

G I V E N

GIVEN Jewellery AS
Registration No. 40203279291
LEI: 9845008F599B95980934

Terms of the Notes Issue

ISIN	LV0000860104
Type of security:	Senior Secured Notes
Nominal:	EUR 1,000.00 (one thousand euro)
Nominal value of the issue:	EUR 4,000,000.00 (four million euro)
Annual Coupon Rate:	3M EURIBOR + 6 %
Maturity:	31 July 2025

These Terms of the Notes Issue are not a prospectus for the purposes of the Prospectus Regulation and no competent authority of any Member State has examined or approved the contents thereof. These Terms of the Notes Issue have been prepared on the basis all offers of the debt securities are issued by the Issuer according to the Terms of the Notes Issue will be made pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Regulation.

The issue of the Notes is a private placement and there is no intention of the Issuer to list the Notes on a regulated market.

The Issuer is a company incorporated and existing under the laws of the Republic of Latvia and the Applicable Laws allow for the Issuer to record the issue with the central securities depository of Latvia – Nasdaq CSD.

The decision of the Issuer to organize the issue of the Notes has been passed in compliance with the Applicable Laws. The issue of the Notes, including the relationship between the Issuer and prospective investors or any third parties, and their respective rights and duties attached to the Notes such as voting rights, dividends and corporate actions, is governed by the Applicable Laws.

These Terms of the Notes Issue do not constitute an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

MiFID II product governance - solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion: (i) the target market for the Notes is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU; and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and respective retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes should take into consideration the manufacturer's target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not

apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union.

Before deciding to purchase the Notes, prospective investors should carefully review and consider the risk factors described herein. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer or the Guarantors. If any of these risks materialize, the market value of the Notes and the likelihood the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the Noteholders could lose all or part of their investments.

Any previous discussions or presentations provided to prospective investors were solely for information purposes and the Notes are issued in accordance with these Terms of the Notes Issue. A prospective investor should not make an investment decision relying solely upon the information provided in the prospective investor presentation or otherwise.

Arranger:



8 July 2022

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Terms and abbreviations used

Accounting Principles	:	International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).
Additional Collateral	:	Additional Collateral described in Clause 3.2.8. "Additional Collateral of the Notes".
Additional Collateral Provider	:	Additional Collateral Provider described in Clause 3.2.8. "Additional Collateral of the Notes".
Adjusted Equity	:	The aggregate book value of the Group's total equity on a consolidated basis, increased by Subordinated Debt, according to the most recent Financial Report.
AML	:	Anti-money laundering and counter terrorism and proliferation financing.
Applicable Laws	:	Any applicable law, including without limitation: (a) the regulations of the FSA, Nasdaq Riga and Nasdaq CSD; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether state, local, foreign, or EU; and (c) the laws and regulations of the Republic of Latvia and any legal acts in each other country in which the Company operates.
Arranger	:	Signet Bank AS, with registration No. 40003076407 and with a legal address at: Antonijas iela 3, LV-1010, Riga, the Republic of Latvia.
Auditor	:	Any international and reputable auditor licensed to practice in the Republic of Latvia (PricewaterhouseCoopers SIA, Ernst & Young Baltic SIA, KPMG Baltics SIA, Deloitte Audits Latvia SIA, BDO Assurance SIA, Nexia Audit Service SIA, Baker Tilly Baltics AS, Grant Thornton Baltic Audit SIA). Currently the Issuer is audited by Grant Thornton Baltic Audit SIA (licence No. 183).
Bank's Security	:	Commercial pledges granted by GIVEN Latvia SIA to Signet Bank AS (registration No. 40003076407 and with a legal address at: Antonijas iela 3, LV-1010, Riga, the Republic of Latvia) for providing bank guarantees to the lessors of premises rented by the Group (pledge No. 100196096 registered on 23 December 2022 (with maximum amount of EUR 352,851.00) and pledge No. 100196108 registered on 27 December 2021 (with maximum amount of EUR 126,566.00)).
Base Rate	:	3M EURIBOR reference rate (%) determined by the Calculation Agent on the Coupon Reset Date and is fixed for the subsequent Base Rate Period. If on any Coupon Reset Date the 3M EURIBOR rate is less than 0%, 3M EURIBOR shall mean 0%.
Business Day(s)	:	Business Day is a day when the Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.
Calculation Agent	:	Signet Bank AS, with registration No. 40003076407 and with a legal address at: Antonijas iela 3, LV-1010, Riga, the Republic of Latvia.

- Capitalization Ratio** : Ratio of Adjusted Equity to consolidated assets of the Group calculated according to the most recent Financial Report.
- Cash and Cash Equivalent** : Cash and cash equivalents of the Group in accordance with the Accounting Principles.
- Change of Control** : The occurrence of an event or series of events whereby, a person (natural person or legal entity) or group of persons acting in concert (directly or indirectly) acquires the influence (whether by way of ownership of shares, contractual arrangement or otherwise) to:
- (a) cast or control the casting of more than 50% (fifty per cent) of the maximum number of votes that might be cast at a general meeting of the shareholders of the Issuer (including Subsidiaries) or
 - (b) appoint or remove or control the appointment or removal of a majority of the management board or supervisory board members or other equivalent officers of the Issuer ((including Subsidiaries).
- For the sake of clarity, a Change of Control does not take place if:
- (a) change of control takes place between existing shareholders (including where any changes to the board or supervisory board members or other equivalent officers of the Issuer takes place); or
 - (b) existing shareholders each individually lose control over the Issuer and no other person gains power to cast or control the casting of more than 50% (fifty per cent) of the maximum number of votes that might be cast at a general meeting of the shareholders of the Issuer (including where any changes to the board or supervisory board members or other equivalent officers of the Issuer takes place).
- Collateral(s)** : Collateral is described in Clause 3.2.7 “Collateral of the Notes”, which serves as security for the fulfilment of the Issuer’s obligations to the Noteholders in accordance with the Terms of the Notes Issue.
- Collateral Agent** : A person holding the Collateral on behalf of the Noteholders and authorized to act with the Collaterals in favour of all the Noteholders in accordance with the Terms of the Notes Issue and the Collateral Agent Agreement, initially the Latvian company ZAB “VILGERTS” SIA, a law firm registered with the Latvian Bar association and registered with the Company Register of the Republic of Latvia under registration No. 40203309933 and with a registered address at: Skanstes iela 7, k-1 LV-1013, Rīga, the Republic of Latvia.
- Collateral Agent Agreement** : The agreement entered into between the Issuer and the Collateral Agent which stipulates the rights and obligations of the Collateral Agent in relation to the establishment, maintenance, and enforcement of the Collateral, as defined in these Terms of the Notes Issue, in the interests of the Noteholders, as well as the Collateral Agent’s compensation. A copy of the Collateral Agent Agreement is available for inspection upon request to the Issuer.
- Collateral Agreement** : The commercial pledge agreement concluded or to be concluded on the provision of the Collateral referred to in Clause 3.2.7 “Collateral of the Notes” between the Collateral Agent and the relevant Collateral Provider and governed

by Applicable Laws of the country of the Collateral Provider. Copies of the Collateral Agreements are available for inspection upon request from the Issuer.

Collateral Provider(s)	: Initially the following subsidiaries of the Issuer: <ol style="list-style-type: none">(1) GIVEN Latvia SIA, with registration No. 40203166474 and with a legal address at: Lielirbes iela 17A-11, LV-1046, Riga, the Republic of Latvia;(2) GIVEN Estonia OÜ, with registration No. 14505229 and with a legal address at: Harju maakond, Tallin, Lasnamäe linnaosa, Peterburi tee 46, 11415, the Republic of Estonia;(3) GIVEN Lithuania UAB, with registration No. 305936789 and with a legal address at: Krokuvos g. 53-3, LT-09306, Vilnius, the Republic of Lithuania.
Commercial Pledge Register(s)	: In respect of commercial pledge granted by GIVEN Latvia SIA - the commercial pledge register of the Company Register of the Republic of Latvia (<i>Komerckāilu reģistrs</i>), in respect of commercial pledge granted by GIVEN Estonia OÜ – the Commercial Pledge Register of the Republic of Estonia (<i>Kommertspandireģister</i>), and in respect of commercial pledge granted by GIVEN Lithuania UAB – the Register of Contracts and Legal Restrictions of the Republic of Lithuania (<i>Sutarčių ir teisių suvaržymų registras</i>).
Company or Issuer	: GIVEN Jewellery AS, with registration No. 40203279291 and a registered address at: Lielirbes iela 17A-11, LV-1046, Riga, the Republic of Latvia.
Coupon	: Interest on Notes calculated in accordance with the Clause 3 “Information on Notes”.
Coupon Payment Date	: Coupon payments are made four times per year – on every 31 January, 30 April, 31 July, and 31 October.
Coupon Period	: Any period between two Coupon Payment Dates, with the first Coupon Period starting on the Issue Date and ending on 31 October 2022.
Coupon Reset Date	: The second Business Day before the start of the Coupon Period on which the Calculation Agent determines the Coupon rate for the following Coupon Period.
Custodian	: A Nasdaq CSD participant directly or licensed credit institution or investment brokerage company that has a financial securities’ custody account with Nasdaq CSD participant.
EBITDA	: Consolidated net profit of the Group for the Relevant Period calculated according to the most recent Financial Reports: <ol style="list-style-type: none">(a) before deducting any amount of tax on profits, gains or income paid or payable by any Group company;(b) before deducting any Net Finance Charges;(c) before taking into account any exceptional items which are not in line with the ordinary course of business;(d) not including any accrued interest owing to any Group company;(e) before taking into account any gains or losses on any foreign exchange gains or losses; and

- (f) after adding back any amount attributable to the amortisation, depreciation or depletion of assets.
- EUR** : The single currency of the Member States of the European Monetary System: “euro”.
- EURIBOR** : Means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor) and in case of negative rates, interest rate shall be zero.
- Existing Secured Notes** : Secured debt securities with ISIN LV0000860054 due on 30 April 2024 with an outstanding amount of EUR 3,000,000.00 (three million euro).
- Existing Collaterals** : Commercial pledge (No. 100196028) registered with the Commercial Pledge Register on 20 December 2021 (with maximum amount of EUR 3,000,000.00) for the benefit of noteholders of the Existing Secured Notes over all assets (and its future components) of the following Subsidiary: GIVEN Latvia SIA, with registration No. 40203166474 and with a legal address at: Lielirbes iela 17A-11, LV-1046, Riga, the Republic of Latvia.
- Existing Guarantees** : Corporate guarantees issued by GIVEN Latvia SIA, with registration No. 40203166474, and GIVEN Estonia OÜ, with registration No. 14505229, to the noteholders of the Existing Secured Notes under the terms of secured debt securities with ISIN LV0000860054 due on 30 April 2024 with an outstanding amount of EUR 3,000,000.00 (three million euro) under each guarantee.
- Existing Subordinated Notes** : Subordinated debt securities with ISIN LV0000870103 due on 30 November 2026.

As of the date of the Terms of the Issue, the Issuer had Subordinated notes outstanding in the amount of EUR 3,603,000.00 (three million six hundred and three thousand euro).
- Fair Market Value** : With respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving any distress of either party, determined in good faith by the management board of the Group.
- FSA** : The Latvian Financial Supervision Authority (*Finanšu un kapitāla tirgus komisija*), is an autonomous public institution of the Republic of Latvia, which carries out, but not limited to, the supervision of Latvian banks, capital markets, payment institutions and electronic money institutions (www.fktk.lv).
- Financial Indebtedness** : Any interest bearing financial indebtedness of the Group including:
- (a) monies borrowed and debt balances at banks or other financial institutions;
 - (b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument,

including these Notes, Existing Secured Notes with ISIN LV0000860054 due on 30 April 2024;

- (c) the amount of any liability in respect of any financial lease;
- (d) any monies borrowed from any shareholder of the Issuer;
- (e) any amount raised under any other transaction (including any forward purchase or sale agreement) having the commercial effect of a borrowing and treated as a borrowing under the Accounting Principles.
- (f) any derivative transaction based on mark-to-market value;
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (h) without double-counting any guarantee or other assurance against financial-loss in respect of a type referred to the above items (a) to (f).

Financial Report	:	The annual audited consolidated financial statements of the Group and the quarterly interim unaudited consolidated reports of the Group prepared in accordance with the Accounting Principles.
First North	:	The Multilateral Trading Facility (MTF), First North, operated by Nasdaq Riga.
First Settlement Date (Issue Date)	:	The date on which interest on the Notes starts to accrue: 8 July 2022.
Force Majeure Event	:	Has the meaning set forth in Clause 5.4.
Group	:	The group of the legal entities comprising of the Issuer and its direct or indirect Subsidiaries: <ul style="list-style-type: none">(1) GIVEN Jewellery AS, with registration No. 40203279291 and with a legal address at: Lielirbes iela 17A-11, LV-1046, Riga, the Republic of Latvia;(2) GIVEN Latvia SIA, with registration No. 40203166474 and with a legal address at: Lielirbes iela 17A-11, LV-1046, Riga, the Republic of Latvia;(3) GIVEN Estonia OÜ, with registration No. 14505229 and with a legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415 , the Republic of Estonia; and(4) GIVEN Lithuania UAB, with registration No. 305936789 and with a legal address at: Krokuvos g. 53-3, LT-09306 Vilnius , the Republic of Lithuania.
Guarantees	:	Guarantees (<i>galvojums</i>) made by the Guarantors in agreed form for the fulfilment of Issuer's obligations under the Notes in favour of the Noteholders as creditors and enforceable by the Collateral Agent as authorised representative of the Noteholders. Copies of the Guarantee are available for inspection upon request to the Issuer.
Guarantors	:	An entity providing the guarantee of fulfilment of Issuer's obligations under the Notes. The Notes shall be guaranteed by the companies indicated in Clause 3.2.6.
Intercreditor Agreement	:	The agreement dated 20 December 2021 and executed between the Collateral Agent and Signet Bank AS (registration No. 40003076407 and with a legal

address at: Antonijas iela 3, LV-1010, Riga, the Republic of Latvia) including its amendments, if any, regarding exercise of the pledge rights in case of the pledgor's default under the commercial pledges granted by the Company and sharing the proceeds and costs of foreclosure between the creditors on *pari passu* principles and mutual disclosures and cooperation.

- Interest calculation period** : The period of time between the First Settlement Date and the date of the first payment or between two Coupon Payment Dates.
- Interest Coverage Ratio (ICR)** : The ratio of EBITDA to Net Finance Charges for the Relevant Period.
- Inventory** : The inventory of the Group in accordance with the Accounting Principles.
- Inventory Coverage Ratio** : The ratio of Pledged Inventory plus consolidated Cash and Cash Equivalents of the Group divided by the Secured Financial Indebtedness.
- Issuer or Company** : GIVEN Jewellery AS, with registration No. 40203279291 and a registered address at: Lielirbes iela 17A-11, LV-1046, Riga, the Republic of Latvia and its current website address is: www.givenjewellery.com.
- Majority Noteholders** : Noteholders who collectively (excluding the Issuer, its direct and/or indirect shareholders and the Related Parties holding any Notes) hold in aggregate the Notes with the Nominal representing at least 1/2 (one half) of the aggregate Nominal of all outstanding Notes plus at least one additional Note (excluding any Notes held by the Issuer and the Related Parties (if such Notes exist)).
- For the avoidance of doubt, Notes held by the Issuer or the Related Parties shall not give them rights provided to the Majority Noteholders in accordance with these Terms of the Notes Issue.
- Maturity Date** : The date when the Notes shall be repaid in full at their Nominal Value by the Issuer, which is 31 July 2025.
- Minimum Settlement Unit** : The minimum amount which can be held and traded, which is equal to the Nominal Value.
- Nasdaq CSD or Depository** : Nasdaq CSD SE (with registration No. 40003242879 and with a legal address at: Valņu iela 1, LV-1050, Riga, the Republic of Latvia).
- Nasdaq Riga** : Nasdaq Riga AS (with registration No. 40003167049 and with a legal address at: Valņu iela 1, LV-1050, Riga, the Republic Latvia) and its current website address is: www.nasdaqbaltic.com.
- 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) excluding any payment-in-kind interest capitalized on loans from Related Parties and/or Subordinated Debt.
- Nominal Value** : Face value of a single Note, which is EUR 1,000.00 (one thousand euro).

Note	:	The debt security issued by the Issuer according to the Terms of the Notes Issue.
Noteholder	:	A private person or legal entity that is an owner of one or more Notes and has a claim against the Issuer as stipulated by the Applicable Laws.
Parallel Debt	:	The legal arrangement described in Clause 3.2.9 of these Terms of the Notes Issue.
Permitted Business	:	Any businesses, services or activities that are the same as, or reasonably related, ancillary or complementary to, any of the businesses, services or activities in which the Group is engaged on the Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities.
Pledged Inventory	:	Current and future inventory of the Group in accordance with the Accounting Principles that is pledged in favour of the Noteholders in accordance with the Collateral Agreements.
Potential Investor	:	Private person or legal entity that has, according to the terms stated in the Terms of the Notes Issue, expressed interest or is planning to purchase for its own account one or more Notes.
Promissory Note	:	An agreement between the Issuer and the Collateral Agent where the Issuer reassures it owes any sums due under these Terms of the Notes Issue to the Collateral Agent and which may be used, if necessary, for the purposes of registration and enforcement of the Collateral.
Prospectus Regulation	:	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Related Parties	:	Any person (natural person or legal entity) in relation to the Issuer or the Group defined as a “reporting entity” by the International Accounting Standards (IAS 24 - Related Party Disclosures).
Relevant Period	:	Each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar quarter.
Sanctions	:	AML, Sanctions, embargoes, restrictions and similar legislative measures adopted by OFAC, EU, UN and any governmental authority that has direct or indirect influence over affairs of the Group, Arranger or Collateral Agent.
Secured Financial Indebtedness	:	Means the aggregate principal amount of all outstanding Financial Indebtedness of the Group (including these Notes) that is secured by Collaterals (including Existing Collaterals and the Existing Guarantees) in form of a pledge on assets of the Group and which ranks <i>pari passu</i> with the Notes and Existing Secured Notes.
Settlement Unit Multiple	:	Multiple that defines the settlement quantity or nominal must be a multiple of the Minimum Settlement Unit.
Subordinated Debt	:	Unsecured debt of the Group in the form of loans from shareholders and/or Existing Subordinated Notes with maturity after the Maturity Date. The debt is subordinated to other more senior debts or notes (including these Notes and

Existing Secured Notes) with respect to claims on assets or earnings and is fully or partly repayable only if:

- (a) the Group's existing and future financial and other covenants are met after the repayment; and/or
- (b) settlement of all obligations under the Existing Secured Notes and Notes are made.

Subsidiaries

: Any entity including an unincorporated entity such as a partnership that is controlled by the Company as defined by the International Accounting Standards (IAS 27 – Consolidated and Separate Financial Statements).

As of the Date of Terms the Notes Issue the Issuer has three subsidiaries:

- (1) GIVEN Latvia SIA, with registration No. 40203166474 and with a legal address at: Lielirbes iela 17A-11, LV-1046, Riga, the Republic of Latvia;
- (2) GIVEN Estonia OÜ, with registration No. 14505229 and with a legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, the Republic of Estonia;
- (3) GIVEN Lithuania UAB, with registration No. 305936789 and with a legal address at: Krokuvos g. 53-3, LT-09306 Vilnius, the Republic of Lithuania.

Terms of the Notes Issue

: This document, which entitles the Issuer to execute the Issue and the initial offering of the Notes including issue of Notes in several tranches and each tranche is subject to the Terms of Notes Issue including security granted by the Collaterals.

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BELOW IS A DESCRIPTION OF THE RISK FACTORS THAT ARE MATERIAL FOR THE ASSESSMENT OF THE MARKET RISK ASSOCIATED WITH THE NOTES AND RISK FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES. SHOULD ONE OR MORE OF THE RISKS DESCRIBED BELOW MATERIALISE, THIS MAY HAVE A MATERIAL ADVERSE EFFECT ON THE CASH FLOWS, RESULTS OF OPERATIONS, AND FINANCIAL CONDITION OF THE ISSUER AND THE GROUP. MOREOVER, IF ANY OF THESE RISKS MATERIALISE, THE MARKET VALUE OF THE NOTES AND THE LIKELIHOOD THAT THE ISSUER WILL BE IN A POSITION TO FULFIL ITS PAYMENT OBLIGATIONS UNDER THE NOTES MAY DECREASE, IN WHICH CASE THE PROSPECTIVE INVESTORS COULD LOSE ALL OR PART OF THEIR INVESTMENTS.

BEFORE DECIDING TO PURCHASE THE NOTES, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THE FOLLOWING RISK FACTORS, IN ADDITION TO ALL OTHER INFORMATION PRESENTED IN THE TERMS OF NOTES ISSUE, AND CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS IF NECESSARY. MOREOVER, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT SEVERAL OF THE DESCRIBED RISK FACTORS CAN OCCUR SIMULTANEOUSLY AND TOGETHER WITH OTHER CIRCUMSTANCES COULD HAVE A POTENTIALLY STRONGER IMPACT ON THE ISSUER OR THE GROUP. THIS IS NOT AN EXCLUSIVE LIST OF RISK FACTORS, AND ADDITIONAL RISKS, OF WHICH THE ISSUER IS NOT PRESENTLY AWARE, COULD ALSO HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER AND THE GROUP.

