory Board.

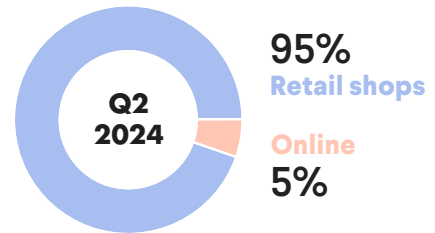
Management report (continued)

Business results (continued)

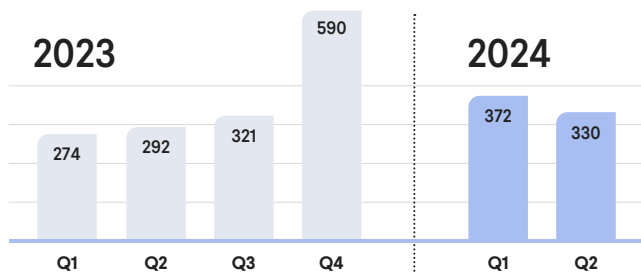
Retail turnover by quarters (€M)



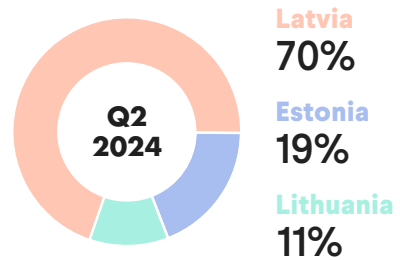
Retail turnover by sales channels



Online turnover (€K)



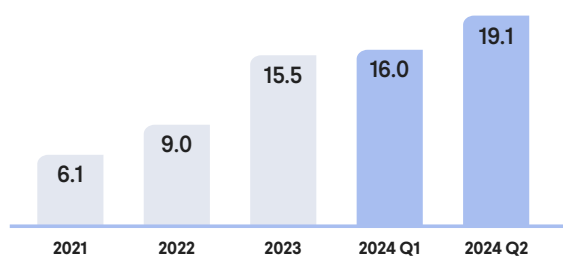
Retail turnover by countries



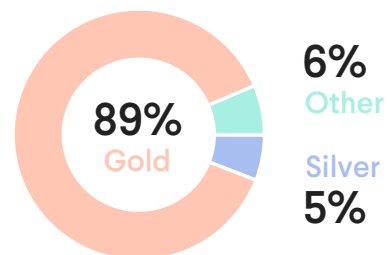
The retail turnover of the GRENARDI chain is included from December 1, 2023.

Inventory overview

The Group's inventory (€M)



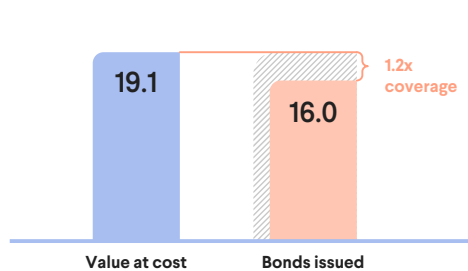
Inventory by key metals as at June 30, 2024



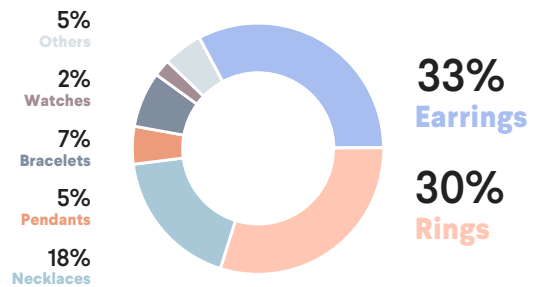
Management report (continued)

Inventory overview (continued)

The Group's inventory value (€M)
as at June 30, 2024



Inventory by type of products
as at June 30, 2024



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 the second half of 2024 – the Group plans to continue expanding its assortment, strengthening its market position, promoting its brand awareness, developing its online stores, surprising its customers with new products and launching new ESG initiatives.

Management report (continued)

Risk management

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

Foreign currency risk

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

Liquidity risk

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

The Group manages its liquidity risk by arranging an adequate amount of capital in form of debt or equity, keeping adequate cash reserves, planning the repayment terms of trade receivables, and developing and analysing future cash flows.

