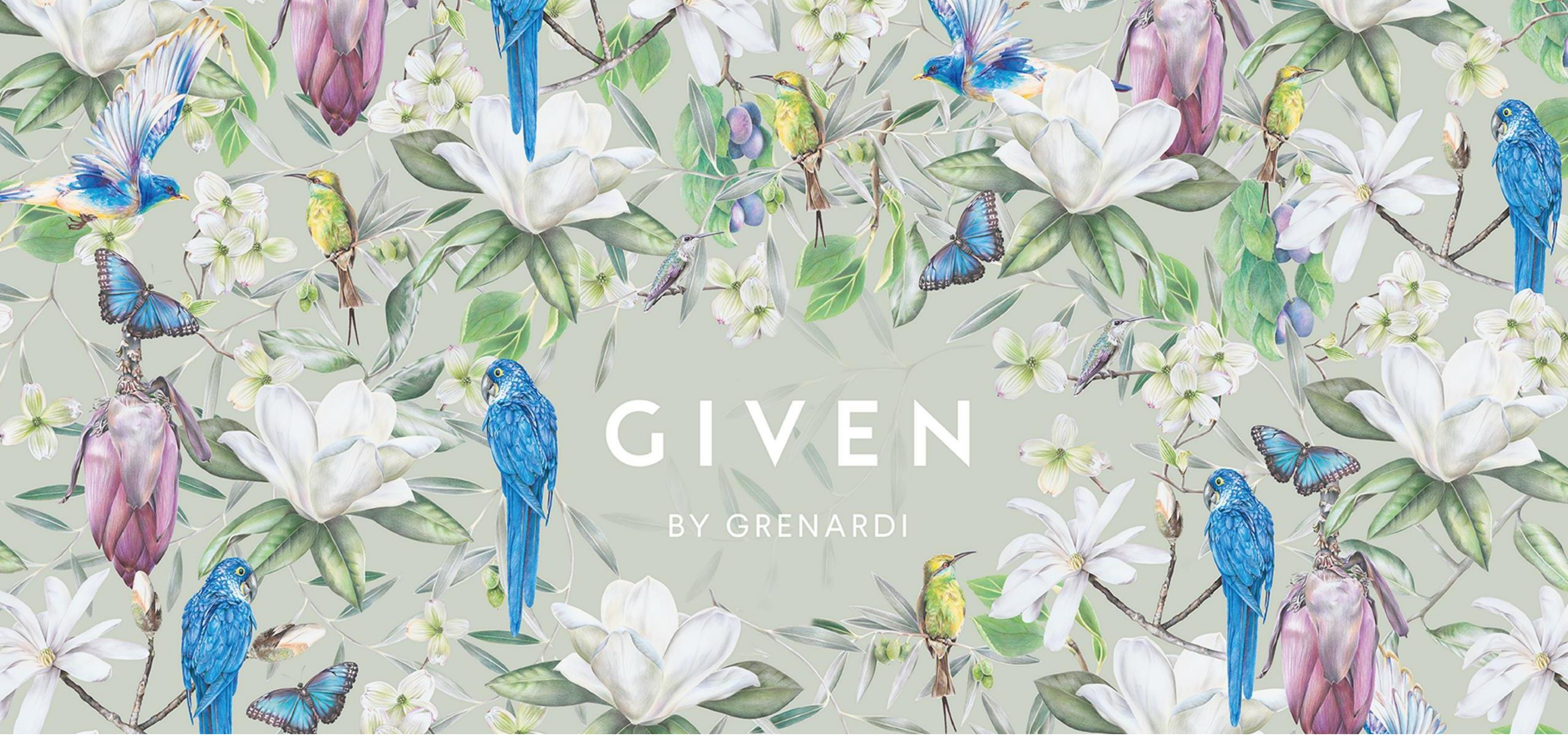

INVESTOR PRESENTATION OCTOBER 2021

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TARGET MARKET

The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a Distributor) 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.

- **GIVEN AT A GLANCE**
- BUSINESS OVERVIEW
- FINANCIAL HIGHLIGHTS
- TRANSACTION OVERVIEW

KEY HIGHLIGHTS

One of the fastest growing jewellery retailers in Northern Europe with leading market positions in Latvia expanding its operations and footprint in Baltics.

19
CITIES

38
SHOPS OPEN
AS OF 30.09.2021

>82K
LOYAL CUSTOMERS

31%
REVENUE GROWTH
6M 2021 VS 6M 2020

>11 €M
REVENUE
SINCE INCEPTION

4.0 €M
HIGH LIQUIDITY
INVENTORY
AS OF 24.09.2021

* GIVEN – means the brand name GIVEN by GRENARDI or GIVEN Group that includes (GIVEN Jewellery AS, Given Latvia SIA and Given Estonia OÜ)

EXECUTIVE SUMMARY

BUSINESS OVERVIEW

- Rapidly growing modern jewellery retail chain
- Wide assortment of affordable jewellery and unique private brands
- Developed e-commerce

LARGE SCALE AND WIDE CUSTOMER REACH

- 38 shops and strong online presence
- >11 EURm net revenue since inception
- More than 82K registered customers
- >100 employees

