INVESTOR PRESENTATION JULY 2022

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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.

AGENDA

- **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.

27
CITIES

55
SHOPS OPEN
AS OF 30.06.2022

>89K
LOYAL CUSTOMERS

47%
REVENUE GROWTH
12M 2021 VS 12M 2020

9
UNIQUE
PRIVATE LABELS

6.0 €M
HIGH LIQUIDITY
INVENTORY
AS OF 31.03.2022

* GIVEN – means the brand name GIVEN or GIVEN Group that includes AS GIVEN Jewellery, SIA Given Latvia, OÜ Given Estonia and UAB Given Lithuania

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

- 55 shops as of June 30, 2022 and strong online presence
- Since Q1 2021 continuous quarterly revenue growth
- More than 89K registered customers
- >150 employees

STRONG FINANCIAL POSITION

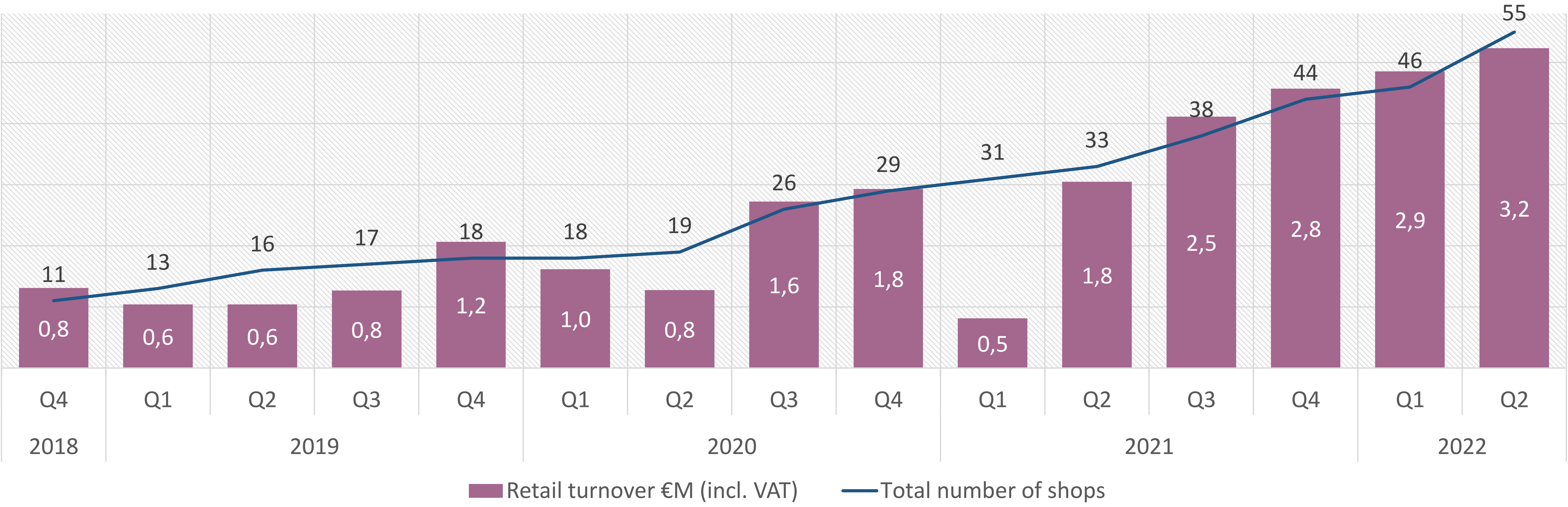
- +142% EBITDA growth (12M 2021 vs. 12M 2020)
- 16% EBITDA margin in Q1 2022
- 38% Equity ratio as at March 31, 2022

Key figures, €K	2020 *Unaudited*	2021 *Audited*	2022 Q1 *Unaudited*
Revenue	4’427	6’511	2’529
EBITDA	702	1’701	399
Net profit/ (loss)	(141)	477	10
Inventory	3’491	6’090	5’980
EBITDA margin	16%	26%	16%
Equity ratio	40%	36%	38%
Interest coverage ratio	3.6x	5.2x	4.9x