1. RISK FACTORS

1.1. Important note

The risks indicated in this section, if some or all of them materialise, may reduce the Issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario.

This section may not feature all of the potential risks, which may affect the Issuer and the Group.

1.2. Risks related to the economic and regulatory environment

1.2.1. Macroeconomic risk

Changes or a downturn in the economic conditions of the Group's principal markets may affect consumer demand for discretionary items, due to a decline in disposable income and could have a material adverse effect on the Group's business, financial performance, operating results, liquidity and cash flows.

The Group is engaged in the jewellery retail business with a direct presence in three countries, namely the Republic of Latvia, the Republic of Estonia and the Republic of Lithuania. However, in the near future the Group may also expand its operations beyond the Baltic markets.

In 2020, the majority of the Group's revenue 91% (ninety-one per cent) was generated in the Republic of Latvia, while the Republic of Estonia made up the remaining 9% (nine per cent). During the first 3 (three) months of 2022, the Group generated 92% (ninety-two per cent) of the revenue in the Republic Latvia, 7% (seven per cent) in the Republic of Estonia and the remaining 1% (one per cent) in the Republic of Lithuania. Therefore, the Group is currently largely dependent on the revenue streams generated in Latvia and, by extension, dependent on the macroeconomic situation in the Republic of Latvia. As the Group's plan is to continue operating in the Baltic markets for the foreseeable future, it puts the Group in a position of high geographic concentration, being exposed to markets with similar characteristics.

The Baltic markets, however, are not immune to regional and global macroeconomic fluctuations. The Baltic markets are closely linked with the economies of the EU and the EMU. A slowdown in the EU may negatively affect the economies of the Baltic markets, causing an adverse effect on the Group's business operations.

The global economy and most industries have seen strong headwinds since the beginning of 2020, driven by the outbreak of the global pandemic (COVID-19). Although the Baltic markets experienced an economic downturn as a result of the global pandemic, the recession in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia was among the lowest in the EU.

Although the Baltic markets experienced an economic downturn as a result of the global pandemic, the recession in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia was among the lowest in the EU. During 2021 the economy has already been recovering and the Republic of Lithuania, the Republic of Estonia, and the Republic of Latvia showed real GDP growth of 4.9% (four-point-nine per cent), 8.3% (eight-point-three per cent), and 4.7% (four-point-seven per cent), respectively.

	Latvia			Estonia			Lithuania		
	2021	2022F	2023F	2021	2022F	2023F	2021	2022F	2023F
Real GDP (% yoy)	4.7	2.1	3.2	8.3	3.2	3.4	4.9	2.6	2.9
CPI (% yoy)	3.2	9.5	3.6	4.5	9.8	3.9	4.6	10.9	2.8
Unemployment (%)	7.6	7.3	-	6.2	5.8	-	7.1	6.5	-

Source: Bloomberg consensus

While the Baltics have demonstrated faster than expected economic recovery during 2021 and in the beginning of 2022 have also demonstrated solid GDP growth rates, the economists have revised downwards their GDP forecasts for 2022, as a result of rising inflationary pressures and negative effects from the war in Ukraine that leaves a proportionately bigger impact on the Baltic economies. Thus, overall uncertainty remains elevated and future economic growth rates could turn out to be lower and/or inflation could become higher, resulting in lower than expected consumer disposable income and demand for the Group's products and/or higher cost base, and thus lower business and financial performance of the Group.

1.2.2. Geopolitical risk

On 24 February 2022, Russia launched a military assault on Ukraine. This has led to significant volatility in the global credit markets and on the global economy. Although, as of the date of the Terms of the Notes Issue, the restrictive measures imposed against Russia and Belarus have had no direct material impact on the Group's performance, introduction of new sanctions packages, general deterioration of the economic situation and other aspects related to geopolitical events may affect the Group's business results.

The Group sells jewellery in the Baltic countries and transports the sourced materials across a variety of national jurisdictions and geographical areas. This entails a risk of business interruptions that may result from political circumstances, trade disputes or inadequacies in the legal systems and law enforcement mechanisms in certain countries from which the Group sources jewellery. The political circumstances or inadequacies of the legal systems and law enforcement mechanisms in certain countries from which the Group sources jewellery may have a material negative impact on the Group's reputation, revenue, cash flows and financial condition.

1.2.3. The ongoing global pandemic risk

The global economy has experienced a period of uncertainty since the outbreak of Covid-19, in March 2020. The global outbreak of Covid-19 pandemic, and the extraordinary health measures and restrictions on both a local and global basis imposed by authorities across the world has, and could continue to cause, disruptions in the Group's value chain also in the future. As a result of the Covid-19 situation, national authorities adopted several laws and regulations with immediate effect, and which provide a legal basis for the government to implement measures in order to limit contagion and the consequences of the pandemic. The pandemic situation has been continuously changing, and new laws and regulations that could directly, or indirectly, affect the Group's operations may enter into force. Additionally, the spread of pandemic among the Group's workforce can cause operation disruptions, thus, negatively affecting the Group's

revenue base. Thus, the effects of the Covid-19 (or a new pandemic) situation could negatively affect the Group's revenue and operations going forward, where the severity of the situation in the future and the exact impacts for the Group are uncertain.

The retail segment has been one of the most significantly affected by the global pandemic. The global pandemic poses a risk to the Group's employees, customers, suppliers, and communities in which the Group operates. Lockdown measures and other similar restrictions have resulted in temporary shop closures, modified shop operating hours, a decrease in customer traffic, work stoppages, slowdowns and delays, as well as travel restrictions, cancellation of events and disruptions to the Group's supply chain, among other effects, thereby negatively impacting the Group's operations.

Fully or partially closed shops, due to the waves of restrictions imposed by the government, have left a significant negative impact on the revenue of the Group. During the lockdown and periods when only a limited number of shops were open, the increase in revenue from the Group's e-commerce platform was not sufficient to fully offset the overall decline in revenue due to shop closures.

There may be a further decrease in demand for the Group's products in the event of further resurgences of the global pandemic or the occurrence of other pandemics, public health emergencies or threats, any of which may necessitate regulatory responses, resulting in temporary shop closures, modified shop operating hours, a decrease in customer traffic, work stoppages, slowdowns and delays, any of which may materially adversely affect the Group's business, financial condition and results of operations.

1.2.4. Regulatory risk

The Group is subject to national Latvian, Estonian and Lithuanian laws, as well as EU laws and regulations that regulate retailers generally, consumer rights protection, personal data processing, prevention of money laundering and terrorism and proliferation financing or govern the industry in which the Group operates. Any uncertainty as to the regulatory trends or changes in policies in relation to the Group's industry may delay or prevent the achievement of the strategic plans or increase the cost of implementing such plans. The sale of the Group's products and the provision of services are subject to a high level of regulation and oversight applicable to the consumer sector.

The Group complies with all legislative requirements and other regulations as at the date of the Terms of Notes Issue. Legislation and other regulations may change however, and the Management cannot guarantee, in such cases, it would be able to comply immediately, without material measures, with the requirements of revised legislation or other regulations. Adapting the Group's operations to any of the changes described above may incur costs for the Group that are difficult to anticipate, which in turn may have a material adverse effect on the Group's business, results of operations, and financial condition.

1.2.5. Changes in customs regulations

The majority of the Group's products are manufactured in Italy, Russia, Turkey and Hong Kong. With respect to the import of goods from jurisdictions that are not members of the European Union, the Group must comply with the respective national and European foreign trade and customs regulations and, *inter alia*, pay statutory custom duties when the products enter the territory of the EU.

The change in Applicable Laws and interpretation of regulations by various state agencies in the respective countries may cause delay, penalties and in the worst-case scenario the arrest of cargo. The event of changes in customs regulations may have an adverse effect on the Group's business and financial condition.

1.2.6. Taxation risk

The Group currently operates in three jurisdictions (the Republic of Latvia, the Republic of Estonia and the Republic of Lithuania) with different sets of tax regimes. Changes to local tax regimes, particularly in payroll taxes, or challenges to the current tax structures of the Group's business could have a material adverse effect on its business, financial condition, or results of operations. Additionally, certain tax positions taken by the Group require the judgement of management and, thus, could turn out to be inefficient or challenged by tax authorities due to the possible erroneous interpretation of tax legislation.

1.2.7. **Anti-money laundering breach risk**

The Issuer is subject to anti-money laundering laws and related compliance obligations in most of the jurisdictions in which it does business. The Group has put in place an anti-money laundering policy, which the Group applies in all of its jurisdictions of operation. The Group has also adopted local anti-money laundering policies and procedures in all of its countries of operation. However, these policies and procedures may not prevent all possible breaches of law. Country managers and other appointed persons in each jurisdiction are responsible for money laundering prevention and compliance.

The Group is required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks. If the Group is not in compliance with relevant anti-money laundering laws, it may be subject to criminal and civil penalties and other remedial measures. Although the Issuer invests significant resources in its anti-money laundering program and tools, any penalties, remedial measures or investigations into any potential violations of anti-money laundering laws could harm the Group's reputation and may have a material adverse effect on its business, financial condition, results of operations, prospects and cash flows. Further, anti-money laundering regulations may become at least as restrictive as those that apply to the banks, which will have a material adverse effect on the Group's business, financial condition, results of operations, prospects and cash flows.

1.2.8. **Privacy and data protection breach risk**

The Group's business is subject to a variety of laws and regulations that regulate user privacy issues, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. Severity of consequences in case of non-compliance with the said privacy laws may differ from jurisdiction-to-jurisdiction.

The introduction of new products or the expansion of the Group's activities in certain jurisdictions may subject the Group to additional obligations under privacy-related laws and regulations.

Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, the expansion into new markets, result in negative publicity, increase the Group's operating costs, require significant management time and attention, and subject the Group to inquiries or investigations, claims or other remedies, including demands which may require the Group to modify or cease existing business practices and/or pay fines, penalties or other damages. This may have a material adverse effect on the Group's business, financial condition, results of operations, prospects and cash flows.

Although the Group has adopted and continues to adopt appropriate technical and organisational measures (for example, adopting internal documents (policies, procedures, risk assessments, *etc.*) regulating privacy matters, conducting trainings of employees, appointing personal data protection officers, *etc.*, to ensure compliance with applicable privacy laws and regulations, the Group cannot guarantee its employees will comply at all times with such laws and regulations. If the Group's employees fail to comply with such laws and regulations in the future, the Group may become subject to fines or other penalties which may have an adverse impact on its reputation, business, financial condition, results of operations, prospects and cash flows.

1.3. **Risks related to the Group's business and industry**

1.3.1. **Risk of fluctuations of prices of precious metals**

The jewellery industry is subject to fluctuations in the prices of gold, silver and diamonds and, to a lesser extent, other precious and semi-precious stones. Even though the Group does not generally directly purchase the metals and other components of the jewellery it sells, price increases and the availability of gold, silver, diamonds and other precious metals are reflected in the manufacturing and assembling prices the Group pays to its suppliers and could have a material adverse effect on the Group's business, financial condition and results of operations.

Variations in gold prices have the greatest impact on the Group, as gold made up 85% (eighty-five per cent) of the Group's inventory, while silver constituted only 10% (ten per cent) of the Group's inventory as of 31 March 2022. Furthermore, the proportion of the price of gold in the total price that the Group pays for a given piece of jewellery is higher than the proportion of the price of silver and other precious metals. The Group does not enter into any hedging arrangements related to the price of precious metals.

The price of gold has significantly increased starting from 2019 – the price stood at USD 1,522.8 per ounce at the end of 2019 and since has increased to USD 1,937.1 per ounce as of 31 March 2022, showing a notable gain in value. However, in the future there is no guarantee that the gold prices will keep rising, and such an event would pose risk to the Group's inventory value.

While the rising gold price positively affects the value of the Group's inventory, in the event of a continued increase in the price of gold, the Group may be unable to continue to find new ways to sell affordable jewellery or may be unable to pass on the increasing costs to its customers. Increases in the prices of precious metals could threaten to price some of the Group's customers out of this market segment. These customers may decide to switch to the more accessible goods or non-precious segment at a lower price point. This would negatively affect the revenue, financial position and cash flows of the Group.

1.3.2. Risk of available retail space

As of 31 March 2022, 45 (forty-five) of the 46 (forty-six) Group's shops were located in shopping centres, with the remaining located in other standalone locations with relatively high consumer traffic.

In cases where the Group's shops are located near other retail shops, they benefit from the ability to generate consumer traffic in the vicinity of the Group's shops. In particular, the Group's sales are subject, to a significant degree, to the volume of customer traffic in shopping centres where its shops are located. A shopping centre's failure to attract popular retail brands could lead to low traffic into the centre and consequently to the Group's shops. Similarly, vacancies in shopping centres or shop closures by other retailers may also decrease customers' interest in visiting particular shopping centres. This in turn would have an adverse effect on the Group's customer traffic, sales and consequently its financial position.

Furthermore, the Group may not be able to continue to secure strategic locations for its shops in shopping centres or other desired locations. The performance of the Group's shops depends on the location of shopping centres and the customer traffic they generate. In order to generate customer traffic, the Group places many of its shops in prominent locations within shopping centres, favouring locations that are positioned strategically to best capture customer flows. However, the Group cannot control the availability of appropriate locations or their cost. The Group also faces competition for prominent locations from other retailers who may be preferred by shopping centre operators or property owners.

If the financial condition of the Group deteriorates or if the relationship with key shopping centre operators or property owners is adversely affected, the Group may not have the opportunity, or be able, to obtain new key locations and continue to maintain existing ones. The Group may be unable to renew the current lease agreements on favourable terms or at all in the future.

All of these factors relating to the Group's ability to secure high-quality locations could have a material adverse effect on the reputation, business, financial condition and results of operations of the Group.

1.3.3. Seasonality risk

The Group has historically achieved, and also expects to achieve in the future, higher sales and profitability in the fourth quarter of the calendar year due to the end-of-year holiday season. Sales in December for the Group are usually around two times higher than during other months. This affects the Group's working capital, liquidity and inventory levels.

Demands on the Group's product distribution and delivery network also fluctuate during the year in response to seasonal trends in the business. If the Group experiences lower-than-average results during the usual peak periods, for example, due to extreme weather discouraging or preventing customers from visiting the shops or other effects beyond the Group's control, such as the global pandemic, the adverse impact on the full-year results may be substantial.

In addition, if sales during the Group's peak trading periods are significantly lower than expected, the Group may not be able to adjust its expenses in a timely fashion and thus end up with relatively high inventory levels that could leave a negative impact on the Group's liquidity position. As a result, the Group may take certain actions, such as reducing inventory purchases for the forthcoming quarters, which may reduce the bargaining position with some of the suppliers and have an adverse effect on the financial position of the Group.

1.3.4. Risk of changes in consumer preferences

Jewellery is subject to changing consumer tastes and preferences. The Group's success depends, in large, on its ability to gauge, react and adapt to changing consumer demands in a timely manner and adjust the assortment accordingly. The products must appeal to a range of customers whose preferences cannot always be predicted with certainty.

The Group positions itself as a more accessible and modern brand than most of the other competitors, however, this segment could still be susceptible to changes in fashion trends and customer preferences and such changes could adversely impact the Group's business and financial results.

Any failure to anticipate, identify or respond effectively and swiftly to changes in consumer preferences and demand could adversely affect sales and the results of the Group's operations.

In addition, customers' attitudes towards gold, silver, other precious metals and gemstones could also influence the Group's sales. Attitudes could be affected by a variety of factors, including concerns over the sources of raw materials, the impact of mining and refining of minerals on the environment, as well as labour conditions in the supply chain. Any of these factors could adversely affect customers' perceptions of and preferences for precious jewellery and hence have a material adverse effect on the Group's business, financial condition and results of operations.

1.3.5. Risk from use of social media and influencers

There has been a marked increase in the use of social media platforms and similar devices or other forms of internet-based communications which allow individual access to a broad audience of consumers and other interested persons. Consumers value readily available information concerning retailers, manufacturers and their goods and services and often act on such information without further investigation, authentication and without regard to its accuracy.

The opportunity for the dissemination of information, including inaccurate information, is significant. Information concerning or affecting the Group may be posted on such platforms and devices at any time. Such information posted may be inaccurate and convey negative information about the Group, as well as may harm its brand image and business. Often the harm may be immediate without affording the Group an opportunity to redress or correct this issue before there has been a reaction from the public. Additionally, the Group bears a reputation risk from social media influencers whom the Group has worked or is working with, regardless of whether it is connected to their sponsorship of the Group's products, and the worsening of their reputation may negatively impact the reputation or the perception of the Group's brand.

The Group also uses social media platforms as marketing tools. For example, the Group maintains an official Instagram account where it posts regular updates concerning its newest products and events. However, as laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by the Group to abide by Applicable Laws and regulations in the use of these platforms and devices could adversely impact the business or subject the Group to reputational damage, fines or other penalties. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

1.3.6. Relations with key vendors and supply chain risk

The Group does not manufacture its products, but instead sources them from various third-party manufacturers, mainly in Italy, Russia, Hong Kong, and Turkey, which produce the merchandise according

to the Group's specifications. In total, the Group has around 50 (fifty) different partners from 14 (fourteen) countries around the world. In the first quarter of 2022, approximately 79% (seventy-nine per cent) of Group's supply (by value) was manufactured by 16 (sixteen) suppliers. The Group also relies on arrangements with third-party shipping companies for the delivery of its products.

Accordingly, the Group relies on third parties to manufacture and transport its products over large geographical distances. Any disruption to the supply chain caused by issues with the Group's suppliers can have an adverse effect on its inventory levels, assortment of products, revenues, financial condition and the Group's competitive position.

Delays in the manufacturing of the Group's products or shipments, or any interruptions of delivery of the products due to the unavailability of input materials, personnel, factory capacity or transportation, work stoppages, delays in customs inspections, political instability, security requirements or other factors beyond the Group's control, and costs and delays associated with transitioning between suppliers, could adversely impact the Group's ability to meet consumer demand and may result in fewer sales. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

1.3.7. Inventory management risk

The Group maintains a certain level of inventory to ensure the optimal flow of the inventory and the ability to satisfy customer demands. In the jewellery industry, the inventory can typically move slowly, with a high number of inventory days. Therefore, it is important for the Group to optimise the inventory levels accordingly.

The Group's inventory level as of 31 March 2022, was EUR 6.0 million (six million euro), constituting around 53% (fifty-three per cent) of the Group's total assets.

In the event of high levels of unsold stock, the Group could be required to sell some of its products at lower prices, which could negatively affect the Group's operating profits and have a materially adverse impact on its business and financial condition.

Alternatively, the Group may underestimate the popularity of one product compared to another and stock its shops inadequately as a result. To be responsive to shifting customer tastes, the Group must manage its product selection and inventory levels closely. The Group often places orders with its suppliers several months prior to delivery and frequently before market factors are known. If the Group misjudges, fails to identify or fails to react swiftly to changes in consumer preferences, its sales could decrease and the Group could see a significant increase in its inventories. Conversely, if the Group underestimates consumer interest in its products, it may experience inventory shortages, unfulfilled orders, increased distribution costs and lower revenue and profitability than the Group could otherwise have achieved. Nevertheless, the Group also has the possibility to remelt and sell its inventory of gold items in the secondary market, mainly to dealers of precious metals. However, there is no guarantee the selling price of the remelted stock will be equivalent to the cost of purchasing the stock.

1.3.8. Risk of theft or misappropriation of funds and products in the shops

In the ordinary course of the Group's business, the Group is exposed to risks of theft of products in its shops and at its warehouses. Products may also be misappropriated during transportation.

If a theft incident takes a violent turn, the Group may suffer reputational damage and its customers may become less inclined to visit the Group's shops, which could have an adverse impact on the business. Furthermore, the Group could suffer financial losses resulting in the loss of inventory, and the value of the Collateral Notes would also decline.

In addition, from time to time the Group may experience the misappropriation of funds in its shops or at other levels of the business, including by employees. The Group may fail to put the requisite level of monitoring and systems of internal control in place to enable the Group to detect any such theft or misappropriation. This could have a material adverse effect on the Group's business, financial condition, results of operations, value of Collateral, as well as reputation.

1.3.9. Intellectual property risk

The Group has brands and intellectual property rights that cover the products and services the Group offers, including trademarks and domain names. Therefore, the Group is dependent on its ability to protect and promote its brands and other intellectual property rights. To date, the Group has a registered a figurative trademark in the Republic of Latvia containing the verbal part “G Given by Grenardi” and submitted an application of a figurative and a verbal trademark containing the brand name “GIVEN”.

The Group cannot guarantee it is aware of all intellectual property rights of third parties its products and services may infringe upon, and that its intellectual property rights may not be challenged by third parties in the future, including by competitors. The Group may, for instance, be subject to intellectual property claims with respect to products that resemble some of its competitors’ designs and models.

If a court were to determine one or more of the Group’s products or services infringe upon the intellectual property rights held by others, the Group could be required to cease providing these products or services or pay damages or royalties to holders of such intellectual property rights. The Group also cannot guarantee that third parties will not infringe upon its intellectual property rights, for instance by using its trade names.