STRONG FINANCIAL POSITION

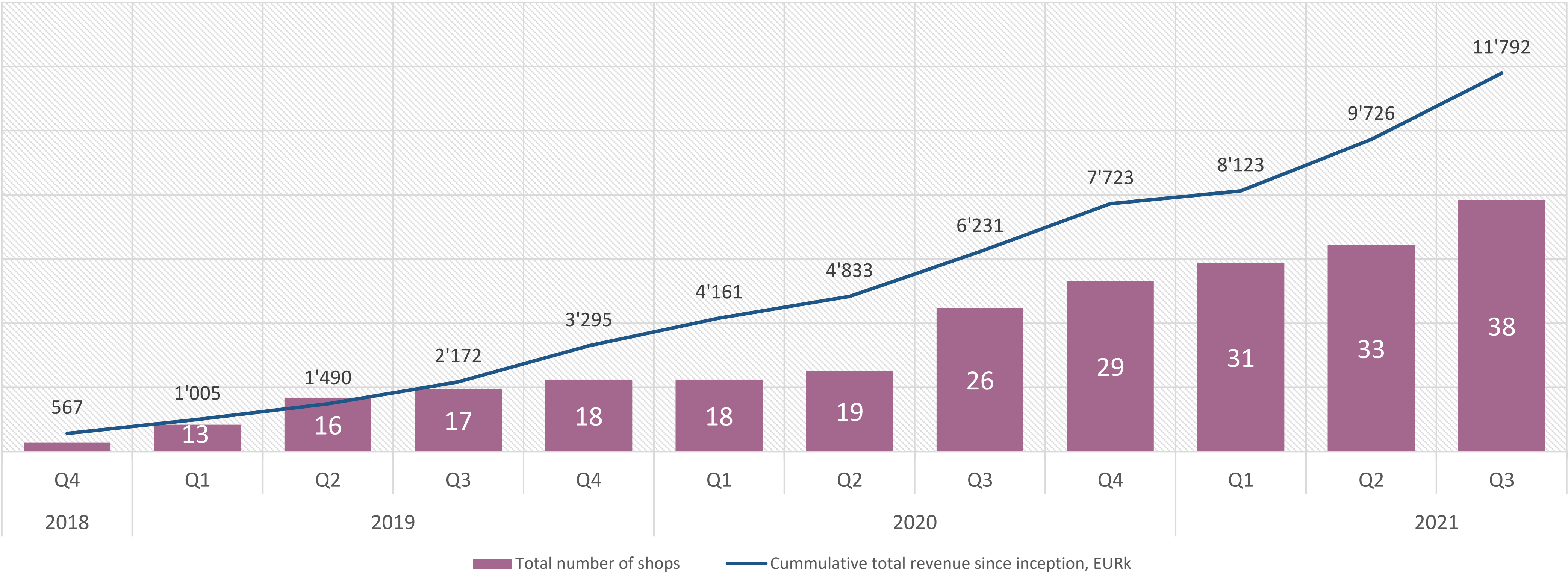
- +122% EBITDA growth (6M 2021 vs. 12M 2020)
- 23% EBITDA margin 6M 2021
- 62% capitalization ratio (on June 30, 2021)

Key figures, €K	2019	2020	2021 6M
Revenue	2'729	4’427	2’017
EBITDA	(156)	210	467
Net profit/ (loss)	(330)	(55)	272
Inventory	2’326	3’493	3’885
EBITDA margin	(6%)	5%	23%
Capitalization ratio	69%	58%	62%
Interest coverage ratio	-	2.2x	5.5x

STRONG STRATEGIC INVESTOR SUPPORT

- Ainārs Spriņģis - the founder and shareholder of Given - successful entrepreneur and investor within the retail and technology industry. Established the largest retail chain of mobile phones & accessories in the Baltics – Trodeks & DUAL
- Strong strategic investors – owners of leading used car lender and leading online lending marketplace – providing financing to support Given’s growth plans

DEVELOPMENT TRACK RECORD



WIDE SHOP FOOTPRINT

GOAL – HIGH QUALITY JEWELLERY **AVAILABLE WITHIN 30 MINUTES** FROM EVERYWHERE

GIVEN

GIVEN SHOPS

One of the largest retail chains in Latvia with presence in top shopping centres in excellent locations

38 shops
in Latvia
and Estonia

GIVEN STRATEGY

EXPANSION & MARKET POSITION

Expansion of GIVEN'S retail chain in the Baltic States

Become the top jewellery e-commerce platform in the Baltic States

DISTINCT & WIDE ASSORTMENT

Development of new labels

Establish new partnerships

ECONOMIES OF SCALE

Increase of profitability of the existing stores

Leverage on economies of scale from larger retail chain

CUSTOMER EXPERIENCE & LOYALTY

Engaging loyalty program

Attract new customers

Convenient payment options via split payments

Available in retail shops & e-shop

LEGAL STRUCTURE

Dates of registration: AS GIVEN Jewellery – registered on Dec 11, 2020; SIA GIVEN Latvia – Sep 5, 2018 ; OÜ GIVEN Estonia – June 11, 2018; UAB GIVEN Lithuania – registration in progress

EXPERIENCED TEAM

FOUNDER

AINĀRS SPRIŅĢIS

- Founder and Chairman of the Supervisory Board at GIVEN
- Founder and CEO of Grenardi with 20 years of experience in the jewelry industry
- Established the largest retail chain of mobile phones & accessories in the Baltics – Trodeks & DUAL
- BSc in Enterpreneurship

CEO

ĢIRTS RUDZĪTIS

- Group's CEO
- Broad experience in business development, sales & marketing and supply chain management
- Previously Business Management Director Baltic States and Managing Director Baltic Distribution Centre at Schneider Electric
- BSc in Business Administration

CFO

MARTA ANDERSONE

- Oversees Group's Finance & Accounting
- Broad experience in financial planning & analysis, investment analysis and project management
- Previously FP&A Team Lead at Twino, Financial Consultant at Deloitte
- BSc from SSE RIGA, LL.M in Law & Finance from RGSL

CMO

SVETLANA DĀBOLIŅA

- Oversees Group's Marketing & Communication
- More than 10 years experience in sales and retail marketing
- Previously Head of Marketing team at brand sales and marketing agency BSMS
- BSc in Public Relations

CSO

INGA IKONŅIKOVA

- Oversees Group's Sales
- More than 20 years of experience in sales and retail industry
- Previously Head of Sales at Laiks
- BSc in Marketing & Sales, MSc in Business Psychology & Human Resource Management

GIVEN AT A GLANCE

• **BUSINESS OVERVIEW**

FINANCIAL HIGHLIGHTS

TRANSACTION OVERVIEW

BRANDING CORNERSTONES

GIVEN IS:

- Positive and expressive
- Welcoming, extroverted – willing to share with others
- Up-to-date – constantly evolving and keeping an eye on trends

VALUES:

OPENNESS, APPROACHABILITY, HOSPITALITY

VISION:

BRING QUALITY JEWELLERY INTO PEOPLE'S EVERYDAY LIVES

BRAND ROLE:

MAKING THE VALUABLE ACCESSIBLE

CUSTOMER PROFILE GIVEN CLIENTS ARE MODERN AND OPEN TO EXPERIMENT!