Credit risk

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

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

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

Capital risk

The Group aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group. Capital risk is monitored via Capitalization Ratio, which is calculated as the Adjusted Equity to the Group's consolidated assets. The Group monitors equity capital on the basis of the capitalization ratio as defined in Bond prospectus, which as at June 30, 2024 was 31%.

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 interim periods.

On behalf of the Board:

Ainārs Sprinģis

Chairman of the Board

Riga, 10 October, 2024

Grenardi Group footprint in Baltics



81

Total number
of stores in Baltics



ESTONIA

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

LATVIA

45 GIVEN stores
4 GRENARDI stores
www.given.lv
www.grenardi.lv

LITHUANIA

17 GIVEN stores
www.given.lt

Unaudited condensed consolidated financial statements



Consolidated Statement of Comprehensive Income

| | 6m 2024 Unaudited | 6m 2023 Unaudited | ΔHoH (%) | 12m 2023 Audited ¹ | 12m 2022 Audited | ΔYoY (%) |
|------------------------------|----------------------|----------------------|-------------|----------------------------------|---------------------|----------------|
| Revenue | 10'231 | 7'222 | 42% | 18'011 | 12'837 | 40% |
| Cost of goods sold | 4'307 | 3'136 | 37% | 7'698 | 5'435 | 42% |
| Gross profit | 5'924 | 4'086 | 45% | 10'313 | 7'402 | 39% |
| Selling expenses | 4'825 | 3'300 | 46% | 7'632 | 5'198 | 47% |
| Administrative expenses | 1'435 | 919 | 56% | 1'944 | 1'533 | 27% |
| Other operating income | 58 | 40 | 47% | 107 | 51 | 108% |
| Other operating costs | 142 | 27 | 431% | 83 | 91 | -9% |
| EBIT | -419 | -120 | 249% | 761 | 632 | 20% |
| Interest income | 4 | 0 | 2'048% | 0 | 1 | -83% |
| Interest expense | 867 | 459 | 89% | 1'104 | 669 | 65% |
| Income tax | 0 | 0 | n/a | -94 | -50 | 88% |
| Profit for the period | -1'282 | -579 | -55% | -249 | 13 | -1'945% |
| EBITDA | 1'095 | 835 | 31% | 2'862 | 2'193 | 30% |

Consolidated Statement of Financial Position

| ASSETS | 30.06.2024¹ | 31.12.2023 | Δ% |
|---------------------------------------|-------------------------------|-------------------|-------------|
| Intangible assets | 7'662 | 7'665 | 0% |
| Fixed assets | 2'545 | 2'794 | -9% |
| Right-of-use assets | 6'378 | 6'511 | -2% |
| Total non-current assets | 16'584 | 16'970 | -2% |
| Inventory | 19'149 | 15'511 | 23% |
| Advance payments for goods | 163 | 161 | 1% |
| Debitors | 1'031 | 1'331 | -23% |
| Cash and cash equivalents | 4'208 | 1'621 | 160% |
| Total current assets | 24'551 | 18'624 | 32% |
| TOTAL ASSETS | 41'136 | 35'594 | 16% |
| EQUITY AND LIABILITIES | 30.06.2024¹ | 31.12.2023 | Δ% |
| Share capital | 7'894 | 7'894 | 0% |
| Retained earnings | -1'019 | 263 | -487% |
| Total equity | 6'876 | 8'158 | -16% |
| Subordinated debt ³ | 6'000 | 4'544 | 32% |
| Loans and Borrowings ² | 15'566 | 3'946 | 294% |
| Non-current lease liabilities | 4'322 | 4'577 | -6% |
| Total non-current liabilities | 25'888 | 13'067 | 98% |
| Loans and Borrowings ² | 0 | 3'165 | -100% |
| Accounts payable | 4'135 | 3'388 | 22% |
| Current lease liabilities | 2'455 | 2'284 | 8% |
| Taxes & other payables | 1'781 | 5'532 | -68% |
| Total short-term liabilities | 8'372 | 14'369 | -42% |
| TOTAL EQUITY & LIABILITIES | 41'136 | 35'594 | 16% |

¹ Unaudited consolidated results in accordance with IFRS.