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 providing financing to support GIVEN’s growth plans

DEVELOPMENT TRACK RECORD



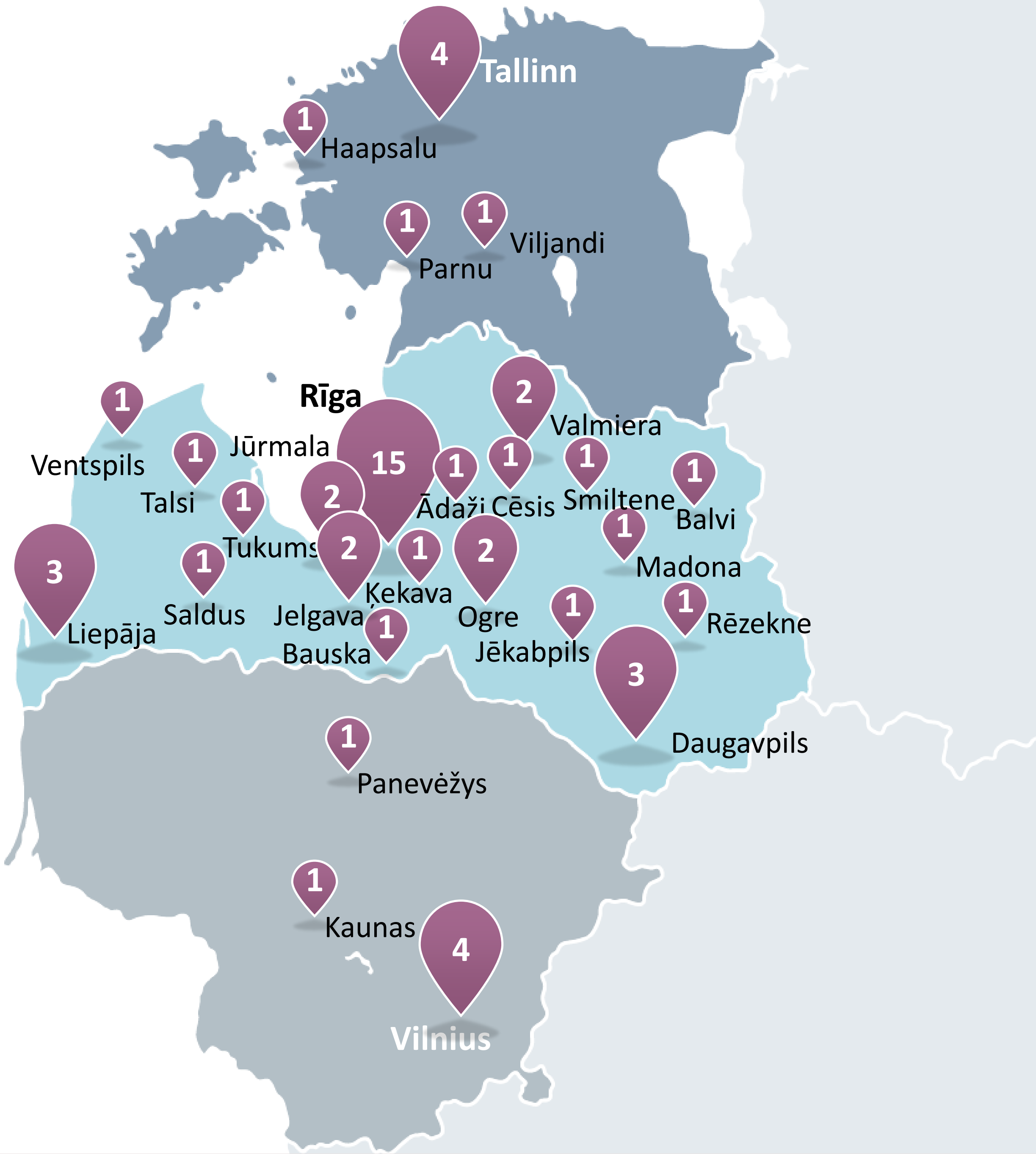
WIDE SHOP FOOTPRINT

GOAL – HIGH QUALITY JEWELLERY AVAILABLE WITHIN 30 MINUTES FROM EVERYWHERE

GIVEN SHOPS

The largest retail chain in Latvia with presence in top shopping centres in excellent locations