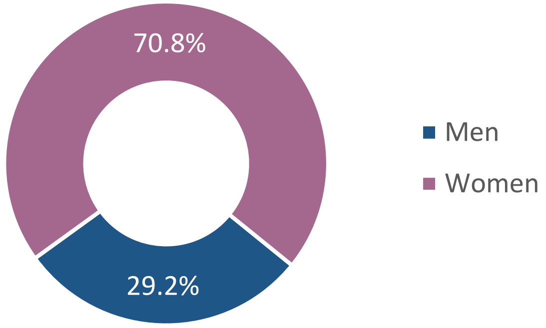
154 €

AVERAGE PURCHASE VALUE**

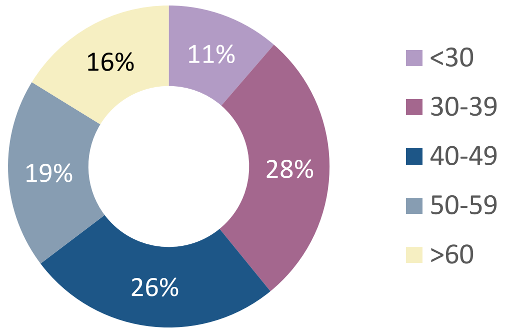
1.4 x

ITEMS PER TRANSACTION

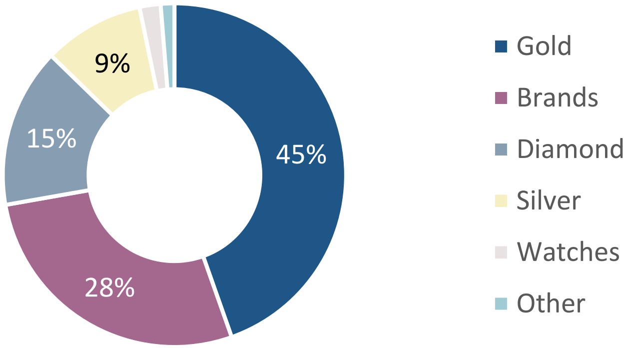
DISTRIBUTION BY GENDER (%)*



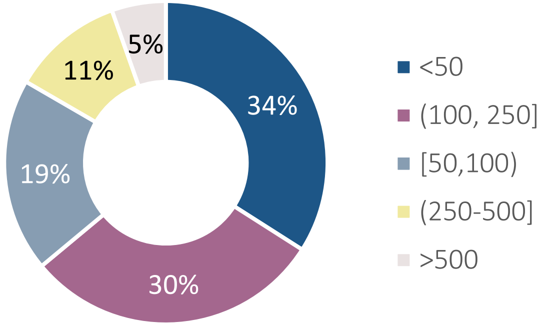
DISTRIBUTION BY AGE GROUPS (%)*



SALES BY KEY CATEGORIES (%)**



DISTRIBUTION OF TRANSACTIONS BY TRANSACTION AMOUNT (€), (%)**



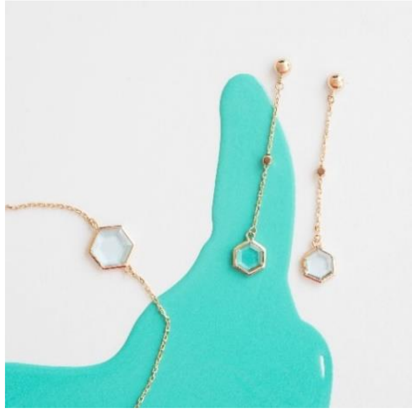
* Client groups determined from data of purchases with loyalty cards, ** Jan-Aug 2021 sales data

WIDE ASSORTMENT

- GIVEN offers wide assortment of jewellery and unique private brands to give to everyone jewellery lovers friendlier, more understandable and affordable.
- Given offers choice from around **10 thousand different products** that are carefully selected from around **50 partners from 14 different countries.**
- **TOP 3 procurement countries: Italy, Russia, Turkey and Hong Kong**
- Focus on long-term partnerships that results in mutual trust, more favourable delivery conditions and assurance of delivered product quality.
- GIVEN Procurement Team has an extensive experience in selecting high quality and up-to date assortment always putting taste and quality in its forefront.








UNIQUE PRIVATE LABELS

GIVEN has unique private labels that:

- Differantiate GIVEN'S assortment from other competitors
- A story to tell - each brand has its unique value and story
- In 2021 8M 21% of sales consisted of private labels

CUSTOMER SERVICE & SHOP CONCEPT

EXCELLENT CUSTOMER SERVICE:

- **~90 employees** in customer service
- Customer service oriented on **story-telling and exploring** customer needs and personality
- **State-of-the-art learning platform** with online learning materials and tests for sales personnel
- 3-5 days **training academy** for new sellers, including in-room games simulating real-life situations

DISTINCT SHOP CONCEPT:

- New and unified design for all shops
- Size of shop retail area between **21m² - 62m²**
- **Convenient and attractive** shop layout with wide range of products
- Shop design - creating **cozy and welcoming feeling**
- **LED screens** at shop entrances
- Wallpaper **designed by artist** – Marta Gotlība

COMPETITIVE PRICES

REGULAR SALES CAMPAIGNS, INCLUDING:

- Monthly sales for a particular category, e.g., earrings, necklaces etc.
- Special events – Black Friday, Christmas, Valentines Day