² Loans and Borrowings include secured bonds of nominal value € 16.0M

³ Existing Subordinated Notes with ISIN LV0000870103 due on 31 May 2028 with maximum amount of € 5.0M and shareholder credit line in amount of € 1.0M

Consolidated Statement of Cash Flows

| | 30.06.2024 EUR | 30.06.2023 EUR |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Cash flow from operating activities | | |
| Profit or loss before corporate income tax | -1'282 | -575 |
| Corrections: | | |
| Corrections of decrease in value of fixed assets | 1'434 | 922 |
| Corrections of decrease in value of intangible assets | 51 | 28 |
| Profit or loss from fluctuations of foreign currency rates | -13 | -9 |
| Other revenue from interest and similar revenue | -3 | -1 |
| Corrections of reduction in value of long-term and short-term financial investments | 55 | 0 |
| Interest payments and similar costs | 938 | 446 |
| Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors | 1'182 | 812 |
| Corrections: | | |
| Increase or decrease in balances receivables | 480 | -41 |
| Increase or decrease in balances of inventories | -3'647 | -1'540 |
| Increase or decrease in balances of payables | -3'197 | -201 |
| Gross cash flow from operating activities | -5'182 | -970 |
| Expenses for interest payments | -961 | -446 |
| Expenses for corporate income tax payments | 0 | 0 |
| Net cash flow from operating activities | -6'144 | -1'416 |
| Cash flows from investing activities | | |
| Acquisition of stocks or shares of related undertakings, associated undertakings, or other undertakings, net of acquired cash | 0 | 0 |
| Long term financial investment | -126 | -16 |
| Acquisition of fixed assets and intangible assets | -267 | -277 |
| Revenue from sale of fixed assets and intangible investments | 2 | 0 |
| Interest received | 3 | 0 |
| Cash flows from investing activities | -387 | -293 |
| Cash flows from financing activities | | |
| Income from stock and debenture issue or investments of capital participatory shares | 0 | 150 |
| Loans received and bonds issued | 15'706 | 2'272 |
| Repayment of loans | -5'614 | 0 |
| Payment of principal portion of lease liabilities | -987 | -616 |
| Cash flows from financing activities | 9'105 | 1'807 |
| Result of fluctuations of foreign currency exchange rates | 13 | 9 |
| Net cash flow of the reporting year | 2'588 | 106 |
| Balance of cash and its equivalents at the beginning of the reporting year | 1'621 | 1'479 |
| Balance of cash and its equivalents at the end of the reporting year | 4'208 | 1'585 |

Consolidated Statement of Changes in Equity

| | Share capital EUR | Share premium EUR | Retained earnings or uncovered losses EUR | Total equity EUR |
|---------------------------------------|-------------------------|-------------------------|----------------------------------------------------|---------------------|
| As at 31.12.2022 | 1'000 | 347 | 512 | 1'859 |
| Increase in share capital | 6'200 | - | - | 6'200 |
| Share issue premium | - | 347 | - | 347 |
| Increase/ decrease in retained profit | - | - | (249) | (249) |
| As at 31.12.2023 | 7'200 | 694 | 263 | 8'158 |
| Increase in share capital | - | - | - | - |
| Share issue premium | - | - | - | - |
| Increase/decrease in retained profit | - | - | (1'282) | (1'282) |
| As at 30.06.2024 | 7'200 | 694 | (1'019) | 6'876 |

| | Share capital EUR | Share premium EUR | Retained earnings or uncovered losses EUR | Total equity EUR |
|---------------------------------------|-------------------------|-------------------------|----------------------------------------------------|---------------------|
| As at 31.12.2021 | 1'000 | 347 | 498 | 1'846 |
| Increase in share capital | - | - | - | - |
| Share issue premium | - | - | - | - |
| Increase/ decrease in retained profit | - | - | 13 | 13 |
| As at 31.12.2022 | 1'000 | 347 | 512 | 1'859 |
| Increase in share capital | - | - | - | - |
| Share issue premium | - | 150 | - | 150 |
| Increase/decrease in retained profit | - | - | (575) | (575) |
| As at 30.06.2023 | 1'000 | 497 | (63) | 1'434 |

Notes to the Consolidated Financial Statements



Notes to the Consolidated Financial Statements

(1) Corporate information

These unaudited condensed consolidated financial statements were approved and authorised for issue by Members of the Board of AS Grenardi Group (the Parent Company) on 30 September 2024.

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 Par-

ent 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 acquired the GRENARDI retail chain (which includes SIA Grenardi Latvia and OÜ Grenardi Estonia) and was renamed AS Grenardi Group after the transaction. The Parent Company is the sole shareholder of its subsidiaries.