55 shops*
in Latvia, Estonia and Lithuania



* As of June 30, 2022

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 shops

Leverage on economies of scale from larger retail chain

CUSTOMER EXPERIENCE & LOYALTY

Engaging loyalty program

Attract new customers

Convenient payment options via split payments

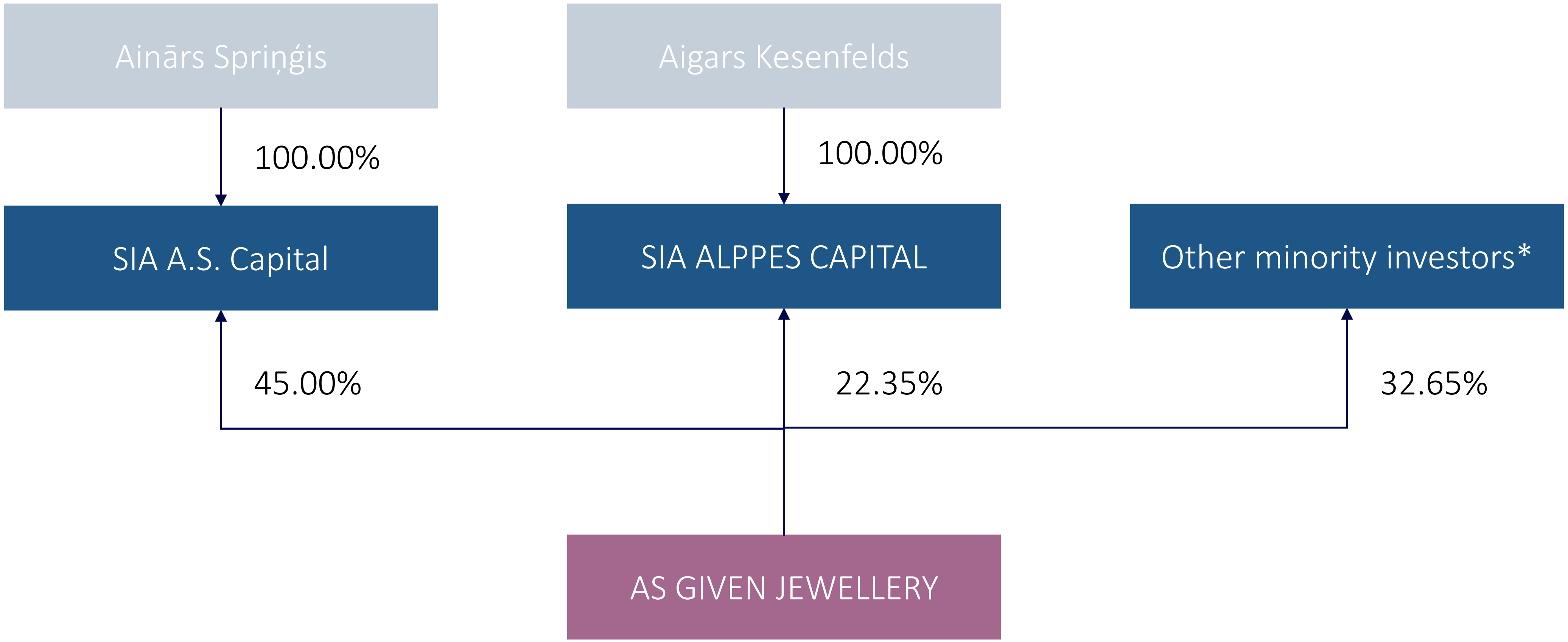
Available in retail shops & e-shops

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 – November 15, 2021.

The Issuer does not undertake client-facing operations and its main purpose is for attracting financing and disbursing funds to the Group's companies. The business operations described in this Investor Presentation refer to the Group's companies. All financial covenants are tested on Group level, hence emphasis on Group performance and results in the Investor Presentation.