MONTHLY WOW CAMPAIGNS

Offering the lowest price
for one particular category

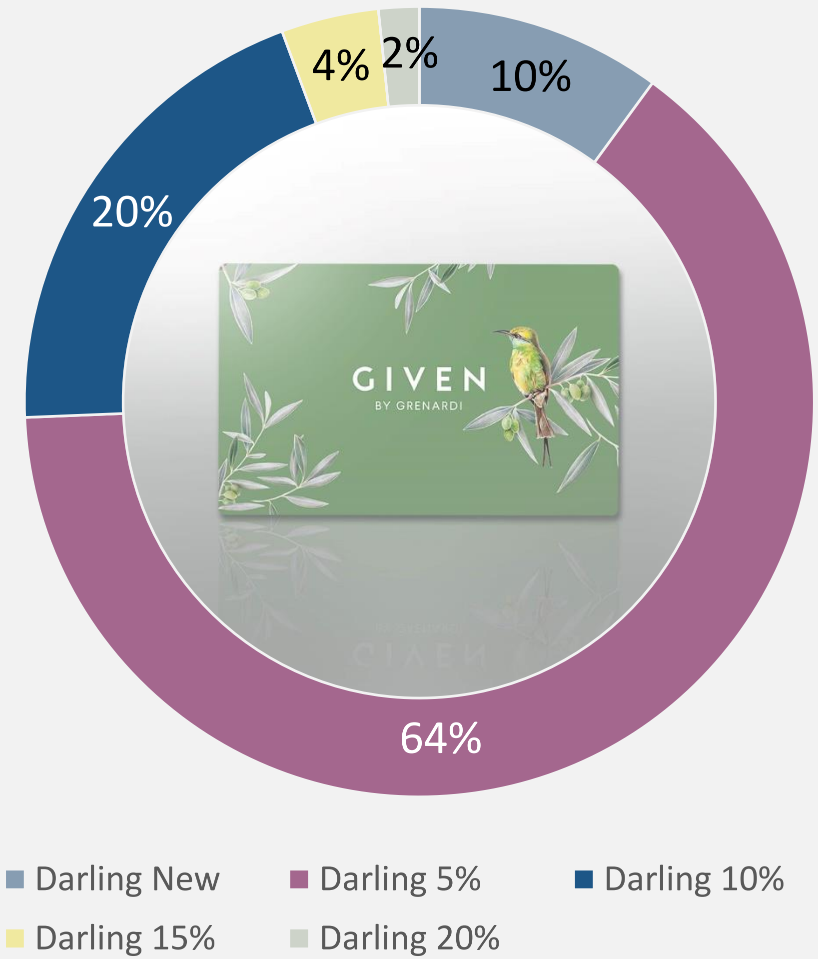
OPTION TO BUY NOW, PAY LATER

LOYALTY PROGRAM

More than 82K
loyal customers

- «Darling» loyalty card system offers different discount levels based on number of past purchases
- Key reasons for purchases: gifts, special occasions, purchases for oneself, impulse purchases

CLIENT DISTRIBUTION BY LOYALTY LEVELS (%)



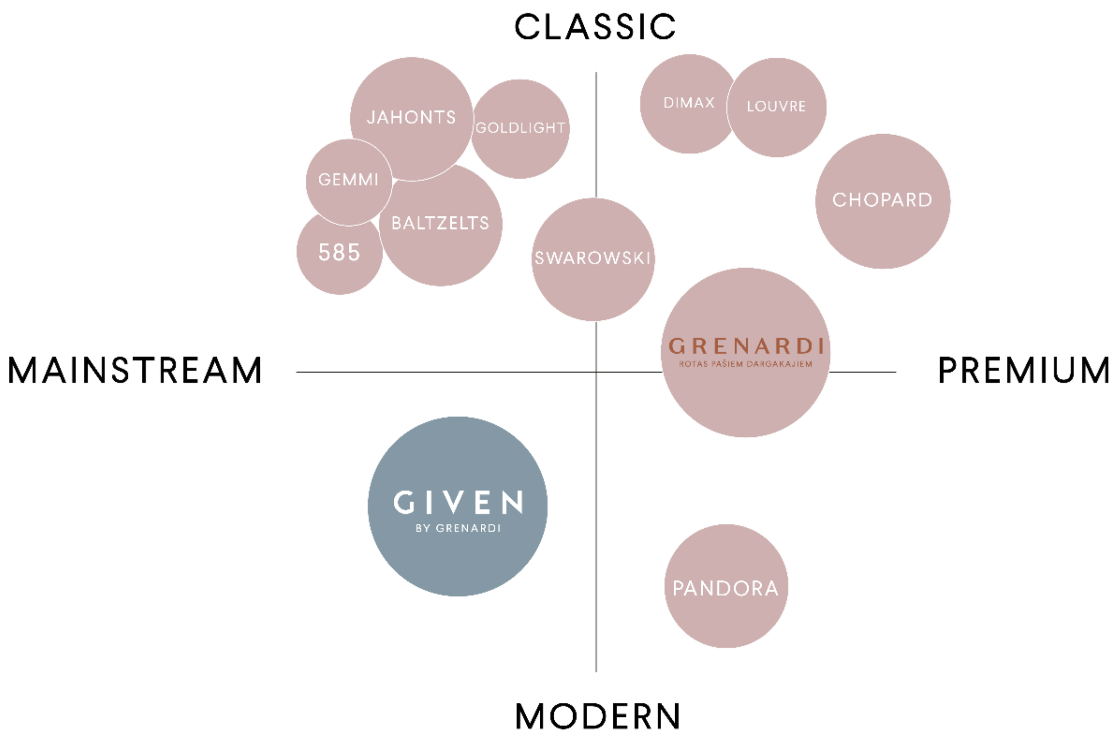
FRESH CONCEPT

DISTINCT BRAND IMAGE	WIDE ASSORTMENT	EXCELLENT SERVICE & SHOP CONCEPT	COMPETITIVE PRICES & PAYMENT METHODS	LOYALTY PROGRAM
Colourful brand image reflected in shop design and brand materials Active presence in social media and partnerships with influencers	Careful selection of assortment from various partners for different tastes	Carefully selected and motivated sales personnel State-of-the-art learning system	Offer to buy now and pay later On average lower prices Special monthly sales campaigns	Encourages repeat purchases by giving special offers and discounts

FRESH CONCEPT & DIFFERENTIATED MARKET PLAYER

COMPETITIVE LANDSCAPE

- GIVEN is positioning itself as a more mainstream and modern brand than most of its competitors.



GIVEN

COVID-19 CONSIDERATIONS

VACCINATION

- 91% of sales consultants are vaccinated or have started vaccination.
- 6% more have committed to get vaccinated.

- Due to the high vaccination rate of sales personnel, GIVEN is able to ensure continuous operation of its shops.

DIVERSIFIED INCOME

- Potential drop in sales from restrictions impacting physical shops is expected to be partially offset by increase in sales on E-commerce platforms. For instance, in Q1 2021, sales on E-commerce platform in Latvia increased by 126% compared to Q4 2020.