Should the Group’s intellectual property rights be challenged or infringed upon, or should the Group infringe upon the intellectual property rights of others, this may have an adverse effect on its business, results of operations and financial condition.

1.3.10. Financial leverage risk

While the Equity Ratio as of 31 March 2022 was 38% (thirty-eight per cent), the financial leverage of the Group will increase as a result of the Notes issue, which could result in negative consequences for the business and operations. Such consequences would include, but are not limited to, requiring the Group to dedicate a substantial portion of its cash flow to payments on the debt, increasing vulnerability to a downturn in business or general economic conditions, placing the Group at a competitive disadvantage relative to competitors with lower leverage, limiting flexibility in reacting to competition or changes in the business or industry.

Any of these or other consequences or events could have a material adverse effect on the Group’s ability to satisfy its obligations on Financial Indebtedness.

1.3.11. Dependence on managing employee risk

Retention of senior management is important in the Group’s business due to the limited availability of experienced and talented retail executives. If the Group were to lose the services from members of its senior management team and be unable to employ suitable replacements in a timely manner, its business, results of operations and financial condition could be materially and adversely affected.

In the future, the Group’s activities will be affected by its ability to attract, preserve, and motivate highly qualified and experienced personnel. There is relatively high competition for personnel with the relevant skills and experience in the Baltic markets. To retain and motivate its employees, the Group plans to grant employee stock options to its key senior management personnel.

1.3.12. Operational risks

Operational risk is a possibility of experiencing losses due to insufficient or unsuccessful internal processes, personnel management, systems, or external circumstances. Thorough personnel selection is carried out, accurate descriptions of job duties are compiled, division of duties is coordinated, which allows the Group and its management to reduce operational risks.

1.3.13. Growth and expansion risk

The Group is in an active expansion phase –in 2021 the Group opened 14 (fourteen) new shops, and it also plans to continue rapid expansion by opening new shops throughout the Baltic markets during the coming few years. Implementing the Group’s growth strategy requires significant additional investments, primarily

in inventory. If the new shops do not prove to be as successful as expected, the Group could face liquidity problems and challenges in serving its Financial Indebtedness.

Additionally, the Group competes with other regional retailers for shop locations. As a result, the Group may not be able to secure attractive sites for new shops. If the Group fails to identify and lease attractive shop locations, attract and hire skilled sales staff or implement the required infrastructure, the Group's expansion plans may slow down, and the intended increase of the Group's market share may fail to materialise.

The Group expects the complexity of its operations to increase as the Group continues to implement the growth strategy. Such increased complexity will require the Group to further expand and develop its operational capabilities and grow, train and manage its new employee base. Developing and refining the internal management systems, compliance tools, risk monitoring structures and financial controls required to manage the Group's future growth could place high demands on the Group and strain its resources. Delays in improving these systems and in reaching an appropriate level of staffing, may result in business and administrative oversights and errors, which may also lead to higher operating expenses.

Future growth could make it difficult for the Group to adequately predict the expenditures it will need to make in the future. Any such growth may also place increased burdens on the Group's suppliers, as the Group will likely increase the size of the orders. The Group may not be able to anticipate all the demands its expanding operations will impose on the Group's business, personnel, systems and controls and procedures, and the Group's failure to appropriately address such demands could have a material adverse effect on the business.

1.3.14. Competition risk

While the Group has found its unique market segment and positioning, becoming one of the largest retail chains in the Republic of Latvia, the overall competition in the Baltic jewellery market is relatively high. There is the inherent risk any of the Group's existing competitors could change their market positioning, directly targeting the Group's market segment and/or pursue a more aggressive expansion strategy, thus, leaving an adverse impact on the Group's business and financial performance. Additionally, there is a risk new market players not yet present in the Baltic markets could enter the market, thus creating additional competition for the local market players.

1.3.15. Brand image risk (reputation risk)

Brand image has significant importance in the jewellery industry and can contribute to the success of the business by attracting customers to the shops and generating web traffic to the e-commerce platform. Brand image is also important for a successful expansion strategy. It requires the Group to make additional investments in areas such as marketing and advertising, as well as the day-to-day investments required for shop operations, website operations and employee training. Maintaining, promoting and positioning the Group's banners will largely depend on the success of the Group's design, marketing and merchandising efforts, and the ability to provide a good customer experience and identify products and fashion trends that meet the expectations of the Group's target customers. The Group's brands could be adversely affected if the Group fails to achieve these objectives or if its public image or reputation were to be affected by negative publicity.

1.3.16. IT Systems risk

The Group depends on IT systems for conducting several aspects of its operations, including processing customer transactions, managing purchases, its inventory, "buy now, pay later" processes, monitoring the performance of the Group's shops, managing the Group's internal financial operations and administrating the e-commerce platforms.

Accordingly, any failures and disruptions in the Group's key information systems may cause revenue to decrease and operating expenses to increase, which could result in material adverse effects on the Group's business, financial condition and results of operations.

1.3.17. E-commerce risk

The Group believes its e-commerce platforms will play an increasingly important role in its business in the future. The Group faces certain risks in relation to its e-commerce business.

E-commerce activity relies on third-party computer hardware and software services. The Group's e-commerce platform may become unstable or unavailable due to necessary upgrades or the failure of IT systems caused by computer viruses, telecommunication failures, cyberattacks and similar disruptions, or the disruption of the internet service, whether for technical reasons or due to other causes. Any such failure or disruption could undermine customer confidence in the reliability of the Group's e-commerce platform services and place it at a competitive disadvantage.

There is also a need to keep up-to-date with rapid technological changes and implement new functionalities on the Group's e-commerce platforms, which creates a risk of unexpected costs being incurred in connection with the development of the Group's e-commerce platform. There is the inherent risk customers will find the Group's e-commerce websites difficult to use and use them less than expected.

Furthermore, the Group bears liability for online content published on its e-commerce platforms. The Group is also liable for any security breaches, consumer privacy concerns, online credit card fraud and problems with adequately securing our payment systems related to the operation of its e-commerce platforms.

Failure to respond accordingly to these risks and uncertainties could reduce e-commerce revenue, as well as have a detrimental effect on the brands, reputation and prospects.

1.3.18. Credit risk of clients

Similar to some of the Group's peers in developed countries, the Group also offers a "buy now, pay later" service to its clients. In 2021, such sales only constituted 3.4% (three point four per cent) of the Group's sales, however, the share of the Group's customers using this service could increase in the future.

The Group uses an internal scoring model to evaluate the customer's creditworthiness and always makes sure the first down-payment exceeds the cost of the product to the Group, thus limiting its credit risk exposure. Nevertheless, this service exposes the Group to the credit risk of its customers, as the Group is subject to the risk that its customers will not pay or will delay payment for the products and services purchased. Worsening payment discipline among the Group's customers could have a material adverse effect on the Group's financial condition and results of operations.

1.3.19. Risk of natural disasters and other business disruption

The Group's operations are vulnerable to damage or interruption from various natural disasters and business disruptions, such as fire, flood, power losses, telecommunication failures, terrorist attacks, acts of war, human error, and other events. A significant natural disaster could have a material adverse impact on the Group's ability to conduct its business, and insurance coverage may be insufficient to compensate losses that may occur. Although the Group has implemented business continuity plans, acts of terrorism, war, civil unrest, violence or human error could cause disruptions to the Group's business or the economy as a whole. Any of these occurrences may have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

1.3.20. Employee risk

As of 31 March 2022, the Group operates with 151 (one hundred and fifty one) full-time employees, of whom 133 (one hundred and thirty three) are located in the Republic of Latvia, 13 (thirteen) in the Republic of Estonia and 5 (five) in the Republic of Lithuania. The Group's employees are a significant part of the overall customer experience and brand image of the Group. Therefore, it is of high importance for the Group to have a professional and highly skilled team of employees with low employee turnover rate. To retain and motivate its personnel, the salary of sales personnel consists of a fixed part and variable part

ties to the monthly sales made by the seller and its team. In addition, employees are offered special prices on its products.

Additionally, considering the Group's expansion plans, it will be necessary to attract a relatively large number of new employees. The Group may be unable to attract enough skilled employees that would fit the needs and the corporate culture of the Group. Training of the new employees also takes time and resources. As the Group operates in various regions and cities, it might be difficult to source employees locally for the respective job roles due to a mismatch of skills and job requirements. Additionally, the Group plans to expand its operations in the Republic of Lithuania, where the Group has no previous presence and has not yet established its brand name. In this case, the Group faces risks related to entering a new labour market. Any difficulties in attracting new employees could have an adverse effect on the Group's service quality and reputation, business, results of operations and financial condition.

1.4. Risks related to Notes

1.4.1. Notes repayment risk

The Notes will rank *pari-passu* with other senior Secured Financial Indebtedness of the Issuer including Existing Secured Notes. Directly after the Notes issue, the Group's only Secured Financial Indebtedness will be the Notes and the Existing Secured Notes. However, the Group is permitted to assume additional Financial Indebtedness, including Secured Financial Indebtedness and pledging the same assets (including obtaining guarantees (*galvojums*) from the Subsidiaries and third parties) in favour of other creditors on *pari-passu* basis as jointly shared same rank security among all secured creditors in the future if the Covenants set forth in Clause 5 of these Terms of the Notes Issue are met. In particular, the Collaterals, the Existing Collaterals, the Guarantees and the Existing Guarantees shall be adjusted to cover also claims of other creditors on *pari-passu* basis as set out in this paragraph.

In case of the Issuer's insolvency, Noteholders have the same rights to receive their investment as other creditors of the relevant group in accordance with Applicable Laws. There are no contracts or other transaction documents, which would subordinate the claims of Noteholders to other secured obligations of the Group.

The Issuer may not have the ability to repay or refinance these obligations. If the maturity date occurs at a time when other arrangements prohibit the Issuer from repaying the Notes, it could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or the Issuer could attempt to refinance the borrowings that contain the restrictions. If the Issuer fails to obtain the waivers or refinance these borrowings, it would be unable to repay the Notes.

1.4.2. Liquidity risk

Neither the Issuer nor any other individual guarantees the minimum liquidity of the Notes. Thus, the Potential Investors should take into account the fact that they may not be able to sell or may face difficulties in selling their Notes on the secondary market at their fair market value or at all.

1.4.3. Delisting risk

After registration of the Notes the Issuer plans to request admission to trading of the Notes on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga. There is a risk Nasdaq Riga will not accept the Notes to be admitted to trading on First North or order the Notes are delisted from First North before maturity after admission to trading has taken place due to changes in Applicable Laws, including Nasdaq Riga regulations, or recommendations by the FSA.

1.4.4. Price risk

The development of market prices of the Notes depends on various factors, such as changes of interest rates, central bank policies, overall economic development, or demand for the Notes.

Neither the Issuer, nor any other person undertakes to maintain a certain price level of the Notes. The Potential Investors are thus exposed to the risk of unfavourable price development of their Notes if they

sell the Notes prior to final maturity. If the Potential Investor decides to hold the Notes until maturity, the Notes will be redeemed at their Nominal Value.

1.4.5. **Early redemption risk**

According to the Terms of Notes Issue, the Notes may be redeemed prematurely at the initiative of the Issuer. If the early redemption right is exercised by the Issuer, the rate of return from the investment into the Notes may be lower than initially expected, as the Potential Investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Notes being redeemed. The Group's redemption right may also adversely impact the Potential Investor's ability to sell such Notes.

1.4.6. **Tax risk**

Tax rates and tax payment procedure applicable at the time of purchase of the Notes to tax residents, non-residents of the Republic of Latvia, and residents of other jurisdictions may change. The Issuer will not compensate the increase in taxes to the Potential Investors, therefore the Potential Investors may receive smaller payments related to Notes.

1.4.7. **Resolutions of Noteholders risk**

The majority resolution of the Noteholders is binding to all Noteholders. Thus, a Noteholder is subject to the risk of being outvoted by a majority resolution of the other Noteholders. As such, certain rights of such Noteholder against the Issuer may be amended or reduced, or even cancelled, without its consent.

1.5. **Risks related to Collateral and Guarantees**

1.5.1. **Risk associated with registering the Collateral**

The Issuer, on the date of these Terms of the Notes Issue, has arrangement with Signet Bank AS to provide guarantees to the Group in connection with the lease agreements (lease contract guarantees as disclosed in Clause 11.10) that is secured with the Bank's Security. As the amount of the total guarantees issued by Signet Bank AS will increase, the 4th pledge on the same assets will be added to the Bank's Security. Although the Bank's Security is the commercial pledge over same assets, but registered after the Existing Collateral, the Intercreditor Agreement ranks the Existing Collaterals and the Collaterals issued by GIVEN Latvia SIA on *pari passu* with the Bank's Security. The Intercreditor Agreement provides for different split of the proceeds in comparison with rules set by Applicable Laws, but follows *pari passu* principle between the creditors. If the Terms of the Notes Issue are in contradiction with the Intercreditor Agreement, the Terms of the Notes Issue shall prevail.

Although, in theory, Signet Bank AS shall approve the changes to the Existing Collateral as intended under the Terms of the Notes Issue (i.e. to increase of the existing commercial pledge in Latvia in favour of the noteholders of the Existing Secured Notes with the purpose to add debt owed to the Noteholders and increasing the commercial pledge up to total Nominal Value of the Notes), the Issuer's management is not aware of events that may delay or make it impossible to receive such consent.

There is a risk that noteholders of the Existing Secured Notes will object to sharing the Existing Collaterals and the Existing Guarantees with the Noteholders on the terms and conditions as envisaged by the Terms of the Notes Issue and as a result of such objections by Signet Bank AS or the noteholders of the Existing Secured Notes registration of the Collaterals and issue of Guarantees may be adversely affected, including validity, enforceability or delay in registration with the Commercial Pledge Registers.

1.5.2. **Risks associated with the Collateral Agent Agreement**

The Noteholders are represented by the Collateral Agent in all matters relating to the Collateral. There is a risk the Collateral Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Collateral. Subject to the terms of the Collateral Agent Agreement, the Collateral Agent is entitled to enter into agreements with

a third-party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Collateral or for the purpose of settling, among others, the Noteholders rights to the Collateral.

1.5.3. Risks associated with the value of the Collateral

The value of the Collateral is not fixed and is subject to changes in several factors, primarily, changes in gold and precious metal prices, which can be unpredictable and are out of the Group's control. Thus, the value of the Collateral might decline along with the fluctuations of prices of gold and other precious metals. Additionally, if a sudden necessity to sell the Collateral were to arise, the Group might be forced to sell the Collateral at a discount on its market value and derive less value than expected from it.

Moreover, the Collateral structure could change over time due to changes in the Group's inventory and overall asset structure. Additionally, the Collateral is subject to damage defects, and the risk of theft. The jewellery can get damaged which could affect the resale value, if such a necessity were to arise. Any of these risks related to the Collateral can negatively affect the value of the Collateral and the Group's ability to meet its obligations under the Notes.

Considering the Collateral Agent does not supervise the quality of the Collateral during the duration of the Issuer's obligations and the Collateral Agent has no liability to the Noteholders in this regard, there is a risk the Collateral may be taken over, but the realisation of the Collateral may be insufficient to fully satisfy the Noteholders' claims.

1.5.4. The Collateral and the Guarantees will be subject to certain limitation on enforcement and may be limited by the Applicable Laws or subject to certain defences that may limit its validity and enforceability

The Collateral and the Guarantees provide the Collateral Agent, acting for the benefit of the Noteholders, with a claim against the relevant Collateral Provider and the Guarantor. However, the Collateral and the Guarantees will be limited to the maximum amount that can be guaranteed by the relevant Collateral Provider without rendering the relevant Collateral and Guarantee voidable or otherwise ineffective under Applicable Laws, and enforcement of each Collateral and Guarantee would be subject to certain generally available defences.

Enforcement of any of the Collateral against any Collateral Provider, or enforcement of any of the Guarantees against the Guarantors will be subject to certain defences available to Collateral Providers or Guarantors in the relevant jurisdiction. Although laws differ among jurisdictions, laws and defences generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally. If one or more of these laws and defences are applicable, a Collateral Provider may have no liability or decreased liability under its Collateral and Guarantee depending on the amounts of its other obligations and Applicable Laws.

There is a possibility the entire Guarantee or Collateral may be set aside, in which case the entire liability may be extinguished. If a court decided a Guarantee or Collateral was a preference, fraudulent transfer or conveyance and voids such Guarantee or Collateral, or holds it unenforceable for any other reason, the Noteholder may cease to have any claim in respect of the relevant Guarantor or Collateral Provider and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor or Collateral Provider under the relevant Guarantee or Collateral which has not been declared void or held unenforceable.

The Notes will be guaranteed by the Guarantors, which are organised or incorporated under the laws of three jurisdictions. In the event of a bankruptcy, insolvency or similar event of a Guarantor, bankruptcy, insolvency or similar proceedings could be initiated against that Guarantor in any of the relevant jurisdictions. The rights of Noteholders under the Guarantees will thus be subject to the laws of a number of jurisdictions, and it may be difficult to enforce such rights in several bankruptcy, insolvency and other similar proceedings.

Moreover, such multi-jurisdictional proceedings are typically complex and costly for the creditors. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of organisation of

the Issuer or the Guarantors may be materially different from, or in conflict with, one another, including in relation to the creditor's rights, the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over laws of which jurisdiction(s) should apply and could adversely affect the ability to realise any recovery under the Notes and the Guarantees.

1.5.5. The enforcement of the Guarantee and the Collateral will be subject to the procedures and limitations set out in the Collateral Agent Agreement and these Terms of the Notes Issue

Even when the Collateral is enforceable, the enforcement is subject to the procedures and limitations agreed in the Collateral Agent Agreement and the Terms of the Notes Issue. There can be no assurance as to the ability of the Noteholders to instruct the Collateral Agent to initiate any enforcement procedures. Furthermore, any enforcement of security may be delayed due to the provisions of the Collateral Agent Agreement and these Terms of the Notes Issue.

Under the Collateral Agent Agreement, the Majority Noteholders may pass a decision to replace the Collateral Agent at any time. At any time, the Collateral Agent may resign from its role as the Collateral Agent with 1 (one) month notice. Furthermore, the Collateral Agent's professional liability is insured with an Estonian insurance company If P&C Insurance AS with the insured amount up to EUR 2,000,000.00 (two million euro).

1.5.6. The rights of the Noteholders depend on the Collateral Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of the Collateral Agent as the agent and representative of the Noteholders, to represent and act for such secured creditors, *i.e.*, Noteholders, in relation to the Collateral.

Only the Collateral Agent is entitled to exercise the rights under the Collateral and enforce the same. Any failure by an agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Noteholders due to, for example, inability to enforce the security and/or receive any or all amounts payable from the security in a timely and effective manner due to decisions of state courts in any jurisdiction.

* * *

2. PARTY RESPONSIBLE FOR THE TERMS OF THE NOTES ISSUE

2.1. Party responsible for the Terms of the Issue

GIVEN Jewellery AS

Registration No. 40203279281

LEI code: 9845008F599B95980934

Registered office: Lielirbes iela 17A-11, LV- 1046, Riga, the Republic of Latvia

2.2. Representations and Warranties of the Issuer

The Issuer shall, in accordance with these Terms of the Notes Issue, issue Notes and perform the obligations arising from the Notes to the Noteholders. The Issuer shall be liable to the Noteholders for due and complete fulfilment of its obligations deriving from the Notes.

The Issuer represents and warrants the following warranties to the Noteholders and the Collateral Agent:

- (a) The Issuer is a duly registered public limited liability company operating in compliance with the laws of the Republic of Latvia;
- (b) All the Issuer's obligations assumed under this issue of the Notes are valid and legally binding to the Issuer and performance of these obligations is not contrary to the Issuer's Articles of Association, laws or any agreement concluded by the Issuer;
- (c) The Issuer has all the rights and sufficient authorisations to issue the Notes, to provide the Collaterals, to register the Collaterals in the Commercial Pledge Register(s) and fulfil obligations arising from issuing the Notes and the Existing Secured Notes;
- (d) The Issuer has performed all the formalities required for issuing the Notes and fulfilling the obligations arising here from;
- (e) The Issuer has fully complied with the Terms of the Notes Issue of the Existing Secured Notes and terms of agreements between the Collateral Agent and the Issuer regarding Existing Collaterals and Existing Guarantees and also the collateral agreements regarding the Existing Secured Notes are fully complied with by the pledgees;
- (f) The Issuer has fully complied with the terms of the Existing Subordinated Notes;
- (g) All information that is provided by the Issuer to the Noteholders is true, accurate, complete and correct as at the date of presenting the respective information and is not misleading in any respect;
- (h) The Issuer and its Subsidiaries are solvent, able to pay its debts as they fall due, there are no liquidation or insolvency proceedings pending or initiated against the Issuer or its Subsidiaries;
- (i) There are no legal or arbitration proceedings pending or initiated against the Issuer, which may have, or have had significant effect on the Issuer's financial position or profitability;
- (j) Directly or, to the Issuer's knowledge, indirectly, use the proceeds from the Notes, and shall procure that none of it or their directors, officers, employees or agents directly or, to the Company's knowledge, indirectly, use the proceeds from the Notes: (i) to fund, finance or facilitate any activities or business of or with any person that is, or is owned or controlled by persons that are, or in any country, region or territory, that, at the time of such funding, financing or facilitating is, or whose government is, the target of Sanctions; or (ii) in any other manner that would result in a violation of Sanctions by any person (including, any person participating in the subscription of Notes, whether as lender, underwriter, advisor, investor, or otherwise);
- (k) There are no criminal or misdemeanour proceedings pending or initiated against the Issuer.