OWNERSHIP STRUCTURE



* 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 Spriņģe - the wife of the owner of A.S. Capital SIA - Ainārs Spriņģis.

MANAGEMENT TEAM

BOARD MEMBER & GROUP'S CEO

ĢIRTS RUDZĪTIS

- 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

CEO OF GIVEN LITHUANIA

JUSTINA BUTERLEVIČIENĖ

- Extensive international experience in retail business since 2005
- Previously Country Manager Baltic States at M&S, Head of Retail at Studio Moderna Lithuania, Country Manager Baltic States at Pietro Filipi
- BSc in Turkish and Lithuanian Philology from Vilnius University

CEO OF GIVEN ESTONIA

NATALJA MOROZOVA

- Wide experience in business development, retail and key account management, project and public procurement management
- Previously Retail and Wholesale Manager at Linette Retail OÜ, Brand Manager at Iuna OÜ, Pro Mehanika OÜ
- BSc in Advertising and Public Relations

CMO

BAIBA ČIPA-ZIEMELE

- Broad international experience in developing, marketing, and managing products, services, and teams
- Previously Head of Marketing and Sales at Piebalgas Alus / Cēsu Alus (OLVI group), Head of Global Marketing and Sales at STENDERS
- mMBA in Marketing and Brand Management; BSc in Environmental Science and International relations

CFO

MARTA ANDERSONE

- 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

CSO

INGA IKONŅIKOVA

- 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

SUPERVISORY BOARD

CHAIRMAN OF THE SUPERVISORY BOARD

AINĀRS SPRIŅĢIS

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

SUPERVISORY BOARD MEMBER

ALBERTS POLE

- Wide experience in the financial services industry as an entrepreneur and investor
- The Co-founder of AS "Mintos Marketplace and "Eleving Group"
- BSc in in Economics and Business Administration from Stockholm School of Economics in Riga

SUPERVISORY BOARD MEMBER

MĀRIS KEIŠS

- Since 2008, a serial entrepreneur specialising in the financial services industry
- The Co-founder of AS "Mintos Marketplace" and "Eleving Group"
- BSc in in Economics and Business Administration from Stockholm School of Economics in Riga

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 CUSTOMERS ARE MODERN AND OPEN TO EXPERIMENT!