- The portfolio of GIVEN’s shops is diversified in terms of cities and types of locations. During Q1 2021 there was a full lockdown where all GIVEN shops in Latvia were closed. Starting from April 2021, 65% of GIVEN shops in Latvia were open, while shops in larger shopping malls were opened two months later.

SUPPORT FROM INVESTORS & GOVERNMENT

- The strategic investors of GIVEN are ready to provide financial support in case of short-term liquidity problems.

- Possibility to qualify for Covid-19 government grants. For instance, in Q1 2021 GIVEN successfully attracted government support for working capital of EURk 305.

GIVEN AT A GLANCE

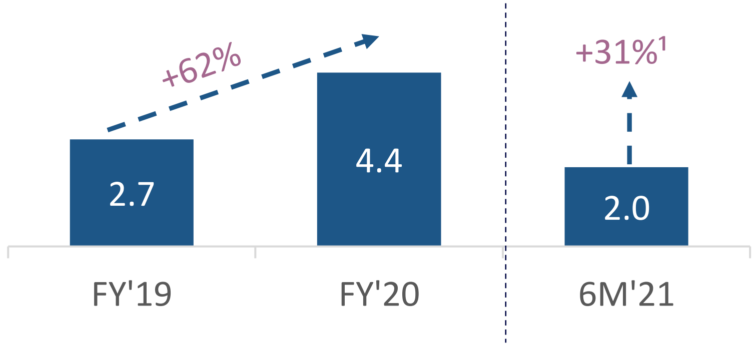
BUSINESS OVERVIEW

• **FINANCIAL HIGHLIGHTS**

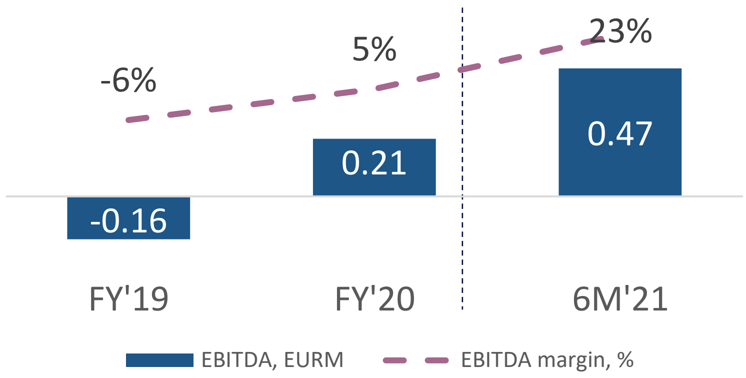
TRANSACTION OVERVIEW

KEY FINANCIAL HIGHLIGHTS

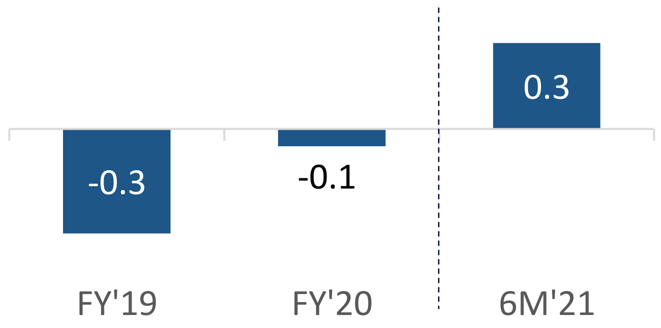
REVENUE (€M)



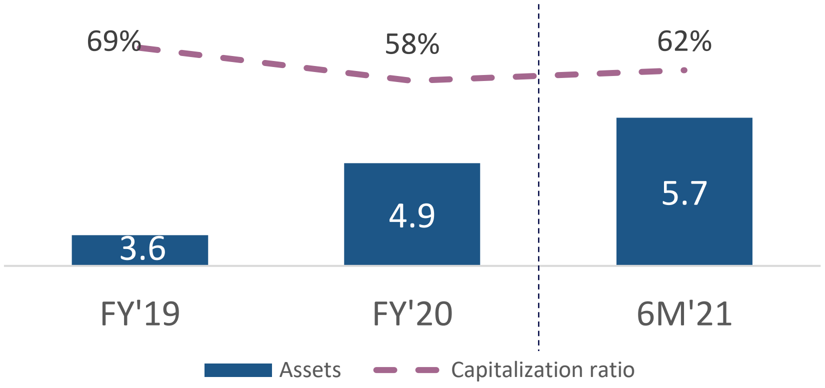
EBITDA (€M) AND EBITDA MARGIN (%)



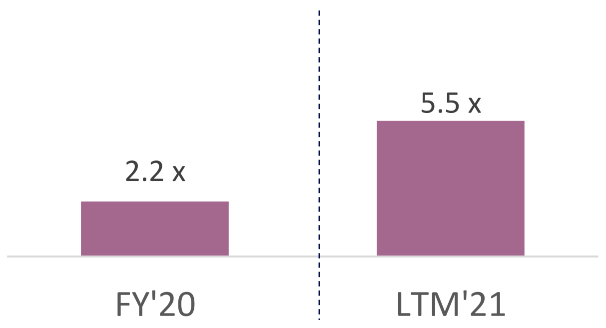
NET PROFIT (€M)



TOTAL ASSETS (€M) AND CAPITALIZATION RATIO (%)[2]



INTEREST COVERAGE RATIO (X) [3]



[1]+31% revenue growth in 6M’21 compared to 6M’20
[2]Capital to assets ratio = Adjusted equity (equity + subordinated debt)/ Total assets
[3]LTM’21 means result for July 2020 – June 2021

GIVEN

INCOME STATEMENT[1]

EURk	FY'2019	FY'2020	H1'2021
Revenue	2'729	4'427	2'017
Cost of goods sold	(1'162)	(2'195)	(967)
Gross profit	1'566	2'233	1'050
Selling expenses	(1'763)	(2'103)	(984)
Administrative expenses	(27)	(74)	(24)
Other operating income	3	9	308
Other operating expense	(10)	(15)	(3)
Earnings before interest & tax	(232)	51	346
Interest expense	(82)	(95)	(74)
Corporate income tax	(16)	(10)	0
Profit for the period	**(330)**	**(55)**	**272**
EBITDA	(156)	210	467

1. December – historically the month with the highest sales. In FY 2019 – 23% and 2020 – 16% of annual income from sale of goods.