(2) Significant accounting principles

Basis of preparation

The unaudited condensed consolidated financial statements for six months of the year 2024 of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year 2023.

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 |

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)

Change in accounting policy and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024.

The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective. The Group intends to adopt the above standards and interpretations and evaluate their effects on the effective date.

(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 | 6m 2024 EUR | 6m 2023 EUR |
|--------------------------------|------------------------|------------------------|
| Latvia | 7'182'467 | 5'514'523 |
| Estonia | 1'846'808 | 913'943 |
| Lithuania | 1'199'462 | 793'097 |
| Other European Union countries | 2'175 | 0 |
| Total | 10'230'912 | 7'221'563 |

| Net sales by type | 6m 2024 EUR | 6m 2023 EUR |
|--------------------------|------------------------|------------------------|
| Retail | 9'970'411 | 6'930'182 |
| Wholesale | 258'379 | 242'743 |
| Other | 2'122 | 48'638 |
| Total | 10'230'912 | 7'221'563 |

(4) Cost of sales

| | 6m 2024 EUR | 6m 2023 EUR |
|-------------------------|------------------------|------------------------|
| Cost of goods purchased | 4'306'557 | 3'135'630 |
| Total | 4'306'557 | 3'135'630 |

Notes to the Consolidated Financial Statements (continued)

(5) Selling expenses

| | 6m 2024 EUR | 6m 2023 EUR |
|---------------------------------------------------------------------|------------------------|------------------------|
| Personnel costs | 2'155'608 | 1'571'053 |
| Depreciation of property, plant and equipment and intangible assets | 1'513'812 | 950'233 |
| Payment for services | 148'549 | 91'787 |
| Advertising expenses | 379'747 | 298'137 |
| Transport costs | 104'853 | 78'644 |
| Retail space rental & utilities (IFRS 16 adjustment) | 283'943 | 172'138 |
| Other selling expenses | 238'065 | 134'408 |
| Total | 4'824'577 | 3'296'400 |

(6) Administrative expenses

| | 6m 2024 EUR | 6m 2023 EUR |
|--------------------------------|------------------------|------------------------|
| Personnel costs | 1'063'648 | 754'131 |
| Bank charges | 51'307 | 34'300 |
| Professional services expenses | 129'853 | 15'099 |
| Office costs | 112'983 | 68'599 |
| Other administration costs | 76'905 | 47'006 |
| Total | 1'434'696 | 919'135 |

Notes to the Consolidated Financial Statements (continued)

(7) Lease liabilities

| | 30.06.2024 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 | 868'351 | 4'085'422 |
| Terminated contracts during the reporting period | 0 | 0 |
| Minus: Rental costs determined during the reporting period | -1'214'852 | -1'654'471 |
| Plus: Lease interest expense during the reporting period | 262'393 | 291'712 |
| Lease liabilities at the end of the year | 6'777'093 | 6'861'201 |
| Long - term part of lease liabilities (from 1 year to 5 years) | 4'321'810 | 4'577'262 |
| Short - term part of lease liabilities | 2'455'283 | 2'283'939 |
| | 6'777'093 | 6'861'201 |

Lease commitments include the lease of retail space. As of 30 June 2024, the Group had 81 active lease agreement for premises. In accordance with the Group's policy, it applies IFRS 16 Leases.

Notes to the Consolidated Financial Statements (continued)

(8) Bonds

| | % rate | Due date | 30.06.2024 EUR | 31.12.2023 EUR |
|---------------------------------|---------------|------------|-------------------|-------------------|
| Subordinated bonds ¹ | 6% | 31.05.2028 | 4'885'655 | 4'220'610 |
| Secured bonds ² | 6% | 30.04.2024 | 0 | 3'019'039 |
| Secured bonds ³ | 3M EURIBOR+6% | 31.07.2025 | 3'813'258 | 4'221'215 |
| Secured bonds ⁴ | 10% | 16.04.2027 | 11'867'141 | 0 |
| Total | | | 20'566'054 | 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. As at June 30, 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 6.19%. 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).

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. According to IAS 9, loans against bonds are shown at amortized cost applying effective interest rate of 7.30%.

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). As at June 30, 2024 the Group has raised a total of EUR 4'000'000. According to IAS 9, loans against bonds are shown at amortized cost applying effective interest rate of 6.27%.