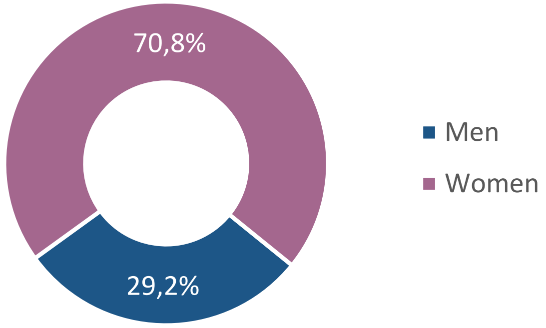
152 €

AVERAGE PURCHASE VALUE

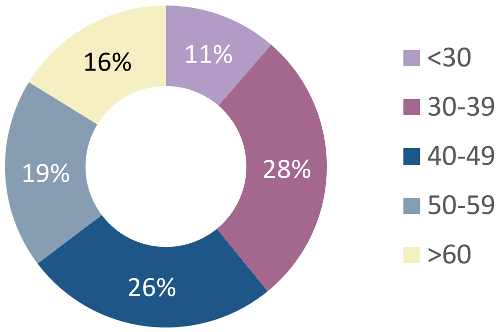
1.4 x

ITEMS PER TRANSACTION

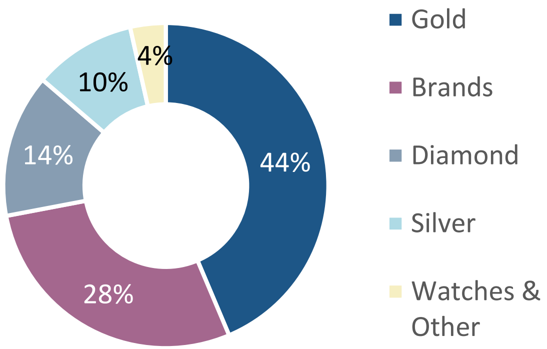
DISTRIBUTION BY GENDER (%)*



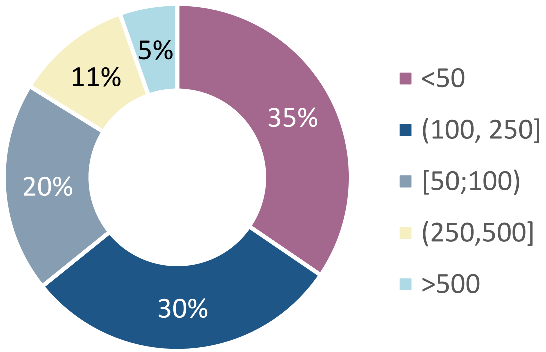
DISTRIBUTION BY AGE GROUPS (%)*



2021 SALES BY KEY CATEGORIES (%)**



2021 DISTRIBUTION OF TRANSACTIONS BY TRANSACTION AMOUNT (€), (%)**



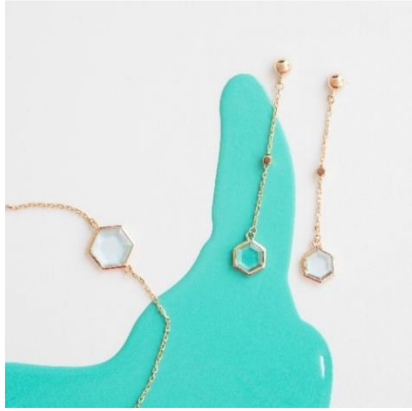
* Client groups determined based on loyalty card data 2021

WIDE ASSORTMENT

- GIVEN offers a wide assortment of jewellery and unique private brands to give jewellery lovers friendlier, more understandable and affordable choice.
- GIVEN offers a choice from around **10 thousand different products** that are carefully selected from around **50 partners from 14 different countries.**
- **TOP 3 procurement countries: Turkey (~35%), Hong Kong (~20%) and Italy (~20%).**
- 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 nine unique private labels that:

- Differantiate GIVEN's assortment from other competitors
- Has a story to tell - each brand has its unique value and story
- Accounted for 28% of revenue in 2021

CUSTOMER SERVICE & SHOP CONCEPT

EXCELLENT CUSTOMER SERVICE:

- **>140 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 sales personnel, 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 - 150m²**
- **Convenient and attractive** shop layout with wide range of products
- Shop design – creating a **cozy and welcoming feeling**
- **LED screens** at shop entrances
- Wallpaper **designed by artist** – Marta Gotlība

OPENING OF NEW SHOPS

- GIVEN – acquired reputation as a trustworthy lessor and has demonstrated its ability to open new shops efficiently.

14

NEW SHOPS OPENED IN 2021

11

NEW SHOPS OPENED IN H1 2022

- **Experienced and professional team** of shop designers, construction professionals, furniture producers, procurement specialists and trainers of sales personnel.
- **A well-developed process for opening new shops that is continuously being improved**, allowing to optimize construction costs, time and quality.
- **Established relationships** with lessors of premises – GIVEN as a quality mark for shopping centres.
- GIVEN has proven itself as a **trustworthy partner** to its lessors.

COMPETITIVE PRICES

REGULAR SALES CAMPAIGNS, INCLUDING:

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

QUARTERLY WOW CAMPAIGNS

The best price offer for a specially selected and ordered collection within a category