2. In H1'2021 other operating income of EURk 305 received as a Covid-19 grant for working capital.

[1]Consolidated income statement of AS Given Jewellery, SIA GIVEN Latvia and OÜ GIVEN Estonia; FY'19 & FY'20 audited statements of SIA Given Latvia, consolidation prepared by GIVEN

STATEMENT OF FINANCIAL POSITION[1]

EURk	FY'2019	FY'2020	H1'2021
Intangible assets	22	62	80
Fixed assets	564	878	907
Financial investment	0	110	0
Total non-current assets	**586**	**1'051**	**987**
Inventory	2'326	3'493	3'885
Advance payments for goods	150	20	200
Debitors	423	252	207
Cash and cash equivalents	71	41	397
Total current assets	**2'970**	**3'806**	**4'688**
TOTAL ASSETS	**3'556**	**4'856**	**5'676**

EURk	FY'2019	FY'2020	H1'2021
Share capital	603	1'000	1'000
Reserves	72	0	0
Subordinated debt	2'172	2'314	2'713
Retained earnings	-421	-475	-203
Total equity	**2'426**	**2'839**	**3'510**
Loans & Borrowings	0	537	0
Loans from related and associated companies	159	99	100
Long-term liabilities	**159**	**636**	**100**
Loans & borrowings	0	0	938
Advance payments, trade and other payables	225	480	983
Loans from associated companies	690	751	0
Taxes payable	56	150	145
Total short-term liabilities	**971**	**1'381**	**2'066**
TOTAL EQUITY & LIABILITIES	**3'556**	**4'856**	**5'676**

[1]Consolidated statement of financial position of AS Given Jewellery, SIA GIVEN Latvia and OU GIVEN Estonia;
FY'19 & FY'20 audited statements of SIA Given Latvia, consolidation prepared by GIVEN

GROUP'S INVENTORY ANALYSIS

STRONG COLLATERAL – BACKED BY LIQUID INVENTORY WITH STABLE VALUE[1]:

Healthy stock levels:

achieved by efficient inventory management

Stability:

gold – long-standing value

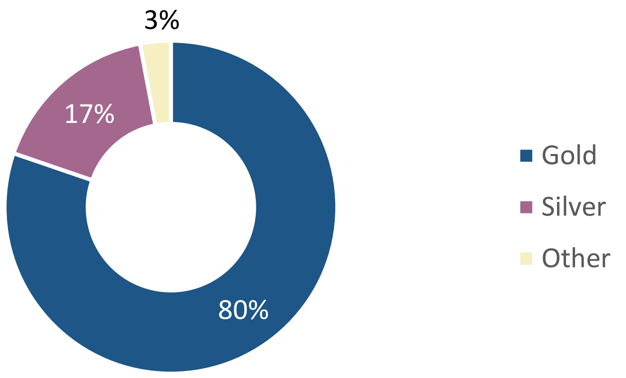
Liquidity:

possibility to remelt gold products and sell at spot price on stock exchange

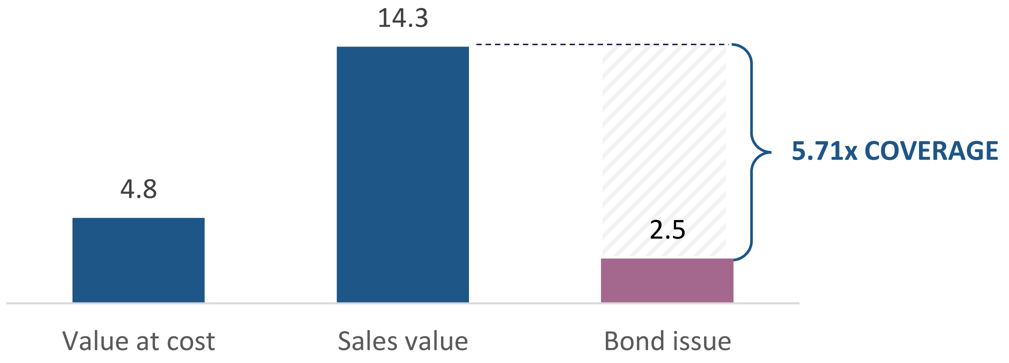
Precision:

monthly inventory audits in retail locations to ensure precise monitoring of inventory

INVENTORY BY KEY METALS AS OF SEPTEMBER 30, 2021



INVENTORY VALUE (€M) AS OF SEPTEMBER 30, 2021[2]



[1]Sales value - in sales prices before discounts (w/a VAT), Value at cost – cost of goods sold (w/a VAT). The inventory in Latvia accounts for 91% of inventory expressed in sales values and value at cost.
[2]Auditor opinion received confirming the count and value of the inventory in SIA GIVEN Latvia as of September 30, 2021

GIVEN

INVESTMENT HIGHLIGHTS

THE LARGEST JEWELLERY RETAIL CHAIN IN LATVIA	38 SHOPS	19 CITIES
UNIQUE BRANDS AND ESTABLISHED LONG-TERM PARTNERSHIPS	5 UNIQUE BRANDS	~45 LONG-TERM PARTNERS
STRONG COLLATERAL – BACKED BY LIQUID INVENTORY	2.5 €M BOND ISSUE	4.8 €M INVENTORY AT COST AS OF SEP 30, 2021
STRONG FINANCIAL AND OPERATIONAL PERFORMANCE	62% CAPITAL TO ASSETS RATIO AS OF JUN 30, 2021	23% STRONG EBITDA MARGIN (6M 2021)