2.3. **Assurance of the information provided in the Terms of the Notes Issue**

The Issuer and its members of the board are responsible for the information contained in Terms of the Notes Issue.

Hereby I, undersigned member of the board of GIVEN Jewellery AS Ģirts Rudzītis certify the Issuer has taken all reasonable care to ensure the information contained in these Terms of the Notes Issue is, to the best of the Issuer's knowledge, true, complete and not misleading in any material respect.

AS GIVEN Jewellery

/e-signature/

Ģirts Rudzītis
Member of the Board

* * *

3. INFORMATION ON NOTES

3.1. The use of the proceeds

The total issue size is EUR 4,000,000.00 (four million euro).

Funds that will be raised by the Notes issue will be used to finance the Group's working capital needs including fit out costs of new shops.

3.2. Information on the offered Notes

3.2.1. General information

The Notes are bearer and any individual or entity that holds the Notes in his/her securities account has the right to receive Coupon and the Nominal Value payments. It is planned to issue Notes with a Nominal Value of EUR 1,000.00 (one thousand euro) for one Note and total nominal value of EUR 4,000,000.00 (four million euro).

The ISIN (International Security Identification Number) of the Notes allocated by Nasdaq CSD is LV0000860104.

3.2.2. Applicable Laws that regulate the Notes issue

The Notes issue is a private placement arranged in compliance with the Financial Instrument Market Law (*Finanšu instrumentu tirgus likums*) and other Applicable Laws of the Republic of Latvia that are in force including the FSA, the Nasdaq CSD and the Nasdaq Riga regulations. Minimum subscription size for the Notes is EUR 100,000.00 (one hundred thousand euro) with minimum step of EUR 1,000.00 (one thousand euro).

All disputes between any one or more Noteholders and the Issuer shall be settled in courts of the Republic of Latvia in accordance with the Applicable Laws of the Republic of Latvia in force. The Terms of the Notes Issue are drafted and signed in English and any translations of the Terms of the Notes Issue into another language are unofficial and made exceptionally for the Potential Investors' convenience. In case of any disputes' settlement, interpretation of the norms of the Terms of the Notes Issue in English holds the priority against an interpretation in any other language.

3.2.3. Form and accounting of the Notes

The Notes are issued in dematerialised form and will be recorded in the Latvian SSS (securities settlement system governed by Latvian Applicable Laws), which will provide the maintaining function for the Notes. Noteholders may hold Notes through Nasdaq CSD participants participating in the Latvian SSS.

3.2.4. Currency of the Notes

Currency of the Notes is EUR (euro).

3.2.5. Status of the Notes

The Notes rank *pari passu* with other senior secured obligations of the Issuer including the Existing Secured Notes. In case of the insolvency of the Issuer, the Noteholders will be entitled to recover their investment on the same terms as other senior secured creditors (including Existing Secured Notes) in the respective claims' group according to the relevant Applicable Laws. Save for mandatory provisions of law, there are no contracts or other transaction documents that would subordinate the claims of the Noteholders to other secured liabilities of the Group.

On the Issue Date, in addition to Existing Secured Notes the Issuer has an outstanding Existing Subordinated Notes issued to shareholders in the amount of EUR 3,603,000.00 (three million six hundred three thousand euro).

3.2.6. Guarantors of the Notes

The Guarantors guarantee the fulfilment of Issuer's obligations under the Notes.

The Notes shall be guaranteed by each of the Subsidiaries by issue of the Guarantees:

- (a) GIVEN Latvia SIA, with registration No. 40203166474 and a legal address at: Lielirbes iela 17A-11, Riga, LV-1046;
- (b) GIVEN Estonia OÜ, with registration No. 14505229 with a legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, the Republic of Estonia;
- (c) GIVEN Lithuania UAB, with registration No. 305936789 and with a legal address at: Krokuvos g. 53-3, LT-09306 Vilnius, the Republic of Lithuania.

Guarantees will be issued to Collateral Agent as authorised representative of the Noteholders and for the benefit of the Noteholders and the Existing Noteholders as creditors in the agreed form. The Guarantors shall issue the Guarantees and deliver them to the Collateral Agent within 30 calendar days from the date of Terms of the Notes Issue. Existing Guarantees issued by GIVEN Latvia SIA and GIVEN Estonia OÜ under the Existing Secured Notes will be replaced by the Guarantees issued by the Guarantors in the amount of each guarantee of EUR 7,000,000 (seven million euro) for the benefit of the noteholders of the Existing Secured Notes and the Noteholders.

3.2.7. Collateral of the Notes

The Notes, including any forthcoming notes issued, should there be any, will be secured with a commercial pledge over all assets of the Collateral Providers as an aggregation of property at the moment of pledging, as well as its future components and it will be shared with other creditors on *pari-passu* basis.

The Collateral shall be established in accordance with the terms and conditions of the relevant Collateral Agreement to be concluded between the Collateral Agent as pledgee and the relevant Collateral Provider as pledgor. The Collateral shall be established (registered) in the Commercial Pledge Registers within 90 (ninety) days after the Issue Date. The Collaterals shall be established in proportion (pro-rata) in case of commercial pledge enforcement – giving the Noteholders and the noteholders of the Existing Secured Notes equal rights to their respective share of the entire commercial pledge.

Ranking of the Notes as the liabilities of the Issuer shall be *pari passu* (equivalent with no priority) with the other liabilities of the Issuer (including Existing Secured Notes) secured in accordance with the collateral agreements.

Collateral Agent will hold the Collaterals for the benefit of the Noteholders and noteholders of the Existing Secured Notes and the Collateral Agent is authorised to act with the Collaterals in favour of all the Noteholders in accordance with the Terms of the Notes Issue and the Collateral Agent Agreement and its amendments. Noteholders have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for Noteholders' right to use any right that the law or Terms of the Notes Issue provide and create and/or authorise an organisation/person that represents and acts on behalf of all Noteholders or part thereof. In case of the insolvency of the Issuer, every Noteholder has the right to represent their own interests in creditors' meetings. The Noteholders will have equal rights for satisfaction of their claims with other creditors ranking in the same claims' group.

The Collateral Provider shall be responsible for all the costs related to the registration of the Collateral and changes to the Collateral as specified herein.

As the current and forecasted (as at the end of 2022) inventory of GIVEN Estonia OU and GIVEN Lithuania UAB is below EUR 1,500,000 for each entity, the pledge on these assets will be registered in the amount of EUR 4,000,000 for each entity accordingly. The commercial pledge on the assets of GIVEN Latvia SIA will be registered in the amount of EUR 7,000,000.

Consequently, GIVEN Latvia SIA will provide commercial pledge on assets in the amount of EUR 7,000,000 and guarantee in the amount of EUR 7,000,000. GIVEN Estonia OÜ will provide pledge on its assets in the amount of EUR 4,000,000 and guarantee in the amount of EUR 7,000,000. GIVEN Lithuania UAB will provide pledge on its assets in the amount of EUR 4,000,000 and guarantee in the amount of EUR 7,000,000.

Due to merger of Collaterals under the Existing Secured Notes and the Notes, the Issuer and the Collateral Agent shall replace the existing collateral agent agreement executed in connection with the Existing Secured Notes with the Collateral Agent Agreement where the Collateral Agent acts in the interests of noteholders under the Existing Secured Notes and the Notes jointly.

3.2.8. Additional Collateral of the Notes

The Issuer shall: (a) procure that any Subsidiary of the Issuer which is not a Collateral Provider as of the Issue Date shall enter into transaction security documents with the Collateral Agent substantially equivalent to the existing Collateral Agreement (an “Additional Collateral Provider”); and (b) shall grant a pledge over assets of such Additional Collateral Provider to the Collateral Agent if the Issuer has detected the existing Collateral might not be sufficient to cover the requirements of the Inventory Coverage Ratio as under the Clause 5.1.3. for the subsequent quarter. Such Additional Collateral Provider shall become a “Collateral Provider” and such new transaction security documents shall be “Collateral Agreement” for the purpose of these Terms of the Notes Issue. Notwithstanding the foregoing, the Issuer shall not be obligated to cause a Subsidiary to grant the Collateral to the extent such new Additional Collateral by a Subsidiary would reasonably be expected to give rise to or result in a violation of Applicable Laws which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Subsidiary or any liability for the officers, directors or shareholders of a Subsidiary.

3.2.9. Parallel Debt

- 3.2.9.1. Notwithstanding any other provision of the Terms of the Notes Issue, for the purpose of ensuring and preserving the enforceability of the Collateral, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the Noteholders and as a solidary creditor together with the Noteholders for the purposes of Latvian Applicable Laws, sums equal to and in the currency of each amount payable by the Issuer to each of the Noteholders (whether present or future and whether actual or contingent) in accordance with these Terms of the Notes Issue as and in case the amount falls due for payment under these Terms of the Notes Issue.
- 3.2.9.2. The Collateral Agent shall be entitled to act as a joint creditor (jointly with the Noteholders and noteholders of the Existing Secured Notes) of each and every Note (whether present or future and whether actual or contingent) of the Issuer to the Noteholders or any of them and, accordingly, the Collateral Agent shall have its own independent right to demand performance by the Issuer of any of those obligations.
- 3.2.9.3. For the avoidance of doubt, the aggregate amount due by the Issuer under the Parallel Debt will be decreased to the extent the Issuer has paid any amounts to the Noteholders under these Terms of the Notes Issue.
- 3.2.9.4. For the avoidance of doubt, to the extent the Issuer has paid any amounts to the Collateral Agent under the Parallel Debt the aggregate amount due by the Issuer to the Noteholders under these Terms of the Notes Issue will be decreased accordingly.
- 3.2.9.5. To the extent the Collateral Agent receives any amount in payment of the Parallel Debt following its respective specific written claim made to the Issuer, the Collateral Agent shall transfer such amount to the Noteholders in accordance with Clause 3.2.12.2. of these Terms of the Notes Issue and other sections (if any).
- 3.2.9.6. For the avoidance of doubt, the Parallel Debt shall become due and payable at the same time and to the same extent as the obligations of the Issuer to the Noteholders under these Terms of the Notes Issue have become due and payable.

3.2.10. Rights and Obligations of the Collateral Agent

- 3.2.10.1. By submitting a subscription order or acquiring the Notes on the secondary market, each Noteholder:

- (a) appoints the Collateral Agent to act as its agent and to perform the obligations and exercise the rights in connection with the Collateral as set forth in these Terms of the Notes Issue, the Collateral Agreement and the Collateral Agent Agreement and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under or in connection with these Terms of the Notes Issue, the Collateral Agreement, and the Collateral Agent Agreement;
- (b) acknowledges the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent;
- (c) confirms the fact that the Collateral Agent acts under the Collateral Agent Agreement concluded with the Issuer or acting in the interests of the noteholders under the Existing Secured Notes does not constitute any conflict of interests with respect to the Noteholders;
- (d) confirms the fact that the Collateral secures, *inter alia*, the Issuer's obligations towards the Collateral Agent does not constitute any conflict of interests with the Noteholder (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 3.2.10.10 and other clauses of these Terms of the Notes Issue). Each Noteholder acknowledges the fact that the Collateral secures, *inter alia*, the Issuer's obligations towards the Collateral Agent shall not prevent the Collateral Agent from fulfilling its obligations and acting in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement;
- (e) agrees upon the performance of its obligations and exercising of its rights in connection with the Collateral, the Collateral Agent shall be entitled to act at its own discretion, considering the interests of the Noteholders collectively and generally (and not of any particular Noteholder), unless specifically instructed otherwise by the Majority Noteholders in accordance with Clause 3.2.11.4(b), 3.2.11.6, 3.2.11.7 of these Terms of the Notes Issue and without prejudice to Clause 3.2.11.10 of these Terms of the Notes Issue;
- (f) agrees the Collateral Agent shall have the right to advise the Issuer and to provide any services to the Issuer in any matters and in any fields of activity which do not directly relate to the performance of obligations of the Collateral Agent set forth in these Terms of the Notes Issue, and the Noteholder does not consider this to cause any potential or actual conflict of interests;
- (g) each private individual or legal entity as well as their authorized representatives upon the request of the Collateral Agent, are obliged to disclose to the Collateral Agent all information and documents on these private individuals or the legal entities and as well as their authorized representatives and the Collateral Agent is entitled to receive this information and documents for the purposes of performance of duties of the Collateral Agent. This information and documents also include those documents and information that are necessary to the Collateral Agent in order to fulfil the Collateral Agents obligations regarding AML and Sanctions regulation requirements (e.g. information and documents on the beneficial owner).

3.2.10.2. The functions and obligations of the Collateral Agent are limited to those expressly specified in the Collateral Agent Agreement and these Terms of the Notes Issue and, notwithstanding any other provisions of these Terms of the Notes Issue, such functions are limited to the exercise of those rights which belong to the Collateral Agent in its capacity as the holder of the Collateral (pledgee). The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Collateral Provider establishes the Collateral in the interests of the Noteholders and under the name of the Collateral Agent (as the holder of the Collateral (pledgee)) in accordance

with these Terms of the Notes Issue to secure the Notes. The Collateral Agent does not have any obligation:

- (a) to take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to satisfy any claims arising under these Terms of the Notes Issue in connection with any assets of the Issuer, except for enforcing the Collateral in accordance with these Terms of the Issue and the Collateral Agreements upon the Collateral becoming enforceable and receiving the relevant instructions from the Majority Noteholders;
- (b) to ensure the existence, enforceability or validity of the Collateral or to preserve the Collateral or its value or to assess any rights arising from or relating to the Collateral (except for the validity of the Collateral after its establishment to the extent within the control or sphere of influence of the Collateral Agent and to the extent within the scope of its obligations under these Terms of the Notes Issue);
- (c) to inform the Noteholders or the Issuer about any circumstances relating to the Collateral except to the extent such obligation to provide information is explicitly set forth in the Terms of the Notes Issue; and
- (d) to provide any advice to the Noteholders in legal, accounting, tax or other matters for free.

3.2.10.3. The Noteholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Noteholders may exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these Terms of the Notes Issue.

3.2.10.4. Upon the performance of its obligations and exercising its rights, the Collateral Agent shall act at its own discretion in the interests and on the account of the Noteholders collectively, and generally (and not any particular Noteholder) without having any independent interests of its own (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 3.2.10.10 of these Terms of the Notes Issue) and without any obligation to consider any interests of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. In particular, in accordance with these Terms of the Notes Issue the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Noteholders upon failure to obtain instructions from the Majority Noteholders. However, the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Noteholders described in Clause 3.2.11.4(b) of these Terms of the Notes Issue.

3.2.10.5. The Collateral Agent is not a party to the legal relationship between the Issuer and the Noteholders and is under no circumstances liable for the performance of the obligations of the Issuer or impossibility to enforce the Collateral in accordance with these Terms of the Notes Issue and the Collateral Agreements or any restrictions or delays thereof.

3.2.10.6. Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right at its own cost to use the services of third parties and to appoint third-party representatives (including, during the performance of its tasks and acts as stipulated in the Terms of the Notes Issue and the Collateral Agreement). In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall evaluate and appoint only reputable third parties having professional expertise for the fulfilment of the tasks and acts as stipulated in the Terms of the Notes Issue. In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall also ensure: (i) no conflict of interest exists in respect to the Issuer and the Majority Noteholders; (ii) the fees, costs and expenses of such third party services are at a reasonable

market price; (iii) the fees, costs and expenses for using the services of third parties and/or appointment of third-party representatives would not exceed costs, fees and expenses of the Collateral Agent if the latter would perform its obligations under the Terms of the Notes Issue, the Collateral Agreements and the Collateral Agent Agreement on its own; and (iv) it remains duty and obligation of the Collateral Agent to perform its obligations under the Terms and the Collateral Agent Agreement and not of the appointed third-party. In case the use of services of third parties or appointment of third-party representatives is required for the fulfilment of obligations arising from these Terms of the Notes Issue, including the Collateral Agreement, Clause 3.2.10.10 of the Terms of the Notes Issue is applicable. The Collateral Agent shall not be responsible for the losses and damage caused by the acts and omissions by third parties.

- 3.2.10.7. At the request of the Collateral Agent, the Noteholder shall provide the Collateral Agent with any information required for the purposes of identification of the Noteholder and/or for the performance of other obligations arising from applicable laws and regulations.
- 3.2.10.8. At the request of the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Noteholders specifying the outstanding Nominal Value of the Notes each of them is holding and their latest known email addresses if such information is available.
- 3.2.10.9. The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control or sphere of influence of the Collateral Agent.
- 3.2.10.10. The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for the costs relating to the performance of its obligations under the Terms of the Issue and the Collateral Agreements in accordance with the Collateral Agent Agreement and shall have the right to withhold the performance of its duties and obligations in case of delay of payment of the relevant fees and costs. As regards the costs, the Issuer shall compensate to the Collateral Agent also all payments made by the Collateral Agent to third parties for the purposes of establishment, amendment, termination and enforcement of the Collateral in accordance with the Terms and the Collateral Agreement (including, without limitation, state fees and taxes, other fees and payments established by laws and regulations, costs and expenses incurred by the Collateral Agent), as well as all damages incurred by the Collateral Agent in relation to the same.
- 3.2.10.11. Notices and documents to the Collateral Agent shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth in the Terms of the Notes Issue. All notices of the Noteholder to the Collateral Agent shall be sent in writing (letter and email) to the Collateral Agent and copied to the Issuer and the Arranger. If the Collateral Agent has doubts that a notice from a Noteholder has not been sent to the Issuer, then the Collateral Agent shall immediately forward such notice to the Issuer.
- 3.2.10.12. The Collateral Agent has the right to terminate the Collateral Agent Agreement in case: (a) the Collateral described in Clause 3.2.7 of these Terms of the Notes Issue has not been established within the relevant term stipulated in Clause 3.2.11.1 of these Terms of the Notes Issue; and/or (b) the Collateral Agent withdraws from performance of the tasks set out in these Terms of the Notes Issue on the grounds set out in Clause 3.2.11.13 or 3.2.11.15. of these Terms of the Notes Issue. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of this Collateral Agent Agreement.
- 3.2.10.13. The Issuer has the right to terminate the Collateral Agent Agreement in case the Issuer decides not to proceed with the Notes issue and/or if the Collateral Agent allows gross negligence/malicious intent in exercising their rights. A new collateral agent must be designated by the Issuer who must take over the obligations of the Collateral Agent.

3.2.11. Establishment, Release and Enforcement of the Collateral

- 3.2.11.1. For the purpose of constituting security for the due and timely payment, discharge and performance of the Notes, the Collateral shall be established in the interests of Noteholders

and under the name of the Collateral Agent (as the holder of the Collateral (pledgee)) under the Collateral Agreement which, in legal terms, serves as security for the Notes of the Issuer towards the Collateral Agent. The Issuer shall ensure the Collateral Providers will conclude the relevant Collateral Agreements or amend the existing Collateral Agreements to secure the Notes with the Collateral Agent and ensure the respective Collateral is registered in the Commercial Pledge Registers within 90 (ninety) calendar days from the Issue Date. If a Promissory Note (or similar document of a technical nature) is required to register the respective Collateral, the Issuer and the Collateral Agent shall conclude such Promissory Note in the form suitable to the Commercial Pledge Registers. For the avoidance of doubt, a Promissory Note does not constitute an independent or separate claim and the Collateral Agent may demand payment of any sum under a Promissory Note only in the amount and to the extent such equivalent sum has become due and payable to Noteholders under these Terms of the Notes Issue. For the avoidance of doubt, a Promissory Note is required only if the respective Collateral has not been registered in the Commercial Pledge Registers within 90 (ninety) calendar days from the Issue Date due to refusal of the Commercial Pledge Registers to register the Collateral in favour of the Collateral Agent.