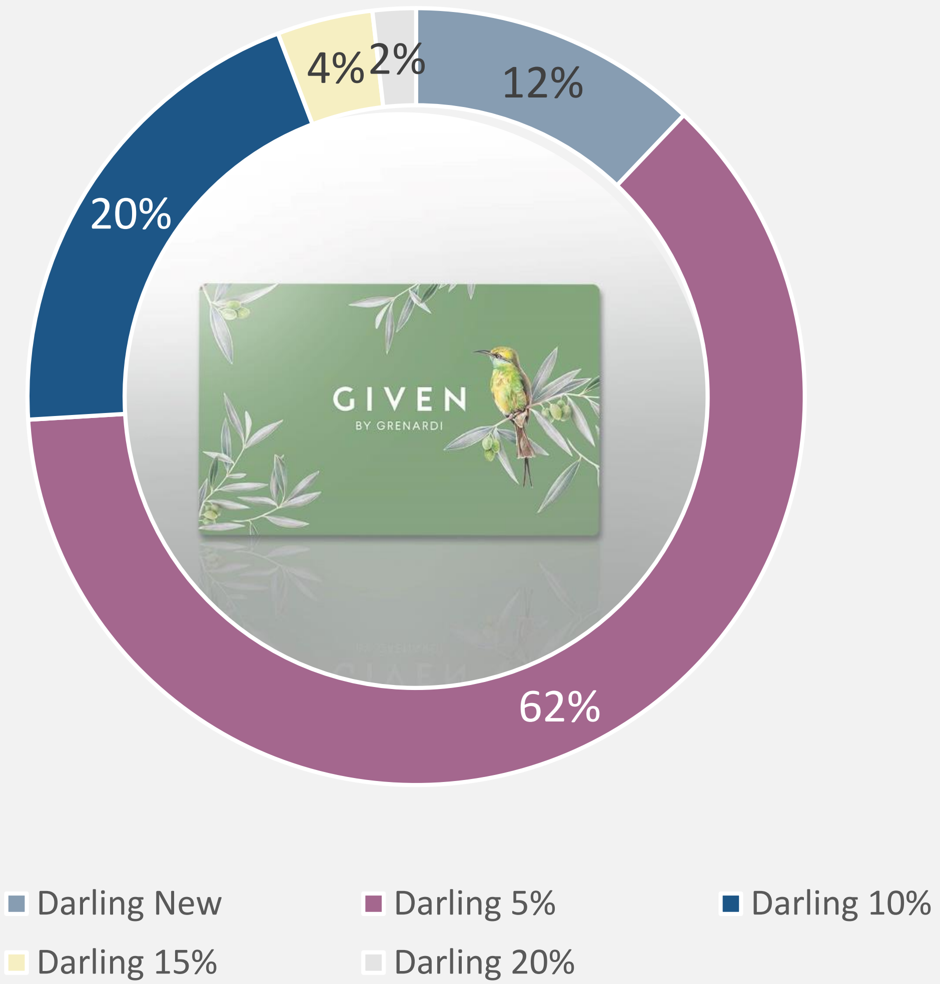
OPTION TO BUY NOW, PAY LATER

LOYALTY PROGRAM

More than 89K
loyal customers

- «Darling» loyalty card system offers different discount levels based on number of past purchases
- Monthly offers for selected collections only for registered "Darling" customers
- Key reasons for purchases: gifts, special occasions, purchases for oneself, impulse purchases

CUSTOMER DISTRIBUTION BY LOYALTY LEVELS (%)



FRESH CONCEPT

1 DISTINCT BRAND IMAGE

Colourful brand image reflected in shop design and brand materials

Active presence in social media and partnerships with influencers

2 WIDE ASSORTMENT

A carefully selected assortment and customized design for private brand collections from different suppliers and for different tastes