⁴ On August 30, 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 June 30, 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%.

Notes to the Consolidated Financial Statements (continued)

(9) Financial metrics & ratios

Definitions and alternative performance measures

EBITDA – consolidated net profit of the Group for the relevant period before corporate income tax, net finance charges, amortization and depreciation, and net foreign exchange result.

Gross Margin – Gross profit to revenue.

Current Ratio – Current assets to current liabilities.

Same Store Sales – A measure of revenue growth for existing stores open for at least one year, excluding new or closed locations, and compared to the same period in the previous year.

Capitalization Ratio – Capitalization ratio equals adjusted Equity to consolidated assets of the Group calculated as at the end of the period. Adjusted Equity means book value of the Group's equity and Subordinated debt.

Interest Coverage Ratio – Interest coverage ratio equals (ICR) equals EBITDA to Net Finance Charges for the last twelve months.

Inventory Coverage Ratio – Inventory coverage ratio equals pledged inventory plus consolidated Cash and Cash Equivalents of the Group divided by the secured financial indebtedness.

Net Finance Charges – All recurring debt related charges of the Group for the Relevant Period calculated according to the most recent Financial Reports: (a) including cash interest expense on Financial Indebtedness (after deducting any interest income relating to Cash and Cash equivalents); and (b) including cash interest expense on guarantees issued by a bank or other financial institution; and (c) excluding any payment-in-kind interest capitalized on loans from Related Parties and/or Subordinated Debt.

Notes to the Consolidated Financial Statements (continued)

(9) Financial metrics & ratios (continued)

Definitions and alternative performance measures (continued)

| | 6m 2024* | 6m 2023 | 12m 2023 | 12m 2022 |
|-----------------------------------------|-----------------|----------------|-----------------|-----------------|
| Same store sales growth, % ¹ | -2% | 11% | 12% | 46% |
| Online sales as % of retail sales | 6% | 7% | 7% | 6% |
| Gross margin, % | 58% | 57% | 57% | 58% |
| EBITDA, €K | 1'095 | 835 | 2'862 | 2'193 |
| EBITDA margin, % ² | 11% | 12% | 16% | 17% |

* Reporting period 01.01.2024 - 30.06.2024

¹ Same store sales growth for 12m 2022 reflects the growth of OÜ GIVEN Estonia as significant Covid-19 related restrictions were in place in 2021 in Latvia. 12m 2023 same store sales include data only for the GIVEN chain.

² EBITDA margin impacted by higher admin and selling expenses due to rapid expansion of operations in Lithuania and Estonia.

| | 30.06.2024 | 30.06.2023 | 31.12.2023 | 31.12.2022 |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Capitalization ratio, % | 31% | 30% | 36% | 31% |
| Interest coverage ratio | 2.1 | 2.6 | 2.6 | 3.3 |
| Inventory coverage ratio | 1.4 | 1.7 | 2.3 | 1.9 |
| Current ratio | 2.9 | 3.0 | 1.3 | 2.5 |

Notes to the Consolidated Financial Statements (continued)

(10) Events after the reporting period

On 14 August 2024, AS Grenardi Group launched a public offering of a bond issue for a total amount of EUR 5 000 000. The offer for the second tranche was made pursuant to the base prospectus for the AS Grenardi Group bond issue, dated 20 March 2024, which was approved by the Bank of Latvia. The bonds bear a fixed interest rate of 10% and a maturity date of 30 August 2027.

Total demand for the bonds reached EUR 7.85 million, exceeding the initial EUR 5 million offering by 57%. During the offering, AS Grenardi Group also offered its existing bondholders, whose bonds are due on 31 July 2025 (ISIN LV0000860104), the opportunity to exchange

their bonds for new ones. 58% of existing bondholders, holding bonds in the amount of 2 318 000 EUR, decided to participate in the exchange offer, reducing the volume of LV0000860104 bonds to 1 682 000 EUR.

On 31 July 2024, AS Grenardi Group registered amendments for subordinated unsecured notes (LV0000870103) in additional amount of EUR 2 million (total nominal value of subordinated unsecured notes EUR 7 million). The performed changes will allow the Group to attract additional financing while also strengthening the capitalization ratio.

On behalf of the Board:

Ainārs Sprinģis

Chairman of the Board

Riga, 10 October, 2024



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Latvia, 2024