- 3.2.11.2. The Issuer shall provide written confirmation on the registration of the Collateral in the Commercial Pledge Registers to the Collateral Agent within 3 (three) Business Days after registration has taken place.
- 3.2.11.3. By subscribing to the Notes, each Noteholder acknowledges and confirms the Issuer and Subsidiaries may, within their ordinary course of business sell their assets.
- 3.2.11.4. The Collateral Agent shall take all actions that the Collateral Agent as the holder of the Collateral may reasonably take with the purpose to enforce the Collateral according to the procedure provided for in the Collateral Agreement in case:
 - (a) the Notes are not performed in accordance with the Terms of the Notes Issue which the Collateral Agent has been duly informed of in accordance with Clause 3.2.11.7 of the Terms of the Notes Issue; and
 - (b) The Majority Noteholders have instructed the Collateral Agent in writing to enforce the Collateral (for the avoidance of doubt, the Majority Noteholders have such right only if the Notes are not performed in accordance with the Terms of the Notes Issue, and the Majority Noteholders have to specify in their instructions to enforce the Collateral which obligation(s) has been breached pursuant to the Terms of the Notes Issue).
- 3.2.11.5. If the Majority Noteholders in accordance with Clause 3.2.11.4(b) of the Terms of the Notes Issue have instructed the Collateral Agent to enforce the Collateral, the Collateral Agent shall immediately inform (letter or email) all Noteholders.
- 3.2.11.6. The Majority Noteholders have the right to instruct the Collateral Agent to take specific actions to enforce the Collateral according to the procedure provided for in the Collateral Agreement in case the conditions set out in Clause 3.2.11.4. of the Notes Issue have been fulfilled. The Collateral Agent has a right (but not an obligation) to refuse to follow such instructions until the Majority Noteholders have confirmed such instructions.
- 3.2.11.7. The Collateral Agent may assume that no violation of the Notes has occurred unless the Collateral Agent has received a written notice (letter or email) to the contrary from the Issuer or the Majority Noteholders. For the avoidance of doubt, the Majority Noteholders shall have such right only if the Notes is not performed in accordance with the respective terms and conditions set out in these Terms of the Notes Issue.
- 3.2.11.8. The Collateral Agent shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Noteholders as to whether, and in what manner, the Collateral Agent should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the Collateral. Upon such request, the

Noteholders shall give their instructions or clarifications to the Collateral Agent within the time period specified in the Collateral Agent's request for instructions or clarifications, such a time period is to be at least 2 (two) Business Days. The Collateral Agent may refrain from acting unless and until Majority Noteholders have provided the Collateral Agent with requested instructions or clarifications.

- 3.2.11.9. If, under Clause 3.2.11.4(b) and 3.2.11.7. of the Terms of the Notes Issue or following the request of the Collateral Agent submitted under Clause 3.2.11.8. of the Terms of the Notes Issue, the Majority Noteholders have duly instructed the Collateral Agent, the Collateral Agent is obligated to comply with these instructions. Any such instructions from the Majority Noteholders will be binding on all Noteholders of the Issue. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions.
- 3.2.11.10. Notwithstanding Clause 3.2.11.9. of these Terms of the Notes Issue, the Collateral Agent may refrain from doing anything which in its opinion will or may be contrary to the Terms of the Notes Issue, the Collateral Agreement, the Collateral Agent Agreement or applicable laws and regulations or otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with such legislation. The Collateral Agent may refrain from acting in accordance with the instructions of the Majority Noteholders until it has received such indemnification or security as it may require for all costs, claims, losses, expenses (including but not limited to legal fees) and liabilities which it will or may expend or incur in complying with such instructions.
- 3.2.11.11. Without prejudice to Clauses 3.2.11.8., 3.2.11.9., 3.2.11.10. of these Terms of the Notes Issue, the Collateral Agent may (but is not obligated to) act (or refrain from acting) as it in its own discretion reasonably believes is in the best interests of the Noteholders. The Collateral Agent shall not be liable to Noteholders for acting (or refraining from acting) as described in these Terms of the Notes Issue or in accordance with the instructions of the Noteholders and/or Applicable Laws .
- 3.2.11.12. The Collateral Agent shall not be liable to Noteholders for the outcome of the enforcement of the Collateral, provided the Collateral Agent has acted in accordance with the Terms of the Notes Issue and the Collateral Agreement.
- 3.2.11.13. The Collateral Agent shall have the right to unilaterally terminate the performance of its duties described in these Terms of the Notes Issue in accordance with the Collateral Agreements and the Collateral Agent Agreement (including, without limitation, terminate the enforcement of the Collateral) in case:
- (a) in the reasonable opinion of the Collateral Agent: (a) (further) enforcement of the Collateral on reasonable terms is not possible or feasible due to the commencement of insolvency or reorganisation proceedings of the Issuer or the relevant Collateral Provider or enforcement of the Collateral on reasonable terms may not possible for any other reason; or (b) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the claims under Clause 3.2.12.1(a)(a) and/or
 - (b) in the opinion of the Collateral Agent, the Collateral (or the substantial part thereof) ceases to exist for any reason.
- 3.2.11.14. In order to exercise its right of termination under Clause 3.2.11.13. of these Terms of the Notes Issue, the Collateral Agent shall submit a respective written notice (letter or email) stating the basis of exercising the right of termination to the Issuer and all of the Noteholders. The duties and obligations of the retiring Collateral Agent shall be deemed to have terminated from the moment when the respective written notice is submitted to the Issuer and all of the Noteholders. For the avoidance of doubt, under the Applicable Laws the relevant Collateral Agreement and/or the establishment and discharge of the Collateral, the Collateral Agent may

perform certain actions to release (discharge) the Collateral as a result of the termination under Clause 3.2.11.13.

- 3.2.11.15. The Collateral Agent shall have the right to resign due to reasons other than stated in Clause 3.2.11.13. of these Terms of the Notes Issue by submitting a respective written notice (letter or email) to the Issuer and all of the Noteholders. The duties and obligations of the Collateral Agent shall be deemed to have terminated upon the appointment of a successor Collateral Agent and acceptance by such appointment of the successor Collateral Agent and the execution of all necessary documentation to effectively substitute the retiring Collateral Agent.
- 3.2.11.16. No later than three months after the receipt of the relevant notice under Clause 3.2.11.13 or Clause 3.2.11.15. of these Terms of the Notes Issue by the Issuer a successor Collateral Agent must be designated by the Issuer and the Majority Noteholders, who must take over the obligations of the retiring Collateral Agent.
- 3.2.11.17. If a successor Collateral Agent has not been appointed within the term set out in Clause 3.2.11.16. of these Terms of the Notes Issue, the duties and obligations of the retiring Collateral Agent shall be deemed to have terminated. For sake of clarity, the retiring Collateral Agent shall be stated as pledgee in the Commercial Pledge Registers until the successor Collateral Agent has been appointed and registered as pledgee of the Collateral in the Register.
- 3.2.11.18. The Collateral Agent shall evaluate that no conflict of interest exists with regard to the Issuer and/or the Noteholders and, the existence of conflict of interest shall not prevent the Collateral Agent from fulfilling its obligations to the extent and scope as described in these Terms of the Notes Issue and as provided in the in the Collateral Agreements and in the Collateral Agent Agreement.

3.2.12. Application of the Proceeds from Enforcement of the Collateral

- 3.2.12.1. The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
 - (a) as the first priority: to the satisfaction and payment of all fees, costs and expenses and damages (including, without limitation, state duties, notary fees, valuation costs and fees, costs and expenses of third parties engaged in by the Collateral Agent pursuant to conditions set out, *inter alia*, in Clauses 3.2.10.6 and 3.2.10.10) related to performance of its duties by, or otherwise payable to, the Collateral Agent under the Terms of the Notes Issue, the Collateral Agent Agreement and the Collateral Agreement securing the Issuer's obligations relating to the Issue, including but not limited to the establishment, amendment, termination and enforcement of the Collateral incurred by the Collateral Agent or any of the third parties engaged by the Collateral Agent, provided that the fees, costs and expenses have occurred on a reasonable market price and pursuant to conditions specified in Clause 3.2.10.6 and/or Clause 3.2.10.10;
 - (b) as the second priority (after full satisfaction, payment and deduction of all claims and amounts set forth in Clause 3.2.12.1(a) of the Terms of the Notes Issue): in payment of the claims of the Noteholders arising under the Terms of the Notes Issue equally with the claims of noteholders under the Existing Secured Notes, including but not limited to the claims arising from the Notes or the Existing Secured Notes.
- 3.2.12.2. The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent specified in Clause 3.2.12.1(a) of the Terms of the Notes Issue and transfer the remaining proceeds to the Noteholders for satisfying the claims under Clause 3.2.12.1(b) of the Terms of the Notes Issue. The Collateral Agent shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Clause 3.2.12.1 of the Terms of the Notes Issue to the relevant Collateral Provider.

- 3.2.12.3. In case the proceeds remaining after covering the fees, costs, expenses, damages and claims under Clause 3.2.12.1(a) of the Terms of the Notes Issue do not cover the claims of the Noteholders under Clause 3.2.12.1(b) of the Terms of the Notes Issue in full, these claims of the Noteholders shall be satisfied pro rata.
- 3.2.12.4. The Collateral Agent is not obliged to pay to the Noteholders or any other persons any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).
- 3.2.12.5. In case the Collateral Agent is required, under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Collateral Agent hereunder, the amount to be paid by the Collateral Agent shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Collateral Agent.

3.2.13. Rights and restrictions connected with the Notes Issue

Any Noteholder has the right to receive Coupon and Nominal Value payments in accordance with the Clause 3.2.14 "Coupon payments" and Clause 3.2.15 "Procedure of the Notes repayment", as well as exercise other rights fixed in the Terms of the Notes Issue and Applicable Laws of the Republic of Latvia.

The Issuer has the right to purchase the Notes on the secondary market directly from the Noteholders. The Notes that are purchased by the Issuer are held in Issuer's financial instruments' custody account and the Issuer has the right to sell the purchased Notes to Potential Investors and other Noteholders. The Issuer cannot cancel the purchased Notes held in the Issuer's financial instruments' custody account, therefore decreasing the size of the Notes issue.

The Notes owned by the Issuer and/or its Related Parties are not eligible to participate in the voting in accordance with the Terms of the Notes Issue.

3.2.14. Coupon payments

Coupon rate

The Coupon rate for the Notes is 3M EURIBOR (floor at zero) + 6% (six per cent) per annum and is reset every 3 months on Coupon Reset Date.

Coupon payment procedure

Coupon payments are made on each Coupon Payment Date. Coupon payments are made four times per year – on every 31 January, 30 April, 31 July, and 31 October. The first Coupon payment will be made on 31 October 2022 and the last Coupon payment will be made on 31 July 2025.

The Coupon record date is the 5th (fifth) Business Day prior to the Coupon Payment Date. At the end of the Coupon record date the list of the Noteholders, who will be eligible for the Coupon payments, will be fixed. Coupon payment shall be made to the Noteholders, in accordance with the relevant Noteholders' list, on each Coupon Payment Date for the preceding Coupon period.

The Issuer pays the Coupon through the intermediary of Nasdaq CSD and in accordance with the applicable Nasdaq CSD regulations, which regulate the procedure for paying income from debt securities. The Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Notes Issue are Nasdaq CSD Rulebook and Corporate Action Service description.

If the Coupon Payment Date of the Notes is not a Business Day, the Issuer will pay the Coupon payment on the first Business Day after the Coupon Payment Date of Notes.

If the Issuer has failed to make Coupon payments in accordance with the deadlines specified in the Terms of the Notes Issue, the Noteholders shall have the right to submit claims regarding the payment of the Coupon but not earlier than after 10 (ten) Business Days following the payment date of the relevant Coupon.

Coupon calculation

Coupon calculation will be performed by the Calculation Agent. Quarterly Coupon payments, except for the first Coupon payment, are determined according to the following formula:

$$\text{CPN} = F * C / 4 \text{ or } \text{CPN}\% = C/4, \text{ where}$$

CPN – the amount of the Coupon payment in EUR per Note;

F – Nominal Value of one Note;

C – annual Coupon rate (%) that is determined as Base Rate + 6%, where:

Base Rate is determined by the Calculation Agent on the Coupon Reset Date, which is the second Business Day prior the start of each Coupon Period, using published data by a designated distributor (currently Bloomberg) and shall be fixed for the respective Coupon Period. If for any Coupon Period the Base Rate determined based on the procedure specified in this paragraph is less than 0%, Base Rate shall mean 0% for purposes of determining the Coupon rate.

Quarterly Coupon payments on 31 October 2022 are determined by the Calculation Agent according to the following formula:

$$\text{CPN1} = F * C / 360 * 115 \text{ or } \text{CPN1}\% = C / 360 * 113, \text{ where:}$$

CPN1 – the amount of the Coupon payment in EUR per Note on 31 October 2022;

F – Nominal Value of one Note;

C – annual Coupon rate (%) that is determined as Base Rate + 6%. The Coupon rate for the first Coupon period is 6%, as the Base Rate is 0 (zero).

Calculation Agent

The Issuer appoints the Calculation Agent to determine amount of quarterly payments to Noteholders and provide payment instructions to the Issuer. All calculations by the Calculation Agent shall be made in good faith and through the exercise of the Calculation Agent's commercially reasonable judgment. Upon the request of the Issuer, Calculation Agent shall provide the Issuer with such information as is reasonably necessary to enable the Issuer to confirm the accuracy of such calculations.

The Issuer shall have the right to designate an independent third party with experience in corporate bonds to replace the Calculation Agent, and the parties shall work in good faith to execute any appropriate documentation required by such replacement Calculation Agent. The Calculation Agent shall be informed of its replacement at least 10 (ten) Business Days in advance.

Any determination or calculation by the Calculation Agent in such capacity shall be made in good faith and in a commercially reasonable manner.

Accrued interest calculation

The first Coupon starts to accrue on 8 July 2022, which is the First Settlement Date of the Notes issue.

The accrued Coupon is calculated presuming there are 360 (three hundred and sixty) days in one year (day count convention – "European 30/360"). Accrued interest between Coupon Payment Dates shall be calculated as follows:

$$\text{AI} = F * C / 360 * D, \text{ where}$$

AI – accrued interest of one Note;

F – Nominal Value of one Note at the beginning of the relevant Coupon calculation period, *i.e.*, the initial Nominal Value at the time of the issue of a Note, as may be reduced by the redemption or repurchase amounts paid during the previous periods in accordance with the Terms of the Notes Issue;

C – annual Coupon rate (%), determined as Base Rate + 6%.

3.2.15. Procedure of the Notes repayment

The Nominal Value of one Note is EUR 1,000.00 (one thousand euro) and the Issuer will repay the Nominal Value of Notes at Maturity Date, which is 31 July 2025.

The Issuer will pay the Nominal Value in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Notes Issue are Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal Value will be paid on the Maturity Date. The list of the Noteholders eligible to receive the Nominal Value will be fixed at the end of the previous Business Day before Maturity Date.

If the Maturity Date of the Notes is not a Business Day, the Issuer will pay the Nominal Value of the Notes on the next Business Day after the Maturity Date.

If the Issuer has failed to make Nominal Value payment in accordance with the deadlines specified in the Terms of the Notes Issue, the Noteholders shall have the right to submit claims regarding the repayment of the Nominal Value not earlier than after 10 (ten) Business Days following the Maturity Date.

3.2.16. Early redemption at the option of the Issuer (call option)

The Issuer shall be entitled to full early redemption (call option) starting:

- (a) one year after the Issue Date by paying 102% (one hundred and two per cent) of the Nominal amount plus accrued and unpaid interest;
- (b) from the last three months before Maturity Date by paying 100.5% (one hundred point five per cent) of the Nominal amount plus accrued and unpaid interest.

The Issuer can carry out call option only in full amount of total outstanding Notes.

If the Issuer takes a decision on early redemption of the Notes, the Issuer shall notify the Noteholders at least 20 (twenty) Business Days prior to the redemption date of the Notes with intermediation of Nasdaq Riga.

If the Issuer redeems the Notes, the Issuer will pay the redemption payment in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Notes Issue are the Nasdaq CSD Rulebook and Corporate Action Service Description. The list of the Noteholders eligible to receive the redemption payment will be fixed at the end of the previous Business Day before the redemption payment date.

3.2.17. Early redemption at the option of the Noteholders (put option)

In case a Change of Control has occurred or is anticipated to occur, the Issuer has the obligation (in cases of anticipated Change of Control – a right) to inform the Noteholders by publishing a relevant notice with sufficient details on the Issuer's webpage and, if the Notes are listed on First North, on Nasdaq Riga webpage no later than the date that is 20 (twenty) Business Days after the Change of Control has occurred and at any time before the anticipated occurrence of a Change of Control, stating:

- (a) the Change of Control has occurred or may occur and that such a Noteholder has the right to require the Issuer to purchase all of such Noteholder's Notes at a price equal to 101% (one hundred and one per cent) of the Nominal value plus accrued and unpaid Coupon;
- (b) the repurchase date, which shall be not earlier than 10 (ten) Business Days and not later than 20 (twenty) Business Days from the date such notice is delivered to Noteholders; however, if the notice is delivered prior to the occurrence of a Change of Control, the Issuer may state that the redemption of the Notes is conditional upon the occurrence of a Change of Control, in which case the Notes will be redeemed not later than 20 (twenty) Business Days following the occurrence of a Change of Control;
- (c) the record date;

- (d) that any Note redeemed pursuant to a Change of Control will cease to accrue interest after a Change of Control payment date unless the Change of Control payments is not paid, and any Notes or part thereof not redeemed will continue to accrue interest;
- (e) describing the circumstances and relevant facts regarding the transaction or transactions that constitute a Change of Control;
- (f) describing the procedures determined by the Issuer that the Noteholder must follow to have its Notes repurchased.

To exercise the Change of Control put option, the Noteholder must submit to the Issuer a duly signed and completed notice of exercise in the form provided by the Issuer within the Change of Control put period provided by the Issuer in the said notice. If no response from the Noteholder has been received within the designated time period, it is concluded that the Noteholder will not execute its put option. No option so exercised may be withdrawn without the prior consent of the Issuer. If the Noteholders will exercise the put option under this Clause 3.2.17, the Issuer shall pay 101% (one hundred and one per cent) of the Nominal amount plus accrued and unpaid interest.

If 75% (seventy-five per cent) or more in Nominal Amount of the Notes then outstanding have been redeemed pursuant to this Clause, the Issuer may, on not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders given within 30 (thirty) days after the redemption of the Notes pursuant to this Clause 3.2.17. redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at 101% (one hundred and one percent) of the Nominal Value plus accrued and unpaid Coupon.

3.2.18. Early redemption (event of default)

The Noteholders have the rights to demand early redemption of Notes in case of occurrence of the events of default in accordance with Clause 4.2 "Event of default".

3.2.19. Representation of the Noteholders

Collateral Agent holds the Collaterals and the Guarantees on behalf of Noteholders and the noteholders of Existing Secured Notes and is authorized to act with the Collaterals in favour of all the Noteholders in accordance with the Terms of the Notes Issue and the Collateral Agent Agreement.

Noteholders have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for Noteholders' right to create and/or authorize an organization/person that represents the legal interests of all Noteholders or part thereof.

In case of the insolvency of the Issuer, every Noteholder has the right to represent their own interests in creditors' meetings. The Noteholders will have equal rights for satisfaction of their claims with other creditors in the same claims' group.

3.2.20. Decisions of the Issuer on the Notes issue

On 4 July 2022 the Issuer's shareholders passed the decision to issue secured debt securities in the amount of up to EUR 4,000,000 (four million euro) and to authorize the management board to sign all the documents related to the execution of the shareholders' decision to issue the Notes.

On 4 July 2022 the Issuer's management board passed the decision to issue secured debt securities (Notes) in the amount of up to EUR 4,000,000 (four million euro) with a coupon rate of 3M EURIBOR (floor level zero) + 6% (six per cent) per annum and maturity of up to 3 (three) years.

3.2.21. First Settlement Date of the Notes Issue

The First Settlement Date (Issue Date) of the Notes issue is 8 July 2022 on which the Coupon starts to accrue.

3.2.22. Restrictions on free circulation of the Notes

The Notes are freely transferable securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the Applicable Laws.

Any Noteholder wishing to transfer or offer the Notes must ensure any offering related to such a transfer or offer would not be qualified as public offering in the essence of the applicable law. According to the Terms of the Notes Issue, it is the obligation and liability of the Noteholder to ensure that any offering of the Notes does not fall under the definition of public offering under the Applicable Laws.

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4. SPECIAL CONDITIONS

4.1. Disclosure of information

Up until the Maturity Date, the Issuer and the Group shall publish all the information required by covenants, rules of Nasdaq Riga (if the Notes are listed on First North) and Applicable Law. For so long as the Notes are not admitted to trading on First North, all notices and reports to the Noteholders shall be published on the Group's website. As of the date when the Notes are admitted to trading on First North, all notices and reports to Noteholders shall be published on the Nasdaq Riga website, as well as on the website of the Group. Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

4.2. Event of Default

If the Issuer receives a written notification from the Noteholders representing at least 10% (ten) per cent of the outstanding Notes issue, stating that the Notes owned by the relevant Noteholder(s) have become due and payable, at any time after the event of default has occurred (and as long as the event of default exists), the Issuer shall pay the Nominal value of Notes along with the accrued Coupon and contractual penalty in accordance with Clause 4.3 "Contractual penalty" within 10 (ten) Business Days after the receipt of the notification.

If an event of default has occurred and the Issuer is unable to redeem or purchase the Notes in accordance with this Clause the Issuer is obliged to send the Noteholders and the Collateral Agent a written notification within 20 (twenty) Business Days after the event of default has occurred.

Each of the events or circumstances set out and included in below Clauses 4.2.1. - 4.2.5. shall constitute an Event of Default.

4.2.1. Non-payment

The Issuer has failed to pay out any amount payable by it under the Terms of the Notes Issue when such an amount is due for payment, unless its failure to pay is caused by administrative or technical error in payment systems or the Nasdaq CSD and payment is made within 10 (ten) Business Days following the original due date. The Noteholder shall have the right to submit claims regarding failure to pay amount due not earlier than 10 (ten) Business Days after the date of the relevant payment.