3 EXCELLENT SERVICE & SHOP CONCEPT

Carefully selected and motivated sales personnel

State-of-the-art learning system

Offer of additional services

4 COMPETITIVE PRICES & PAYMENT METHODS

Offer to buy now and pay later

On average lower prices

Special monthly sales campaigns

5 LOYALTY PROGRAM

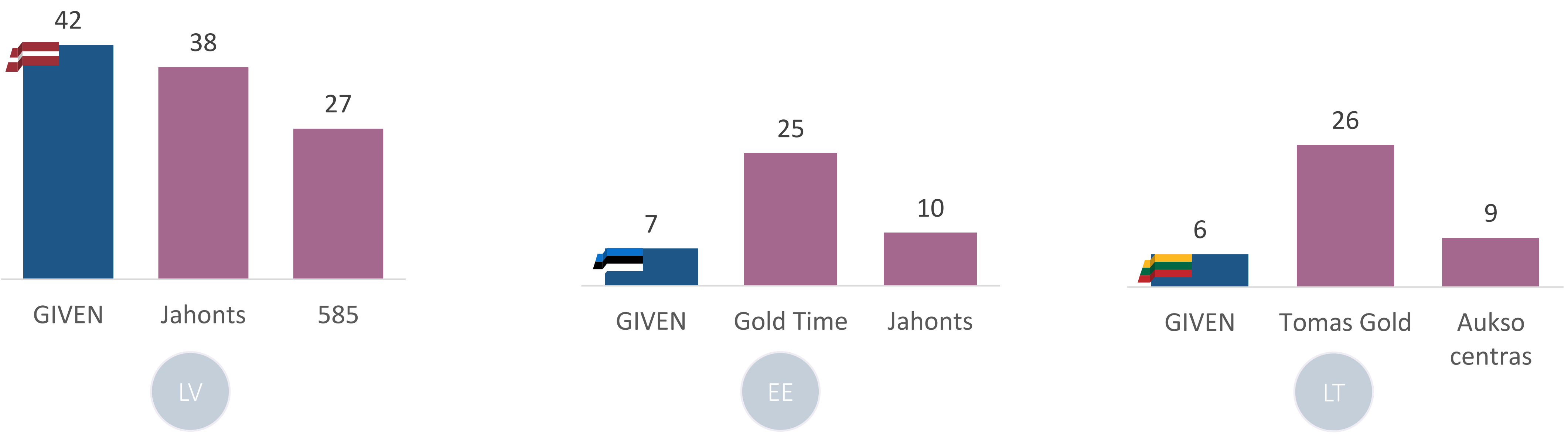
Encourages repeat purchases by giving special offers and discounts

FRESH CONCEPT & DIFFERENTIATED MARKET PLAYER

COMPETITIVE LANDSCAPE

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

KEY COMPETITORS



Considering the characteristics of the concept, GIVEN sees the potential of attracting new customers - seasoned jewellery wearers who would be attracted by different assortment and added services, and those who are ready to discover the world of sustainable jewellery anew. With the light and attractive visual concept, continuing to maintain a different assortment and in combination of sales approach and marketing solutions, there is a potential to grow market share in all three Baltic states.