GIVEN AT A GLANCE

BUSINESS OVERVIEW

FINANCIAL HIGHLIGHTS

• **TRANSACTION OVERVIEW**

INDICATIVE TERM-SHEET

ISSUER	AS GIVEN JEWELLERY
Status	**Senior secured bonds**
Collateral	Commercial pledge on assets of SIA GIVEN Latvia
Guarantors	Corporate guarantee from SIA GIVEN Latvia, GIVEN Estonia OÜ
Issue size	EUR 2,500,000[1]
Coupon rate	**6.00%, paid quarterly**
Maturity	2.5 years, bullet
Type of placement	Private placement
Minimum investment	EUR 100,000
Denomination	EUR 1,000
Use of proceeds	Refinancing of the Group's existing liabilities, investment in working capital
Call options	@101% after 1st year, @100 last 3 months before maturity
Financial covenants	• To maintain inventory coverage ratio of at least 1.4x[2] • To maintain consolidated interest coverage ratio of at least 2x[3] • To maintain consolidated equity ratio of at least 30%[4]
Arranger	Signet Bank AS
Collateral Agent	ZAB Vilgerts SIA
Listing	Nasdaq Riga First North within 12 months from issue date

[1] Issue size can be increased up to EUR 3,000,000
[2] Inventory coverage ratio = (Inventory + Cash) / Financial indebtedness,
[3] Interest coverage ratio = EBITDA / Interest expense,
[4] Equity ratio = (Equity + Subordinated debt) / Assets

- The Issuer launches its debut bond issue to support its expansion plans in the Baltics
- Proceeds from the bond issue will be directed at refinancing the existing bank credit line and new investments in working capital (inventory)

PROPOSED TIMELINE	
Roadshow	11.10.2021. – 22.10.2021.
Subscription period	25.10.-29.10.2021.
Issue date	02.11.2021.

GIVEN

RISK FACTORS

IMPORTANT NOTE

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 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.

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 the potential risks, which may affect the Issuer and the Group.

RISK FACTORS (1)

RISKS RELATED TO THE ECONOMIC & REGULATORY ENVIRONMENT

MACROECONOMIC RISK

Changes or a downturn in economic conditions in 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 two countries – Latvia and Estonia. However, in the near future the Issuer plans to also start operations in Lithuania, covering all three Baltic countries.

In 2020, the majority of the Group's revenue (94%) was generated in Latvia, while Estonia made up the remaining 6%. During 6 months of 2021, the Group generated 90% of the revenue in Latvia and 10% in Estonia. Therefore, the Group is currently largely dependent on revenue generated in Latvia and, by extension, more dependent on the macroeconomic situation in Latvia. Furthermore, as the Group's plan is to continue operating in the Baltic market only for the foreseeable future, it puts the Group in a position of high geographic concentration, being exposed to only a single market that has similar characteristics within it.

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

The global economy and most industries have seen strong headwinds since the first quarter of 2020, driven by the outbreak of the novel coronavirus Covid-19. Although the Baltic countries also experienced an economic downturn as a result of the Covid-19 pandemic, the recession in Lithuania, Latvia and Estonia was among the lowest in the EU. In 2020, Lithuania, Estonia, and Latvia showed real GDP contraction of 0.8%, 3.0%, and 3.6%, respectively.

While the Baltic economies have demonstrated faster than expected recovery during 2021 and economists generally expect solid economic performance in 2022 as well, overall uncertainty in light of the Covid-19 pandemic remains elevated and actual economic growth rates could turn out to be significantly lower and/or inflation could become higher, resulting in lower than expected demand for the Group's products and/or higher cost base, and thus lower business and financial performance of the Group.

COVID-19 RISK

The Covid-19 pandemic has materially adversely impacted and disrupted, and may continue to materially adversely impact and cause disruption to the Group's business, financial performance, operating results, liquidity and cash flows . For instance, during Q1 2021 there was a full lockdown where all GIVEN shops in Latvia were closed. Starting from April 2021, 65% of GIVEN shops in Latvia were open, while shops in larger shopping malls were opened two months later. While the Group is mitigating the risk of complete business disruption by having shops in different regions, it is not possible to exclude similar or even greater negative effects from Covid-19 in the future.

The retail segment has been one of the most significantly affected by the pandemic. Covid-19 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 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.

The vaccination rates in the Baltics, especially in Latvia, have been among the lowest in the European Union and, thus, the current or next waves of the Covid-19 pandemic may hit the region disproportionately harder. Therefore, the likelihood of future lockdowns or severe restrictive measures may not be ruled out. Even if the shops are allowed to remain open, social distancing and other policies implemented to slow the spread of Covid-19 may impact the operation and appeal of the Group's shops. Thus, any further closures of retail shops or other restrictions as a result of government actions, could have an adverse effect on the Group's financial position and cash flows, and may affect its ability to meet the financial obligations. Furthermore, since people spend more time at home and are not socialising, the demand for jewellery may also decrease, as people are not dressing up to meet others.

There may be a further decrease in demand for the Group's products in the event of further resurgences of Covid-19 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.

REGULATORY RISK

The Group is subject to Latvian and Estonian national and 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 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 Issue. Legislation and other regulations may change however, and the Management cannot guarantee that in such cases it would be able to comply immediately, without material measures, with the requirements of changed 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.

RISK FACTORS (2)

RISKS RELATED TO THE ECONOMIC & REGULATORY ENVIRONMENT

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 countries that are not members of the European Union, the Group must comply with 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 legal acts 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.

TAXATION RISK

The Group currently operates in two countries (Latvia and Estonia) with different sets of tax regimes and plans to start operations in a third country (Lithuania). 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.

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 countries 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.

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 country-to-country.

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 organizational measures (for instance, adopting internal documents (policies, procedures, risk assessments, etc.) regulating privacy matters, conducting trainings od employees, appointing personal data protection officers, etc.) to ensure compliance with applicable privacy laws and regulations, the Group cannot guarantee that 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.

RISK FACTORS (3)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

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 that 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 80% of the Group's inventory, while silver constituted only 17% of the Group's inventory as of 30 September 2021.

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 during 2020 - from USD 1522.8 at the end of 2019 to USD 1894.4 at the end of 2020. As on 30 September 2021, the spot price of gold was USD 1758.3. 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.

RISK OF AVAILABLE RETAIL SPACE

As on 30 September 2021, 37 of the 38 Group's shops were located in shopping centres, with the remaining located in other standalone locations with relatively high consumer traffic.

In cases when the Group's shops are located near other retail shops, they benefit from the latter's 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 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 such 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.

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 two times higher than in other months. This affects the Group's working capital, liquidity and inventory levels.

Furthermore, 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 Covid-19 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.

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 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.