4.2.2. Breach of covenants

The Issuer or the Group has violated the conditions of the Clause 5.1. "Financial Covenants" and has failed to remedy such violation as according to the Clause 4.2.3 "Covenant cure", or the Issuer does not perform or comply with any one or more of its other obligations set out in Clause 5.2. "General covenants", and the Issuer fails to remedy such a breach within 30 (thirty) calendar days from the date of the breach, unless such a default is incapable of being remedied.

4.2.3. Covenant cure

- (a) The Issuer and shareholders of the Group may cure or prevent a breach of the financial covenants in Clauses 5.1.1 - 5.1.3 (and any Event of Default arising as a result therefrom) if, prior to or within 90 (ninety) calendar days of the earlier of: (i) the date on which the relevant Financial Report is to be published pursuant to the Terms of the Notes Issue and (ii) the date that such Financial Report was in fact published pursuant to the Terms of the Notes Issue for any Relevant Period in which such failure to comply was (or would have been) first evidenced, the Group received the cash proceeds of new shareholder injections from the shareholders of the Group (the "Equity cure"), in an amount at least sufficient to ensure the financial covenants set forth under 5.1.1 - 5.1.3 would be complied with if tested again as at the last date of the same Relevant Period on the basis any Equity Cure to be provided shall be included for the Relevant Period as if provided immediately prior to the last day of such Relevant Period.
- (b) Any new equity and/or Subordinated Debt provided in respect of any Relevant Period shall be deemed to have been provided immediately prior to the last date of such period and shall be included (without

double counting) in all relevant covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.

- (c) If after the equity adjustment the requirement of the relevant financial covenant is met, then the requirement thereof shall be deemed to have been satisfied as at the relevant original date of determination of any default, Event of Default, occasioned thereby shall be deemed to have been remedied for the purposes of the Terms of the Notes Issue.
- (d) Additionally, the Issuer and the shareholders of the Group may cure or prevent breach of financial covenant set forth under Clause 5.1.3 by way of providing additional collateral in a manner as described under the Clause 3.2.8.

4.2.4. Cross default

If for Issuer or any of the Guarantors representing more than 20% (twenty per cent) of either: (a) the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra-group transactions); or (b) the EBITDA of the Group on a consolidated basis for the Relevant Period:

- (a) any Financial Indebtedness is neither paid when due nor within any applicable grace period;
- (b) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described);
- (c) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor, as a result of an event of default (however described);
- (d) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity, as a result of an event of default (however described); or
- (e) any security securing Financial Indebtedness over any asset is enforced by secured creditor.

Provided, however, the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (e) above exceeds a total of EUR 200,000.00 (two hundred thousand euro) (or the equivalent thereof in any other currency); provided it does not apply to any Financial Indebtedness owed to a Subsidiary of the Group or Related Parties, or Subordinated Debt and other than (a) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within ninety (90) calendar days of commencement or, if earlier.

4.2.5. Insolvency

If the Issuer or any of the Guarantors representing more than 20% (twenty per cent) of either: (a) the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra-group transactions); or (b) the EBITDA of the Group on a consolidated basis for the Relevant Period:

- (a) is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts in case of lawful claims save for claims by Related Parties or claims within Group;
- (b) an application to initiate insolvency or legal protection proceedings or similar proceedings of the Issuer or respective Guarantor or any other proceedings for the settlement of the debt of the Issuer or the Guarantor is submitted to any court in any jurisdiction by the Issuer or the Guarantor.

Other than: (a) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within ninety (90) calendar days of commencement or, if earlier, the date on which it is advertised; and (b), in relation to the Issuer or any of the Guarantors, solvent liquidations) in relation to: (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Guarantor or the Issuer; (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Guarantor or the Issuer or any of its assets; or (c) any analogous procedure or step is taken in any jurisdiction in respect of any Guarantor or the Issuer.

4.3. Contractual penalty

In the case of non-compliance or inadequate compliance with a payment obligation arising from the Notes, the respective Noteholder shall be entitled to require and the Issuer shall be obliged to pay contractual penalty upon the request of any Noteholder to all the Noteholders that shall accrue from the due date for payment (excluding), to the actual payment date (including) in the amount of 0.1% (zero point one per cent) per day of the relevant outstanding amount.

If the Issuer has failed to make Coupon payments in accordance with the deadlines specified in the Terms of the Notes Issue, the Noteholders shall have the right to submit claims regarding the payment of the Coupon not earlier than after 10 (ten) Business Days following the due date for payment of the relevant Coupon.

If the Issuer has failed to make the Nominal Value payment in accordance with the deadline specified in the Terms of the Notes Issue, the Noteholders shall have the right to submit claims regarding the repayment of the Nominal Value not earlier than after 10 (ten) Business Day following due date for payment of the Nominal Value.

* * *

5. COVENANTS

5.1. Financial covenants

From the Issue Date of the Notes to the date of repayment thereof, the Issuer and the Group shall comply with the following financial covenants:

- 5.1.1. To maintain consolidated Interest Coverage Ratio of at least 2x (two times), calculated for the Relevant Period at the end of each quarter.
- 5.1.2. To maintain consolidated Capitalization Ratio at least 30% (thirty per cent) calculated for the Relevant Period at the end of each quarter.
- 5.1.3. To maintain Inventory Coverage Ratio for the Collateral Provider of at least 1.4x (one point four times), calculated for the Relevant Period at the end of each quarter.
- 5.1.4. Financial covenants stated in Clauses 5.1.1 to 5.1.3 shall be tested at the end of each quarter and proof of compliance with these covenants shall be included in every Financial Report of the Group.
- 5.1.5. The Issuer may in its sole discretion choose to calculate the financial covenants under Clauses 5.1.1 to 5.1.3 in accordance with the Accounting Principles.
- 5.1.6. The Issuer shall not pay dividends or make other distribution of profits to its shareholders and/or entities directly or indirectly owned by them in form of a loan, investment or any other distribution, except permitted distribution, i.e. up to 50% (fifty per cent) of consolidated net profit for the Relevant Period if after such distribution the Capitalization Ratio, as according to Clause 5.1.2, remains at least 30% (thirty per cent).

5.2. General covenants

From the Issue Date of the Notes to the date of repayment thereof, the Issuer and the Group shall undertake the following:

- 5.2.1. No Change of Control;
- 5.2.2. To include Notes on First North operated by Nasdaq Riga within 12 (twelve) months after the Issue Date;
- 5.2.3. All existing and future liabilities (loans, notes, etc.) towards Related Parties must be junior and subordinated to the Notes issued. For the sake of clarity, such liabilities towards Related Parties are only repayable before the Maturity Date of the Notes if all covenants under these Terms of the Notes Issue are met after the repayment;
- 5.2.4. Not to commence any new type of economic activity outside the scope of Permitted Business except if revenue from such activity does not exceed 5% (five per cent) of consolidated revenue;
- 5.2.5. Not to obtain participation in other companies by investing funds or providing loans to third parties, except if over 51% (fifty-one per cent) participation in this company shall be acquired and the Issuer or its Subsidiaries retains control of a company;
- 5.2.6. Not to sell, present, change, rent, license, invest, or otherwise transfer into utilization the right to use the trademarks of the Issuer and/or its Subsidiaries;
- 5.2.7. Not to initiate or allow initiation of the Issuer's liquidation or similar proceedings and not to reduce share capital of the Issuer;
- 5.2.8. Any transactions with Related Parties shall be at Fair Market Value;
- 5.2.9. From the Issue Date, to prepare and publish consolidated condensed unaudited quarterly reports of the Group with management commentary as per the Accounting Principles within two months following the end of each respective quarter;

- 5.2.10. To prepare and publish audited consolidated Financial Report within 4 months after the reporting period and it shall be audited by the Auditor;
- 5.2.11. Proof of compliance with the Financial Covenants to be included in every quarterly report;
- 5.2.12. To publish financial reports non-financial reports, notices and any other reports to Noteholders as required under the Terms of the Notes Issue and Applicable Laws on the Group's website, and Nasdaq Riga's website (if the Notes are listed on First North);
- 5.2.13. To prepare and publish on an annual basis a non-financial report covering environmental, social, and governance (ESG) matters in accordance with Nasdaq ESG Reporting guidelines starting from the financial year of 2023 either as a standalone ESG report or as a part of an integrated Group Report.

5.3. **Procedure for applying for Noteholders' consent**

The Issuer has the right to request a consent (waiver) of Noteholders to amend the conditions included in the Terms of the Notes Issue (apply for the waiver). However, the Issuer shall have a right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders. The Collateral Agent may ask for instructions from the Noteholders in respect to the Collateral in the same manner as the Issuer may apply for the consent (waiver) of the Noteholders hereunder.

The amendment of the Terms of the Notes Issue may include the amendment of any conditions, which is not restricted by such characteristics of the Notes as currency, Coupon rate, Coupon calculation method, Coupon and Nominal Value payments, inclusion of Notes to regulated or alternative markets, the Maturity Date and other conditions, unless they contradict Applicable Laws of the Republic of Latvia.

The Issuer can apply for the waiver itself or through the intermediary of an authorised person (the "Agent"). To request a waiver, the Issuer or Agent shall notify the Noteholders by publishing the relevant announcement on the Issuer's website, if Notes are not listed, or, if Notes are included in First North, via the Nasdaq Riga website, specifying at the least the following information:

- (a) a description of the requested amendment;
- (b) a justification of the necessity of such amendment;
- (c) the date when the list of the Noteholders eligible to grant the waiver (vote) will be fixed;
- (d) the term within which a Noteholder can support or reject the offered waiver;
- (e) instructions concerning notification about the support or rejection of the waiver and the procedure for filling in the voting questionnaire;
- (f) notification that a Noteholder willing to grant the waiver offered by the Issuer shall notify the Issuer and Issuer's Agent within the term specified in the application, which is certified by a postal seal, signature on receipt or notification (letter or email) Noteholder's Custodian. If the Noteholder does not notify the Issuer or Issuer's Agent about the approval to grant the waiver within the term specified in the application, a Noteholder shall be deemed as not having granted the waiver;
- (g) contact details of the Issuer and/ or the Issuer's Agent to be used for notifications (telephone number for inquiries, email or address for sending filled in and signed questionnaires, list of representative offices and/ or branches of the Issuer and/ or Issuer's Agent where the Noteholders can submit the questionnaires in person);
- (h) other information, including a fee to the Noteholders for approving the waiver (if any).

The list of Noteholders shall be inquired from the Nasdaq CSD as of the date falling to the 5th (fifth) Business Day after the waiver was published in a manner set-out in the paragraphs above.

The term allowed to Noteholders for deciding upon refusal to grant the waiver to the Issuer may not be shorter than 14 (fourteen) calendar days after the waiver was sent to the Noteholders directly and/or after

the relevant announcement of the waiver has been published *via* the Nasdaq Riga website, if Notes are included in First North or published via the Issuer's website as set out above.

The Noteholders shall submit signed questionnaires with their decision to the Issuer or Issuer's Agent by a deadline set in the application of the waiver. The waiver is deemed to be granted, if Noteholders owning more at least 50% (fifty per cent) of the outstanding Notes issue (excluding Notes owned by the Issuer, direct and/or indirect shareholders and Related Parties from the total outstanding amount of Notes) have voted for granting the waiver. The Notes owned by the Issuer and Related Parties are not eligible to participate in the voting.

The Issuer or Agent shall count the received votes and notify the Noteholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the questionnaires by publishing a relevant announcement on the Issuer's website if Notes are not listed, or, if the Notes are included in the First North, via the Nasdaq Riga website.

If the accepted changes refer to specifications of the Notes and/or Coupon calculation method, as well as procedure of Coupon payments and/ or repayment of the Nominal Value, the Issuer shall inform the Nasdaq CSD on the mentioned changes according to the regulation determined in the Nasdaq CSD rules.

If the Issuer offers Noteholders a fee for approving the waiver and the waiver is granted, the Issuer transfers the fee amount to the account stated by a Noteholder in the questionnaire not later than 30 (thirty) calendar days after the waiver comes into force.

5.4. **Force majeure and limitation of liability**

The Issuer shall be entitled to postpone the fulfilment of its obligations under the Terms of the Notes Issue in case the performance is not possible due to continuous existence of any of the following circumstances (a "Force Majeure Event"):

- (a) action of any authorities, war or threat of war, armed hostility or a serious threat of it, including but not limited to enemy attacks, blockades, military embargoes, actions by a foreign enemy, general military mobilisation, military actions, declared and undeclared war, actions by a public enemy, commotions, acts of terrorism, diversions, piracy, disorders, invasion, revolution, coup, insurrection, mass unrest, introduction of curfews, quarantine established by the Governments in jurisdictions of the Guarantors, expropriation, enforced withdrawal, takeover of enterprises, requisition;
- (b) disturbances in postal, telephone, or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect the operations of the Issuer and the Group;
- (c) any interruption of or delay in any functions of measures of the Issuer as a result of fire, frost or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer; or
- (e) any other similar force majeure hindrance.

In case of occurrence of a Force Majeure Event, the Issuer's fulfilment of the obligations may be postponed for the period of the existence of such respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Issuer shall put all best efforts to limit the effect of the Force Majeure Event and to resume the fulfilment of its obligations as soon as possible.

* * *

6. Taxes

6.1. Notice

This summary is of general nature and should not be considered a legal or tax advice. This clause does not contain full and complete information on all the taxes that relate to investment in the Notes. Tax rates and conditions for paying taxes may change during the life of the Notes. Prospective investors should consult with their own tax advisors with respect to their particular circumstances and the effects of the Latvian or foreign tax laws to which they may be subject to.

6.2. Definition of residents and non-residents

An individual is considered resident of Latvia for tax purposes if his or her permanent place of residence is the Republic of Latvia, or he or she stays in the Republic of Latvia for more than 183 (one hundred and eighty-three) days within any 12 (twelve) month period; or he or she is a citizen of the Republic of Latvia and is employed abroad by the government of the Republic of Latvia. If an individual does not meet any of the above-mentioned criteria, he or she is considered a non-resident for tax purposes.

Any legal entity is considered resident of Latvia for tax purposes if it is or should be established and registered in the Republic of Latvia according to the Latvian legislation. Other legal entities are considered non-residents for tax purposes.

To receive any reduction for the tax rate applicable on interest (coupon) income according to the provisions of the Double Tax Treaty concluded between the Republic of Latvia and any other relevant country, the Noteholder should supply its tax residency certificate originals to the Issuer. The applicable reductions will be applied from the moment of receiving the certificate and for the period stipulated in the certificate. For the purposes of exchanging documents, the Noteholder should contact Issuer via information provided on Issuer's website and/or Nasdaq Riga website.

Table 1 – Tax consequences in the Republic of Latvia regarding the income derived from Notes that are issued by a legal entity registered in the Republic of Latvia (not being a credit institution) effective as of 1 January 2021:

Legal status of income beneficiary	Notes that are not in the Public Circulation		Conditions
	Interest tax Rate	Capital gains tax rate	
Individual resident of Latvia	20%	20% ¹	20% tax from the interest (coupon) income is withheld and transferred to the State budget by an Issuer of Notes, if it is registered in Latvia. ¹ - Capital gains from a sale of Notes are considered equivalent to an interest income and taxed at 20% rate in Latvia. Self-assessment and payment of a tax on capital gains [i.e. profits] in Latvia is performed by a beneficiary of capital gains – a resident individual filing the Annual Income Statement.
Company resident of Latvia	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit)	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit)	Interest (coupon) income and a capital gain from the Notes not being in the Public Circulation constitute a part of the beneficiary - Latvian company's overall income. The Corporate Income Tax obligation is deferred to the moment of profit distribution (dividends, interim dividends) or deemed profit distribution (deemed dividends, non-business expenditure, bad debts provisions/write-off, loans to the related persons, transfer pricing adjustments, liquidation quota) of the

<p>Individual non-resident</p>	<p>20%^{2,4}</p>	<p>20%^{3,4}</p>	<p>20% tax from the interest (coupon) income is withheld and transferred to the State budget by an Issuer of Notes, if it is registered in Latvia.</p> <p>² - The reduced 10%, 7%, 5%, 2.5% or 0% tax rate on interest (coupon) income can be applicable in Latvia only, if provisions of the Double Tax Treaty concluded between Latvia and other relevant country stipulate it.</p> <p>³ - A capital gain from the Notes is considered equivalent to an interest income and taxed at 20% rate. The purchaser of the Notes, if it is registered in Latvia, performs calculation and withholding of a tax on capital gain [i.e. a profit]. If no profit is derived from a sale transaction, the 20% tax is not withheld/paid. The Double Tax Treaty provisions may stipulate a tax exemption in Latvia for a capital gain derived by a non-resident individual.</p> <p>⁴ - A non-resident individual being a beneficiary of interest (coupon) income or a capital gain could be obliged to assess and pay tax in its country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia.</p>
<p>Company non-resident</p>	<p>exempt^{5,6}</p>	<p>exempt⁶</p>	<p>Interest (coupon) income and a capital gain derived by a non-resident company (except a company from one of the “blacklisted countries or territories”) are tax exempt in Latvia.</p> <p>⁵ - An issuer of Notes withholds 20% tax from interest (coupon) payments, if they are made to a company non-resident registered in one of the low tax or non-tax countries or territories specified by the Cabinet Regulations of Latvia (so called “the blacklisted countries and territories”).</p> <p>⁶ - A non-resident company being a beneficiary of interest (coupon) income or a capital gain could be obliged to assess and pay tax in its country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia.</p>

Source: Applicable Laws of the Republic of Latvia

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7. Terms of the Private Offering

7.1. Subscription to the Notes

7.1.1. Subscription period

The offering commenced on 4 July 2022 at 10 am Riga time and shall end on the Maturity Date or when all Notes are sold, whichever is earlier.

7.1.2. Subscription terms

Subscription orders to the Notes can be submitted to the Arranger every Business Day during normal working hours. More detailed information on the submission of the subscription orders is available by phone +371 67 081 069.

Subscription orders can also be submitted to other Custodians, which in turn shall submit orders to the Arranger. The form of such subscription orders is regulated by contracts between Noteholders and Custodians and by the Applicable Laws.

The minimal initial subscription size (the “Minimum Investment Amount”) is EUR 100,000.00 (one hundred thousand euro). Subscription size should be equal to a multiple of the Settlement Unit Multiple.

Total Nominal Value of the Notes to be purchased and provided in each subscription order shall be for at least Minimum Investment Amount. Potential Investors have the right to submit several orders during the offering.

All Subscription orders to the Notes shall be considered as binding and irrevocable commitment to acquire the allotted Notes.

By submitting the subscription order the Potential Investor confirms that it: (a) has read and understands the Terms of the Notes Issue; and (b) agrees and commits to adhere to the Terms of the Notes Issue.

The First Settlement Date of Notes is 8 July 2022.

Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union.

All the expenses related to the acquisition and custody of the Notes shall be borne by a Potential Investor in compliance with the pricelist of a credit institution or investment service provider, through which the investor purchases and keeps Notes. The Issuer is not obliged to compensate any such expenses incurred by the Potential Investor.

7.1.3. Notes price

The Notes purchase price can be equal to 100% (one hundred per cent) of the Nominal Value or purchase price could be lower or higher than the Nominal Value, meaning that the Notes can be sold with discount or premium, plus accrued interest.

All subscription orders that have been submitted after the First Settlement Date shall be executed with accrued interest, unless the subscription orders are submitted during the 5 (five) Business Days before the end of each respective quarter – from the Coupon record date and until the Coupon Payment Date, in which case the subscription orders shall be executed without accrued interest.

7.1.4. Allocation of the Notes to Noteholders

The Notes are allocated to Noteholders in the amount not larger than the amount specified in the subscription order and not less than the minimum size as described in the Clause 7.1.2 “Subscription terms”.

In case the total number of Notes subscribed for during the subscription period is less than the number of Notes available, the Notes will be allotted based on Subscription orders placed.

In case the total number of the Notes subscribed for is higher than the number of Notes available the proportionate reduction principle shall be applied to the extent possible at the discretion of the Issuer and the Arranger. The Notes allocated to Noteholders shall not be less than the Minimum Investment Amount.

The Issuer or Arranger at its sole discretion has a right to refuse to allocate all or part of the subscribed Notes to any Potential Investor due to AML and Sanctions regulations compliance risk or other risks.

7.1.5. Reduction of the Notes issue size

At any time, the Issuer may decide to discontinue placement of the Notes. The total issue size is equal to the actual issue size of the Notes before such decision.

7.2. Settlement and delivery of the Notes

The settlement date for the Notes can be any Business Day which is not earlier than the second Business Day and not later than the 20th (twentieth) Business Day after subscription order is duly submitted to the Arranger.

Settlement of the Notes will be executed through the Depository in accordance with the DVP (delivery versus payment) principle pursuant to the applicable rules of the Depository. Any Notes remaining on the Issuer’s account after the end of the subscription period shall be deleted.

The Custodians execute payments for the Notes based on the results of the subscription provided by the Arranger. The Notes will be transferred to Noteholders’ financial instrument accounts on the settlement date.

Settlement for the Notes can be executed according to other procedure, which is agreed to by the Arranger and Potential Investor.

7.3. Pre-emptive rights

None of Potential Investors has the rights of pre-emption in respect to acquisition of the Notes in the initial placement.

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8. Including of the Notes on the market and trading regulations

The Issuer plans to request the admission to trading of the Notes on First North within 12 (twelve) months after the Issue Date and submit Terms of the Notes Issue and the Company description with Nasdaq Riga. The Issuer does not undertake to register the Notes prospectus with the FSA or list the Notes on any regulated market.

The Issuer has not signed any agreement with any person for Notes liquidity maintenance on the secondary market.

* * *

9. Additional information

9.1. Advisors involved in the Issue

The Issuer has concluded an agreement with the Arranger to organise the Notes issue, to communicate with the Nasdaq CSD, market it to investors and conduct settlement during the subscription period. The Arranger may provide other services to the Issuer in the future and receive remuneration for it. The Arranger may invest its own funds in the Notes.

The Issuer has signed the Collateral Agent Agreement with Collateral Agent, which will hold the Collaterals and the Guarantees on behalf of the Noteholders and noteholders under the Existing Secured Notes. The Collateral Agent is authorized to act with the Collaterals in favour of all the Noteholders in accordance with these Terms of the Notes Issue and the Collateral Agent Agreement. The Collateral Agent may provide other services to the Issuer in the future and receive remuneration for it.

In the interests of the Noteholders, the Issuer and the Noteholders, each separately, authorize and express consent to the Collateral Agent in relation to exercise of the rights and obligations specifically given to it under the Terms of the Notes Issue, the Collateral Agent Agreement and the Collateral Agreements as well as under the Applicable Laws. The Noteholders authorize and permit the Collateral Agent to request and receive information Terms of the Notes Issue from Nasdaq CSD on the Noteholders, including their name, personal identification information or registration number, and contact information, for the purposes of the exercise of the rights and obligations entrusted to the Collateral Agent. The Noteholders consent to the processing of their personal data to the extent it is necessary for the exercise of the rights and obligations entrusted to the Collateral Agent.

9.2. External audit of the information included in Terms of the Notes Issue

The auditors have not verified the information included in these Terms of the Notes Issue.

9.3. Statements or reports included in the Terms of the Notes Issue

The Terms of the Notes Issue does not contain any expert statements or reports.

9.4. Credit ratings

There is no credit rating assigned to the Issuer or to the Notes issue.

* * *

10. The Issuer

10.1. General information on the Issuer and the Group

The issuer is GIVEN Jewellery AS.

The Issuer's registration No. is 40203279291 and legal entity identifier is 9845008F599B95980934.

The legal address of the Issuer is at: Lielirbes iela 17A-11, Riga, LV-1046, the Republic of Latvia.

The legal form: public limited liability company (*akciju sabiedrība*), legal status – legal person.

The country of location: the Republic of Latvia.

The Issuer carries out its activities in accordance with the Applicable Laws.

10.2. Description of the Issuer's position within the Group

The Group is one of the leading Latvian jewellery retailers by number of shops. The Issuer acts as the Group's holding company.

The Issuer has three wholly owned subsidiaries – GIVEN Latvia SIA, GIVEN Estonia OÜ and GIVEN Lithuania UAB. The Issuer's ability to meet its obligations under the Notes according to the Terms of Notes Issue is therefore dependent on financing and cash flows transferred to the Group from the operating Subsidiaries.

10.3. Auditor

The financial auditor of the Group for the year 2021 was Grant Thornton Baltic SIA (with registration No. 50003619401 and a legal address at Blaumaņa iela 22, LV-1011, Riga, the Republic of Latvia, license No. 183). The Issuer is entitled to replace the current auditor with any other Auditor.

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11. Business of the Group

11.1. Overview

Business was started by Ainārs Sprīngis in 2018. The Group is a rapidly growing modern jewellery and watch retail chain in the Baltic markets. The Group specialises in affordable jewellery with a broad offering of quality products that cater to all budgets and occasions. 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.

As of 31 May 2022, the Group had a network of 50 retail shops, 41 of which are in the Republic of Latvia, 6 in the Republic of Estonia and 3 in the Republic of Lithuania. The shops are mainly located in shopping malls on the first floors, near entrances or near the intersection of avenues in the central areas of shopping centres.

Currently, the Group's largest market is the Republic of Latvia, which accounted for 92% of the Group's sales for the 3-months period ended 30 March 2022.

11.2. Strategy of the Group

The Group's strategy is to continue its profitable growth *via* four main cornerstones: (a) expansion and strong market position; (b) distinct and wide assortment; (c) economies of scale and (d) customer experience and loyalty.

- (a) The Group intends to significantly expand GIVEN's retail chain in all three of the Baltic states and potentially also beyond the Baltic markets in the future. The expansion is driven by the Group's ambition to offer high-quality jewellery available within 30 minutes' reach from anywhere in the Baltic states. The Group's strategy is also to become the top e-commerce platform of jewellery in the Baltic States.
- (b) The Group's goal is to achieve economies of scale *via* the expansion of its retail chain. First, due to expanding the retail chain the Group can obtain better pricing and payment terms from its partners. Secondly, as the sales increase, the managerial and administrative costs increase at a significantly smaller rate, thus, the fixed costs decrease per one unit sold or as a percentage of sales.
- (c) The Group's strategy is to establish new long-term partnerships to provide an even wider and more diverse assortment. In the coming years we also expect to capitalise on GIVEN existing private labels, as well as building new ones.
- (d) The Group is continuously working on its customer experience and loyalty. The Group aims to increase its loyal customer base *via* an engaging loyalty programme that offers special offers and discounts. The Group's goal is to further improve the customer experience *via* an offer of split payments both in its retail shops and e-shops, as well as excellent after-sales service support.

11.3. Key Strengths of the Group

Wide and modern assortment: The Group offers a wide and modern assortment. The Group's assortment also includes unique private labels that differentiate the Group's assortment from other competitors. The assortment is carefully selected by professional and experienced procurement specialists from around 50 different partners from various jurisdictions.

Excellent customer service: the Group ensures excellent customer service by carefully selecting and training its sales personnel. The Group has its own digital learning platform "Academy Ocean". The sales personnel are part of a performance bonus system that ties their compensation to the monthly sales results.

Distinct brand image: the Group has a distinct and colourful brand image that is reflected in its store design, advertising and branding materials, as well as has an active presence on social media and partnerships with influencers.

Competitive prices: the Group is able to offer competitive prices, as well as boost sales via monthly sales campaigns and sales campaigns on special events. In addition, the Group offers the option to “buy now, pay later” in its shops, and from October 2021 it is planning to introduce the features on its e-commerce platforms as well.

Loyalty programme: the Group has a loyalty programme “Darling”, which offers various discount levels depending on the amount spent on past purchases. The loyalty programme serves as a communication tool, increases customer loyalty and encourages repeat purchases by giving special offers and discounts.

Diversification: As of 31 May 2022, the Group’s shops are located in 26 different cities. In 2021 the Group opened 14 (fourteen) shops and has accordingly proven its ability to open new shops and enter new geographical markets. The expansion in other regions and jurisdictions, ensures the Group has an increasingly diversified geographic presence and proven ability to enter new geographical markets.

Strong strategic investor support: The Group has strong strategic investor support that provides both strategic advice, as well as financial support.

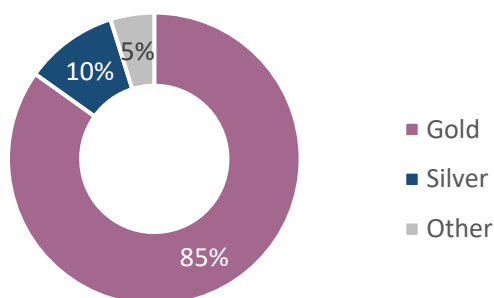
11.4. The Group’s products

The Group sources its products from various third-party manufacturers. In Q1 2022, EUR 1.8 million or 79% of the Group’s supply requirements for jewellery were produced by the Group’s top 16 suppliers from Italy, Hong Kong and Turkey. In total, the Group has around 50 different partners from 14 jurisdictions around the world. The Group is orientated towards building long-term relationships with its suppliers. The Group has worked with around half of its suppliers since the inception of the Group.

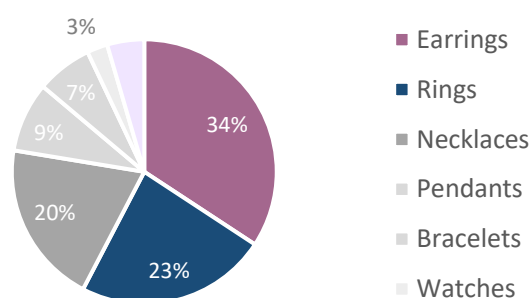
During the past 3 years one of the Group’s main goals was to work on and develop a distinct and wide product range to meet customer requirements within an affordable price range. To achieve this goal, the Group’s procurement specialists regularly visit major jewellery exhibitions. Over the last two years, the Group has started cooperation with more than 10 new suppliers, expanded its product range of jewellery, developed 2 new private brands and added watches to its assortment.

To maintain low inventory levels, the Group is working on implementing a new product management system with an order-and-demand forecasting function that will provide a “just in time and in place” system. As of 31 March 2022, the Group’s inventory was EUR 6.0 million. As of 31 March 2022, the inventory comprises 85% gold items, 10% silver items and 5% items from other materials.

The Group's inventory by key metals as of 31 March 2022



The Group's inventory by product type as of 31 March 2020



The Group’s procurement strategy is based on an “all occasions, all budgets” approach and on serving most of the age groups. The Group considers most of its products to be “timeless”, classic style and contemporary classic jewellery.

To capture both classic and more impulsive customers, who prefer contemporary and more fashionable designs, the Group has developed its own private jewellery brands, as well as are selecting a plethora of contemporary designs in its gold and silver product range.

The Group's products are mainly purchased as gifts or symbols for special life events such as weddings, birthdays, religious events and family occasions, as well as purchases for oneself and impulse purchases.

The Group believes its leadership position is supported by the following features of its product assortment:

- The Group offers a full range of 18 and 14 carat gold jewellery, silver jewellery, gold and silver diamond and colour stone jewellery within an affordable price range.
- As of the end of 2021, the Group's product range has been extended with a 9-carat gold jewellery assortment.
- The Group offers 9 private jewellery brands that each carry their unique story and values.
- The Group offers a choice of around 10,000 different products within the price range from EUR 5.00 to EUR 3,000.

Private labels

As of the date of the Terms of the Notes Issue the Group has 9 private brands – Silvia, Due, Joy, Zoye, Lilly Spring, Opla, Colours, Rotājies Latvija and Nine.

The Group's private labels not only offer fashionable designs, but also differentiate the Issuer's assortment from other competitors, which helps in the sales process as each of the brands has a unique value and story to tell. In the first 3 (three) quarters of 2021, 28% of sales consisted of the sale of brands, out of which 21% was the sale of the Issuer's own brands.

SILVIA: The Silvia collection combines statement earrings, rings with large natural stones, a variety of earring designs and necklaces. The silver jewellery collection Silvia attracts with colours of mid-summer meadow flowers and the glimmer of clear, sparkling water of natural stones and pearls. The modest elegance of silver from the original beauty of nature.

Colours: A selection of gold jewellery to suit all tastes, with one's favourite stone and colour. This selection of jewellery combines natural semi-precious stones from around the world with synthetic-coloured stones.

Due: The Due collection offers tasteful, comfortable and captivating classic designs of diamond earrings, necklaces and rings selected for clients with a wide range of tastes and possibilities. The classic Due diamond collection invites to celebrate the magical moment when two hearts meet. The translucent, innocent glimmering of diamonds is like a promise – through centuries, generations and ongoing change - that the most beautiful story will remain – the story of true love and the willingness to find your better half.

JOY: JOY jewellery for a brighter day. An elegant and feminine collection with subtle designs and original combinations of stones and materials. Eye-catching touches that allow femininity to flourish.

ZOYE: ZOYE jewellery is designed for women who are open to new inspirations, ready for experiments and challenges. The collection combines jewellery items that perfectly match and complement each other, in a way that allows one to indulge, meld and transform. The asymmetric shapes of the jewellery create a contemporary and up-to-date look that complements any everyday look.

Lilly Spring: Lilly Spring's collections come in a variety of styles – from contemporary and mix-and-match jewellery that allows for countless wearing variations, to very classic jewellery with elegant shapes, stone polishing and a nuanced, sophisticated look. However, the brand's jewellery is united by the same values: the highest quality standards, elegant design and sophisticated shapes.

Op-la: The Op-la collection is dedicated to the closest, most precious and dearest people - children. This jewellery is a beautiful and unforgettable gift for every celebration – when visiting a new-born, birthdays, baptism and special moments that we want to capture and remember. The symbol of the Op-la collection is a teddy bear. The collection includes a wide range of stud earrings with English and French clasps in various shapes and designs. Chains and bracelets with comfortable and size-adjustable clasps, as well as pendants and rings.

Nine: Nine collection is Nine 9K gold story brand jewellery, which includes both classic and modern style jewellery for everyday use.

11.5. The Group's shops

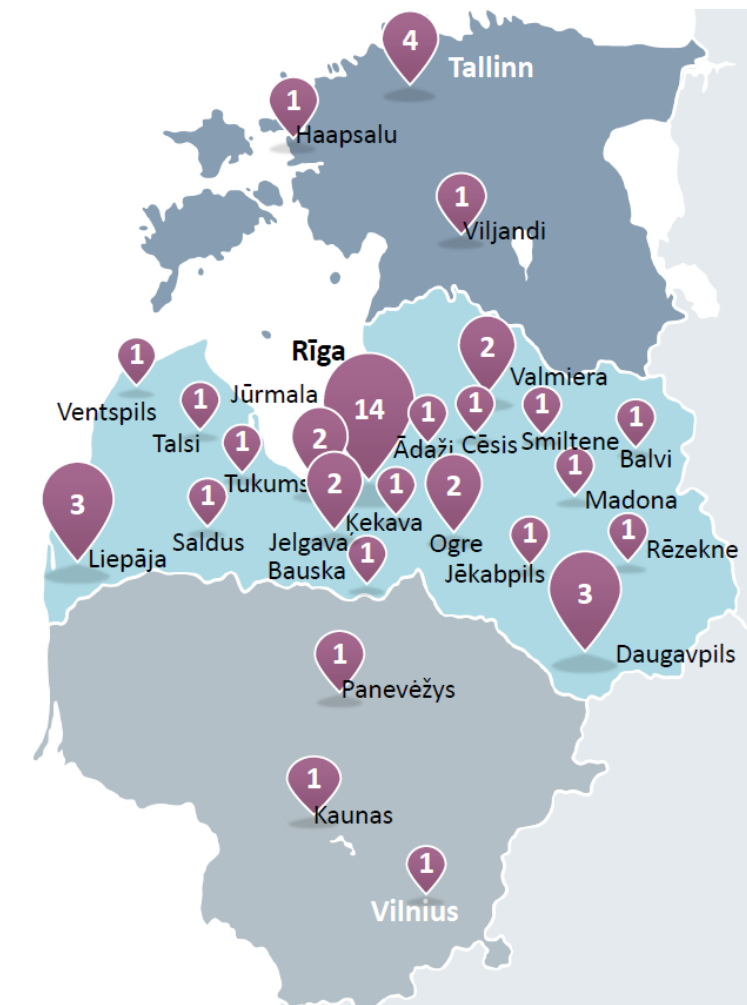
All the Group's shops have a unified design that creates a cosy and welcoming feeling. The intention of the design was to create an ergonomic layout able to place a wide range of products, as well as a convenient and attractive look. A unique feature of all the shops is the colourful wallpaper that was designed by artist Marta Gotliba in 2019.

The shelves are mainly organised by product groups, prices, discount policies. In addition, the shelf layout is customised based on the customer profile in each location.

Most of the shops are currently located in shopping centres, but two shop are stand-alone retail shops One is located in Daugavpils, but the second one in Riga. The latter is Group's largest brand flagship store with central location and size of 150 m². The size of shop retail area varies between approximately 21 m² and 130 m². All of our shops are leased, typically for 5 years. Rental expense per square metre varies considerably across our shop portfolio.

As of 31 May 2022, there are 50 shops – 41 in the Republic Latvia and 6 in the Republic of Estonia and 3 in the Republic of Lithuania – located in 22 different cities.

Map of the Group's stores



A full list of the shops with addresses are shown in the table below:

Number	Location	Address
1	GIVEN, t/c Rīga Plaza	Mūkusalas iela 71, Rīga
2	GIVEN, t/c Akropole Alfa	Brīvības gatve 372, Rīga
3	GIVEN, t/c Spice	Lielirbes 29, Rīga
4	GIVEN, t/c Akropole	Maskavas ielā 257, Rīga
5	GIVEN, t/c Domina Shopping	Ieriķu iela 3, Rīga
6	GIVEN, t/c Galerija Centrs	Audēju iela 16, Rīga
7	GIVEN, t/c Origo	Stacijas laukums 2, Rīga
8	GIVEN, t/c Rimi Damme	Kurzemes prospekts 1a, Rīga
9	GIVEN, t/c Maxima Saharova	Andreja Saharova iela 20a, Rīga
10	GIVEN, t/c Maxima Vienības gatve	Vienības gatve 111/113, Rīga
11	GIVEN, t/c Rimi Aleja	Vienības gat. 194a, Rīga
12	GIVEN, t/c Sāga	Biķeru iela 4, Dreiliņi
13	GIVEN, t/c Tukums Rimi	Pasta iela 14, Tukums
14	GIVEN, t/c Kauguri Maxima	Talsu šoseja 25, Jūrmala, LV-2016
15	GIVEN, t/c Jelgava VIVO centrs	Katoļu iela 18, Jelgava
16	GIVEN, t/c Bauska Rimi	Pionieru iela 2, Bauska
17	GIVEN, t/c Ogre Dauga	Rīgas iela 23, Ogre
18	GIVEN, t/c Ogres Prestižs	Mednieku iela 21/23, Ogre
19	GIVEN, t/c Liepāja Ostmala	K. Zāles laukums 8, Liepāja
20	GIVEN, t/c Liepāja Rietumu centrs	Jaunā ostmala 3/5, Liepāja
21	GIVEN, t/c Liepāja Kurzeme	Lielā iela 13, Liepāja
22	GIVEN, t/c Ventspils Tobago	Lielais prospekts 3/5, Ventspils
23	GIVEN, t/c Valmiera Valleta	Rīgas iela 4, Valmiera
24	GIVEN, t/c Valmiera Rimi	Rīgas iela 74, Valmiera
25	GIVEN, t/c Jēkabpils Sēlija	Vienības iela 7, Jēkabpils
26	GIVEN, t/c Daugavpils Rimi	18. novembra iela 136, Daugavpils
27	GIVEN, t/c Madona Maxima	Rūpniecības iela 49, Madona
28	GIVEN, t/c Cēsis Solo	Jāņa Poruka iela 19, Cēsis
29	GIVEN, t/c Ķekava Lība	Rīgas iela 22a, Ķekava
30	GIVEN, Daugavpils Juvelierizstrādājumu Centrs	Rīgas iela 34-1b, Daugavpils
31	GIVEN, t/c Balvi Planēta	Brīvības iela 57, Balvi
32	Given Outlet, Via Jurmala Outlet Village	Jaunā iela 12, Piņķi
33	GIVEN, t/c Talsi Jāņa Centrs	Rīgas iela 8, Talsi
34	GIVEN, t/c Saldus Maxima	Brīvības iela 30, Saldus
35	GIVEN, t/c Smiltene Centrs	Baznīcas laukums 2, Smiltene
36	GIVEN, t/c VIRU	Viru vāļak 4, Tallinn
37	GIVEN, t/c ÜLEMISTE	Suur-Sõjamäe 4, Tallinn
38	GIVEN, t/c MAGISTRAL	Sõpruse pst. 201/203, Tallinn
39	GIVEN, t/c Uku	Tallinna mnt 41, Viljandi
40	GIVEN, t/c Haapsala	Tallinna mnt.1, Haapsalu
41	GIVEN, t/c Europa	Konstitucijos ave. 7A, Vilnius
42	GIVEN, t/c Molas	K. Baršausko st. 66A, Kaunas
43	GIVEN, t/c RYO	Vakarinė st. 61, Panevėžys
44	GIVEN, t/c Ditton	Cietokšņa iela 60, Daugavpils, LV-5401
45	GIVEN, t/c Savas	Savanoriu PR. 346, Kaunas
46	GIVEN, t/c Mežciems Maxima	Biķernieku iela 143, Rīga
47	GIVEN, t/c Ādaži Apelsīns	Rīgas gatve 5, Ādaži
48	GIVEN, t/c Jelgava Valdeka	Rīgas iela 11a, Jelgava
49	GIVEN, t/c Rēzekne Maxima	Atbrīvošanas aleja 141a, Rēzekne
50	GIVEN,t/c Mols	Krasta iela 46, Rīga

11.6. E-shops

In 2018, the Group opened its e-commerce shop in the Republic of Latvia (www.given.lv), in November 2019 in the Republic of Estonia (www.given.ee) and in March 2022 in the Republic of Lithuania (www.given.lt). The Group's e-commerce platforms are custom built on the OpenCart platform with an "API-first" approach, which provides flexibility to modify the platforms and promptly implement new services and features.