RISK FACTORS (4)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

In addition, customers' attitudes toward gold, silver, other precious metals and gemstones could also influence the Group's sal es. Attitudes could be affected by a variety of factors, including concern over the source of raw materials, the impact of mining and refining of minerals on the environment, 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 bus iness, financial condition and results of operations.

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.

Therefore, 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, and 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 with whom the Group has worked or is working, 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 updates regarding 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.

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 different partners from 14 countries around the world. In 2020 approximately 61% of Given Group's supply by value was manufactured by 15 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 manufacturing of the Group's products or in shipment, or interruption of delivery of the products due to the unavaila bility of input materials, personnel, factory capacity or transportation, work stoppages, delays in customs inspections, political i nstability, security requirements or other factors beyond the Group's control, and costs and delays associated with transitionin g 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.

INVENTORY MANAGEMENT RISK

The Group maintains a certain level of inventory in order 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 30 September 2021 was EUR 4.8 m, constituting around 70% 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 then sell its inventory of gold items in the secondary market, ma inly to dealers of precious metals. However, there is no guarantee that the selling price of the remelted stock will be equivalen t to the cost if purchasing the stock.

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.

RISK FACTORS (5)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

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 the 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.

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. At the moment, the Group has a registered figurative trademark in 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 that it is aware of all intellectual property rights of third parties that its products and services may infringe upon, and that its intellectual property rights may not be challenged by third parties in the future, including 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 that one or more of the Group's products or services infringe upon 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. Given 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.

FINANCIAL LEVERAGE RISK

Historically, the operations of the Group have mainly been financed through shareholder funds and bank loans. The bank loan will be repaid from the proceeds from the Notes, while majority of loans from shareholders will be subordinated to the Notes.

Nevertheless, while the capitalization as at 30 June, 2021 was 62%, 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.

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 of 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 Baltics. To retain and motivate its employees, the Group plans to grant employee stock options to its key senior management.

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 Management to reduce operational risks.

GROWTH AND EXPANSION RISK

The Group is in an active expansion phase – over the past 12 months the Group opened 12 new shops, and it also plans to continue rapid expansion by opening new shops throughout the Baltics 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.

RISK FACTORS (5)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

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 that 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.

COMPETITION RISK

While the Group has found its unique market segment and positioning, becoming one of the largest retail chains in Latvia, the overall competition in the Baltic jewellery market is relatively high. There is a risk that 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 that new notable market players not yet present in the Baltics could enter the market, thus creating additional competition for the local market players.

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 visits 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.

IT SYSTEMS RISK

The Group depends on IT systems for conducting several aspects of its operations, including processing customer transactions, managing purchases, inventory, "buy now, pay later" process, 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 have a material adverse effect on the Group's business, financial condition and results of operations.

E-COMMERCE RISK

The Group believes that its E-commerce platforms will play an increasingly important role in its business in the future..The Group faces certain risks related to E-commerce. 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 internet service, whether for technical reasons or due to other causes.

Any such failure or disruption could undermine customer confidence in the reliability of GIVEN 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 a risk that customers will find the Group's E-commerce websites difficult to use and thus 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.

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 Q3 2021, the Group plans to introduce its service "buy now, pay later" on its e-commerce platforms. During the first 6 months of 2021, such sales only constituted 2% 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 that 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.

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 business, and its 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.

RISK FACTORS (6)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

EMPLOYEE RISK

As on 30 September 2021, the Group operates with 118 full-time employees, of whom 110 are located in Latvia and 8 in Estonia.

The Group's employees are a significant part of the overall customer experience and brand image of the Group, thus 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 tied 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 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.

RISK FACTORS (7)

RISKS RELATED TO NOTES

NOTES REPAYMENT RISK

The Notes will rank pari-passu with other senior Secured Financial Indebtedness of the Issuer. After the Notes issue, the Group's only Secured Financial Indebtedness apart from the Notes will be a bank guarantee in the amount of EUR 250,000; however, the Group is not prohibited from pledging assets in favour of other creditors in the future if the Financial Covenants under the Terms of the Issue are met.

In the case of the Issuer's insolvency, Noteholders have the same right to receive their investment as other creditors of the relevant group in accordance with applicable local regulatory enactments. 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.

LIQUIDITY RISK

Neither the Issuer nor any other person 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.

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 that Nasdaq Riga will not accept the Notes to be admitted to trading on First North or order that the Notes are delisted from First North before maturity after admission to trading has taken place due to changes in legal acts, including Nasdaq Riga regulations, or recommendations by the FCMC.

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.

The Notes bear a fixed interest rate. Thus, Potential Investors who seek to sell the Notes before their final maturity are exposed to interest rate risk: if the market interest rate increases, the price of fixed rate Notes typically declines.

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

EARLY REDEPMTION RISK

According to the Terms of 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.

TAX RISK

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

RESOLUTIONS OF NOTEHOLDERS RISK

The majority resolution of the Noteholders is binding on 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.

RISK FACTORS (8)

RISKS RELATED TO COLLATERAL AND GUARANTEES

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 that 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.

RISKS ASSOCIATED WITH 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.

THE COLLATERAL AND THE GUARANTEES WILL BE SUBJECT TO CERTAIN LIMITATION ON ENFORCEMENT AND MAY BE LIMITED BY APPLICABLE LAW OF 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 law, and enforcement of each Collateral and Guarantee would be subject to certain generally available defenses.

Enforcement of any of the Collateral and the Guarantees against any Collateral Provider will be subject to certain defences available to Collateral Providers 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 defenses affecting the rights of creditors generally. If one or more of these laws and defenses 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 law.

There is a possibility that the entire Guarantee or Collateral may be set aside, in which case the entire liability may be extinguished. If a court decided that 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 organized or incorporated under the laws of two 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 two 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 organization 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 realize any recovery under the Notes and the Guarantees.

THE ENFORCEMENT OF THE GUARANTEE AND THE COLLATERAL WILL BE SUBJECT TO THE PROCEDURES AND LIMITATIONS SET OUT IN THE COLLATERAL AGENT AGREEMENT AND THESES TERMS OF THE ISSUE

Even when the Collateral is enforceable, the enforcement is subject to the procedures and limitations agreed in the Collateral Agent Agreement and the these Terms of the 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 Issue.

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.