The Group's e-commerce platforms currently have around 80,000 (fifty thousand) visits per month, of which 80% (eighty per cent) are visits by new users and 20% (twenty per cent) existing users, with an average session of 4 (four) minutes and 20 (twenty) seconds. In 2021, the Group's e-commerce platforms, together, generated 12% (twelve per cent) of the Group's sales. The global pandemic demonstrated the Group's e-commerce platforms are a crucial part of the business and partially compensated for the revenue drop in shops due to restrictions in shops.

The Group's e-commerce websites complement the Group's existing network of shops and enhance the accessibility of our product range. The Group seeks to strengthen the integration between the e-commerce platforms and shops *via* the following features:

- (a) A customer can register online, evaluate the product in the shop, and continue shopping online.
- (b) Customers are able to see online, in which shops a particular product is available.
- (c) In shops, customer can log in to the Group's e-commerce platform and show their virtual loyalty cards to receive discounts offered by the loyalty card, as well as discounts offered to individuals on their special dates registered in the platform.

In the future, we expect to further enhance our e-commerce platforms to enhance the Group's brand awareness, maximise customer reach as well as to foster the potential for additional revenue opportunities. We are working on web page updates on a daily basis to make them more and more convenient for our customers.

11.7. Branding and advertising

Brand role and values

The role of GIVEN brand is to remind people about the value of jewellery and to make jewellery available to everyone. GIVEN brand reminds people about what is valuable - valuable life events, valuable relationships and the long-lasting value of jewellery. GIVEN brand story is about joy – the joy to afford, to receive and to give.

The Group's three values are joy, approachability and hospitality. It gives compliments. The Group believes that joy leads world to a more happy place, and a smile gets a smile in return.

The Group stands for high-quality products at affordable prices for everyone. Its diverse product offer lets everybody find the most suitable and fitting piece.

The Group wants to be approachable to anyone who sees the value of jewellery. The Group treats all its clients as guests and hospitality is of the highest importance. Everyone should feel at home in the world of jewellery - comfortable and at ease. The Group aims to create an environment that encourages people to stay around and explore the world of jewellery.

GIVEN's concept is communicated and explained on a regular basis *via* news portals and social media. The Group's keywords - affordability, hospitality, joy - are communicated via social media, outdoor banners and press.

Marketing and communication

The Group's target audience is economically active consumers in the age of 25-60 in the Baltic markets. The Group pursues a unified branding strategy focusing on creating consistency of brand perception across all communication channels and markets. The Group refers to a singular experience for consumers across

all of our communication channels, including email, social media accounts, website, outdoor media, print, radio, TV and more. The Group uses a unified message on plenty of platforms, with a target to reach our wide target audience. To create a seamless brand experience, the Group optimises the content for each channel and device.

Retail shops

The Group considers the shops to be its primary communication channel. The Group's retail shops are located in prime locations, typically in shopping centres on the first floors, near the entrances. The key communication channels in the shopping malls and retail shops are:

- (a) **Visible design** – the Group's shops have a unique and visible design that serves as a great touch point with customers.
- (b) **TV screens** - In order to reach shopping centre visitors, the Group has large TV screens located by the entrances of our stores. On the TV screens the Group communicates hot deals, values and offers. TV displays help in engaging and attracting customer traffic.
- (c) **In-store experience** – A powerful tool to drive sales is the in-store communication provided by the Group's professional and trained sales consultants. In addition, in the Group's shops it places various visuals, merchandising and informative materials which inform customers about current discounts, split payments, gift cards, gold exchange, loyalty programmes and other current offers.

Image campaigns

Image campaigns are used to build the Group's brand and raise brand awareness. For image campaigns, the Group uses a mix of different communication channels - TV, press, outdoor media and digital media. To raise brand awareness, the Group uses Google display and search ads.

The Group is consistently working to improve brand communication in e-commerce and in-store networks by investing in better quality photo shoots featuring our products, image photoshoots and views of the Group's products and videos on the e-commerce platforms, which the Group considers to be very important.

Sales campaigns

Sales campaigns are vital for monthly business success. The key types of sales campaigns are:

- (a) Special deals during active sales periods due to special events, for instance, 14 February, 8 March, Mother's Day, Black Friday, *etc.*
- (b) Monthly sales for a particular product category such as for earrings, necklaces or other.
- (c) WOW campaigns: On a quarterly basis for a period of one month the Group offers the lowest price among the jewellery sellers for one particular product category or selected items.

Social media

The Group is actively utilising social media accounts on Facebook, Instagram and LinkedIn:

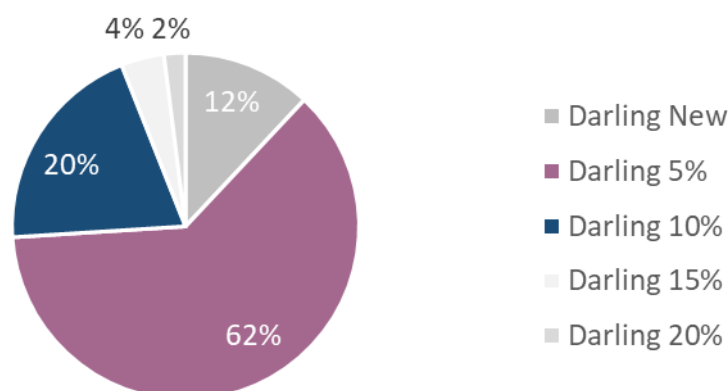
- (a) collaborates with influencers to raise brand awareness and attract new followers.
- (b) uses targeted advertising – sponsors monthly offer ads (stories, carousels, posts and videos) on social media.
- (c) uses LinkedIn to build the brand, communicates with potential team members, and provides information about professional milestones and brand values.

Loyalty programme

The Group has a loyalty card system "Darling" that offers different discount levels based on the number of past purchases. The loyalty card system has 4 loyalty levels offering discounts of 5%, 10%, 15%, and 20%. As of now, the Group has more than 89 thousand loyal customers. Every month the Group works with its

loyal client data base by sending special offers and information about new collections to increase customer loyalty and drive repeat sales.

Client distribution by loyalty levels (%)



11.8. Customer service

The Group's key strengths is its excellent customer service. A vital asset to the Group is its highly motivated and experienced sales consultants with deep knowledge of products and high customer service culture. Currently the Group employs around 120 sales professionals in the Baltic states. There are 1 to 2 sales consultants working at the same time at a shop. The number of sales consultants working simultaneously depends on the shop size and forecast customer traffic at the shop.

Learning

In order to ensure high-quality customer service, all the Group's future sales consultants undergo a training programme at the internally developed "GIVEN Academy". All the necessary equipment and tools are in the premises of the academy, so that the new sales consultants can learn all the procedures - sales, moving goods through warehouses, repairs, gold procurement procedure and split payment. "GIVEN Academy" provides both the acquisition of technical knowledge such as product labelling, procedures, IT programs, as well as emotional skills such as understanding of customer types, psychological profiles and customer service standards.

The Group also has its own internally developed digital training programme "Academy Ocean" that is available to all employees at any time. On the digital platform employees can refresh their knowledge, learn new skills as well as test their knowledge through various tests. The Group plans to further develop "Academy Ocean" to raise the efficiency and quality of our sales personnel.

Around once per month, all store managers gather in the premises of "GIVEN Academy" to learn the latest information about the company, product news, as well as share experience and opinions with each other. The monthly meetings ensure knowledge transmission and alignment across all the Group's shops.

Quality control

The Group's management regularly visits the Group's shops to follow the daily activities and progress of sales personnel on a continuous basis.

Around once a year, the Group runs a "Mystery shopping" project, within the scope of which a hidden customer visits each shop and each seller to assess everyone's knowledge and performance.

Motivation

High motivation and work satisfaction is a cornerstone of excellent customer service. The company offers social guarantees to all its employees. The Group's employees are also offered special prices on its products. Special prices not only provide a financial benefit to employees, but also increase knowledge

about the products and loyalty to the company. Lastly, since inception, the company has developed a remuneration system in which apart from the base salary, sellers receive a predetermined percentage of their sales as well as the sales in the shop in which they work.

11.9. Information Technology/Engineering

The Group outsources IT development and maintenance services. The key software tools used by the Group are:

- (a) Management system: The Group has a tailor made and quickly adjustable management system in which the Group tracks inventory, client data, transactions, split payments and other data.
- (b) Business Intelligence: The Group also has the business intelligence system Microsoft Power BI that is used to efficiently monitor its business activities daily.
- (c) Internal Communication platform: The Group's internal communication is organised in Bitrix24. The platform allows news to be posted to all employees, tasks and projects to be managed, documents to be shared, and people to message each other.

11.10. Financing structure of the Group

The Group's goal is to achieve a balanced financing structure to provide the Group with flexibility and support its growth plans. The Group currently uses the following financing sources: shareholder's equity, Subordinated Debt, credit line from a bank and bank guarantees.

The Group's funding structure as of 31 March 2022 (in thousand EUR)

Funding type	Funding amount	Explanation
Equity	1,347	Paid-in capital
Undistributed profit	509	Undistributed Group profits
Subordinated Debt ^(a)	2,703	Subordinated debt from shareholders
Adjusted Equity	4,559	
Existing Secured Notes	3,000	Debt under the Existing Secured Notes
Other unsecured loans	98	Unsecured loans from associated companies
Bank guarantees ^(b)	250	Performance guarantees issued to landlords of GIVEN shops
Total Financial Indebtedness	348	
TOTAL FUNDING	7,907	

- (a) As from 31 March 2022 until the date of the Terms of the Notes Issue, the Group's subordinated debt has increased to EUR 3,603 thousand.
- (b) As of the date of the Terms of the Notes Issue, the Group has arranged bank guarantees for securing performance of the lease contract obligations to the landlords of GIVEN shops with a limit of EUR 250 thousand. After the issue of the Notes, the Group plans to increase the limit up to EUR 300 thousand in total. The performance guarantees on the date of the Terms of the Notes Issue are secured with the Bank's Security (the 2nd and the 3rd commercial pledges over all assets of GIVEN Latvia SIA, as an aggregation of property at the moment of pledging as well as its future components). After the issue of the Notes and increase of the guarantee's limit, the Bank's Security will be supplemented with the 4th commercial pledge on the assets of GIVEN Latvia SIA and will be subject to the Intercreditor Agreement.

11.11. Group structure

11.11.1. Legal and operational structure

As of the issue date, the Group includes four legal entities:

- GIVEN Jewellery AS (registered on 11 December 2020): Group's holding company
- GIVEN Latvia SIA (registered on 5 September 2018): Management of Group's operations and operations in the Republic of Latvia
- GIVEN Estonia OÜ (registered on 11 June 2018): Management of operations in the Republic of Estonia
- GIVEN Lithuania UAB (registered on 15 November 2022): Management of operations in the Republic of Lithuania

The Group's legal structure



11.11.2. Management of the Issuer

The Management Board of GIVEN Jewellery AS is responsible for the day-to-day management of the Group's operations. Further, according to the Commercial Law, it is the obligation of the Management Board to draft the annual reports and submit the reports to the Supervisory Board for review and to the General Meeting for approval. The Management Board is accountable to the Supervisory Board and must adhere to its lawful instructions.

Name	Position	Starting from	Term until
Ģirts Rudzītis	Member of the Board	19 July 2021	Undefined period or until revoked

Ģirts Rudzītis

Ģirts Rudzītis is the Group's CEO with broad experience in business development, sales and marketing and supply chain management. Previously Ģirts was the Business Management Director of the Baltic states and Managing Director of the Baltic Distribution Centre at Schneider Electric. Ģirts holds a bachelor's degree in Business Administration.

Ģirts Rudzītis has no principal activities outside the Group.

11.11.3. Supervisory Board of the Issuer

In accordance with the Commercial Law, the Supervisory Board of the Issuer is responsible for the strategic planning of the business activities of the Issuer and supervising the activities of the Management Board. The Supervisory Board is accountable to the Shareholders of the Issuer (acting through the general meeting of shareholders of the Issuer). The Issuer is supervised by a supervisory board consisting of 3 (three) supervisory board members, which has the right to supervise the Management Board. As of the date of this Terms of the Notes Issue, the Supervisory Board of the Issuer consists of:

Name	Position	Starting from	Term until
Ainārs Sprinģis	Chairman of the Supervisory Board	13 August 2021	Undefined period or until revoked
Māris Keišs	Member of the Supervisory Board	13 August 2021	Undefined period or until revoked
Alberts Pole	Member of the Supervisory Board	13 August 2021	Undefined period or until revoked

Ainārs Sprinģis

Ainārs is the founder and Chairman of the Supervisory Board at GIVEN Jewellery AS. Ainārs is also the founder and CEO of Grenardi Group with 20 (twenty) years of experience in management in the jewellery industry. In addition, Ainārs has established the largest retail chain of mobile phones and accessories in the Baltics – Trodeks and DUAL. Ainārs holds a bachelor’s degree from RISEBA.

Māris Keišs

Māris is a Member of the Supervisory Board at GIVEN Jewellery AS. Since 2008, Māris has been a serial entrepreneur specialising in the financial services industry. Maris is the Co-founder of Mintos Marketplace AS and Eleving Group (previously called Mogo Finance). Māris holds a bachelor’s degree in Economics and Business Administration from Stockholm School of Economics in Riga.

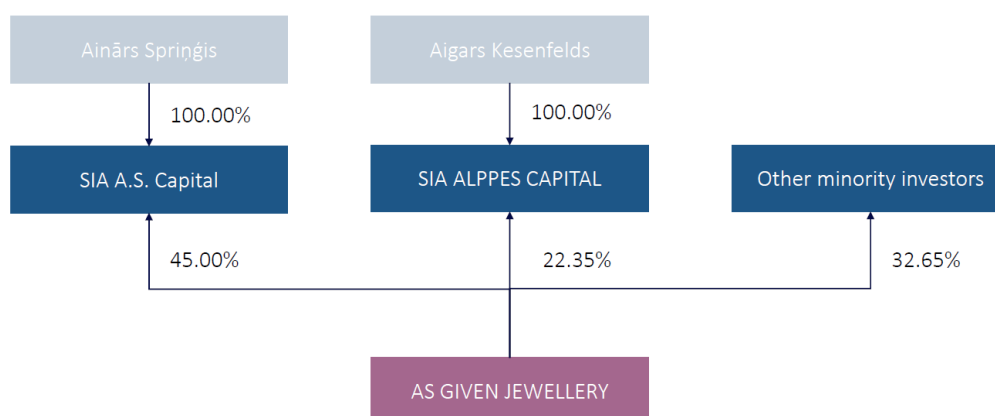
Alberts Pole

Alberts is a Member of the Supervisory Board at GIVEN Jewellery AS. Alberts has wide experience in the financial services industry as an entrepreneur and investor. Alberts is the Co-founder of Mintos Marketplace AS and Eleving Group (previously called Mogo Finance). Alberts holds a bachelor’s degree in Economics and Business Administration from Stockholm School of Economics in Riga.

11.11.4. Issuer’s shareholder and Group structure

The following chart illustrates the Group’s ownership structure:

The Group’s ownership structure¹



¹ None of the other minority investors owns more than 8%. SpringbySpring SIA is a minority investor owning 5% of the Issuer’s shares. The sole owner of SpringbySpring SIA is Alīna Sprinģe - the wife of the owner of A.S. Capital SIA - Ainārs Sprinģis. AK Family Treasury SIA, whose sole owner is Aigars Kesenfelds, owns 0.1% of the Issuer’s shares and also is included under the other minority investors.

11.12. Market overview and competition

The Baltic markets' jewellery and watch market consists of around 11 (eleven) principal market participants. The Group primarily competes with other retail chains represented in shopping malls, but also with independent jewellers, hypermarket, department or other stores with a dedicated jewellery section or corner, and online retailers.

At the end of the year 2021, it is the largest retail chain in the Republic of Latvia as measured by number of stores, followed by Jahonts and 585. The Group considers Gold Time and Jahonts as the main competitors in the Republic of Estonia with 25 and 10 shops respectively and Tomas Gold in the Republic of Lithuania with 26 shops (as at 31 December 2021).

The Group also believes it has a distinct market position from other competitors serving the market segment that is looking for a more mainstream and modern assortment. This is mainly achieved by excellent customer service, differentiated assortment, more convenient and attractive shop design, competitive prices.

11.13. Legal proceedings and arbitration

At the moment of signing the Terms of Notes Issue, the Issuer or its Subsidiaries are not involved in any government interventions, lawsuits or arbitration processes, which may significantly affect or have significantly affected the financial situation or profitability of the Issuer.

11.14. Substantial changes in the financial situation of the Issuer

As of the publication of the last financial statement, the financial situation or performance of the Issuer has not worsened. The Issuer is unaware of any factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Issuer in the future.

11.15. Important agreements

The Issuer has no knowledge of any other important agreements or internal decisions that could have been concluded within the company or between the Issuer and any related company and that could affect the Issuer's capability to fulfil its liabilities due to Noteholders regarding the securities to be issued.

11.16. Significant recent and known trends

During 2020 and 2021, many economic sectors, including the retail, were affected by the outbreak of the global pandemic. On 24 February 2022 the Russia started invasion in Ukraine. Currently there is high uncertainty on how the war in Ukraine will impact the world's economy and the development of financial markets, including the availability of resources, inflation, and purchasing power of population.

* * *

12. Selected Financial Information of the Group

The shareholder's equity of the Group as of 31 March 2022 is EUR 1.9 million (one point nine million euro), while the adjusted equity of the Group is EUR 4.6 million (four point six million euro).

The profit/loss forecast has not been carried out.

The Group's financial reports are available on its website, via the Nasdaq Riga website.

The tables below present key selected financial information for the Group and have been derived from the Group's: (i) audited consolidated Financial Report as at the end of and for the financial year ended 31 December 2021; (ii) unaudited special purpose (pro-forma) consolidated financial report as at the end of and for financial year ended 31 December 2020; (iii) unaudited consolidated interim Financial Report as at and for the three month period ended 31 March 2022.

The Group's financial statements have been prepared in accordance with IFRS.

12.1.1. Consolidated statement of income data (in thousands of EUR)

	Unaudited 12M Period ended 31 Dec 2020	Audited 12M Period ended 31 Dec 2021	Unaudited 3M Period ended 31 March 2022
Revenue	4,427	6,511	2,592
Cost of goods sold	(2,196)	(2,997)	(1'153)
Gross profit	2,231	3,514	1,375
Selling expenses	(1,943)	(2,601)	(930)
Administrative expenses	(217)	(654)	(314)
Other operating income	9	588	11
Other operating expense	(15)	(45)	(17)
Profit before interest and tax	66	802	124
Other revenue from interest and similar revenue	1	3	0
Interest expense	(196)	(328)	(114)
Corporate income tax	(10)	0	0
Profit for the period	(141)	477	10

12.1.2. Selected consolidated statement of financial position data (in thousands of EUR)

	Unaudited 12M Period ended 31 Dec 2020	Audited 12M Period ended 31 Dec 2021	Unaudited 3M Period ended 31 March 2022
Property and equipment	3,267	3,866	3,870
Intangible assets	703	777	782
Tangible and intangible assets	3,970	4,643	4,652
Financial investment	110	0	0
Total non-current assets	4,080	4,643	4,652
Inventory	3,491	6,090	5,980
Advance payments for goods	20	130	118
Debtors	252	789	478
Cash and cash equivalents	41	694	717
Total current assets	3,804	7,703	7,294

	Unaudited 12M Period ended 31 Dec 2020	Audited 12M Period ended 31 Dec 2021	Unaudited 3M Period ended 31 March 2022
TOTAL ASSETS	7,884	12,346	11,946
Shareholder's equity			
Share capital	1,000	1,347	1,347
Subordinated debt	2,131	2,603	2,703
Retained earnings	21	498	509
TOTAL EQUITY	3,152	4,449	4,559
Liabilities			
Loans and borrowings	820	3,036	3,067
Non-current lease liabilities	1,785	1,965	1,904
Total long-term liabilities	2,604	5,001	4,971
Current lease liabilities	704	855	856
Trade and other payables	1,123	1,308	907
Taxes & other payables	300	734	653
Total liabilities	4,732	7,898	7,386
Total equity and liabilities	7,884	12,346	11,946

12.2. **Key financial ratios calculated based on the Group's consolidated data**

The definitions for the following key financial ratios are as described in the notes to this table. The Group believes that such key financial ratios are a useful way of understanding trends in the performance of the business of the Group over time.

	Unaudited 12M Period ended 31 Dec 2020	Audited 12M Period ended 31 Dec 2021	Unaudited 3M Period ended 31 March 2022
EBITDA	702	1,701	399
EBITDA margin ⁽¹⁾	16%	26%	16%
Capitalisation ratio	40%	36%	38%
Interest coverage ratio (LTM)	-	5.0	4.9

(1) EBITDA margin is calculated as EBITDA divided by total Revenue of the Group for the Relevant Period.

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