* Information from publicly available sources as of June 30, 2022

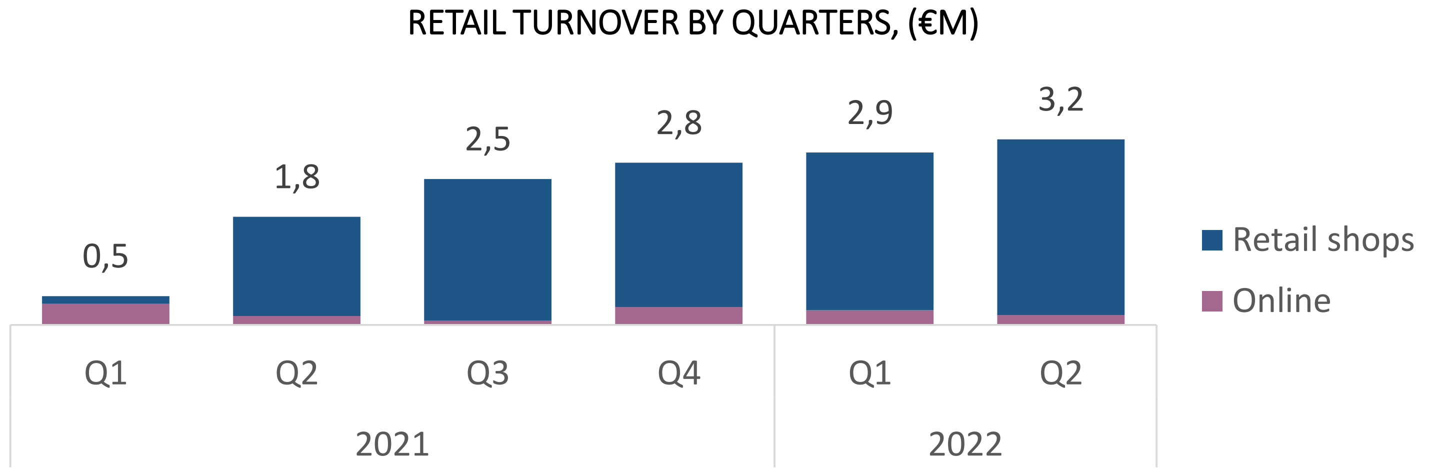
GIVEN AT A GLANCE

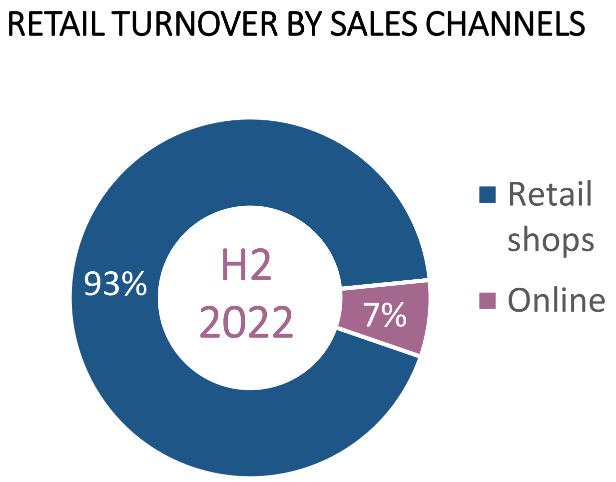
BUSINESS OVERVIEW

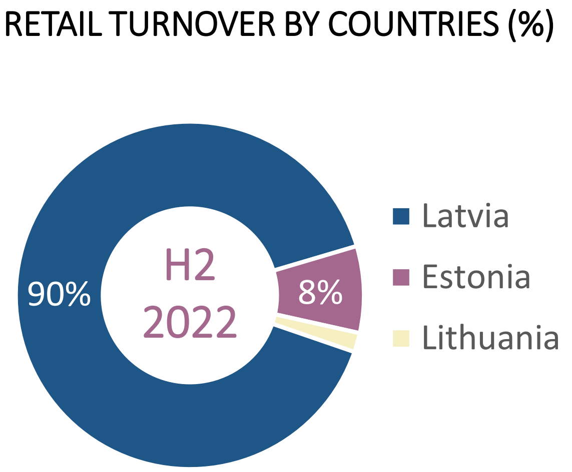
FINANCIAL HIGHLIGHTS

TRANSACTION OVERVIEW

RETAIL TURNOVER OVERVIEW



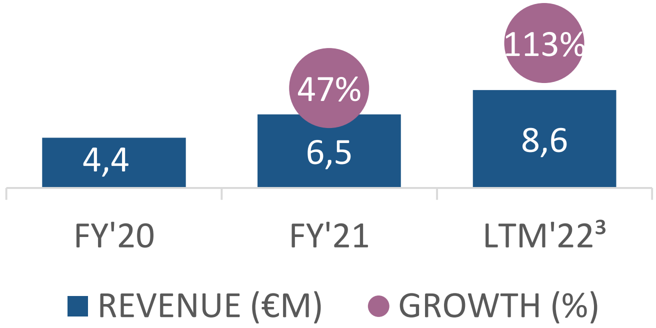




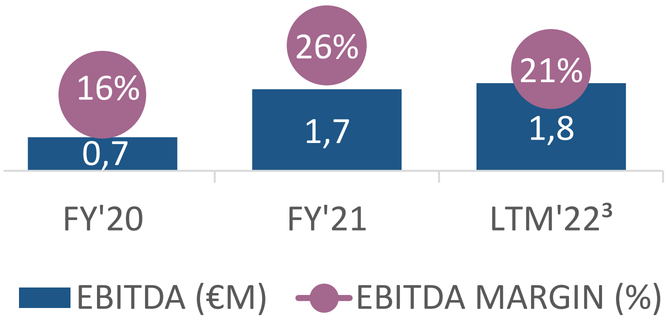
GIVEN

KEY FINANCIAL HIGHLIGHTS

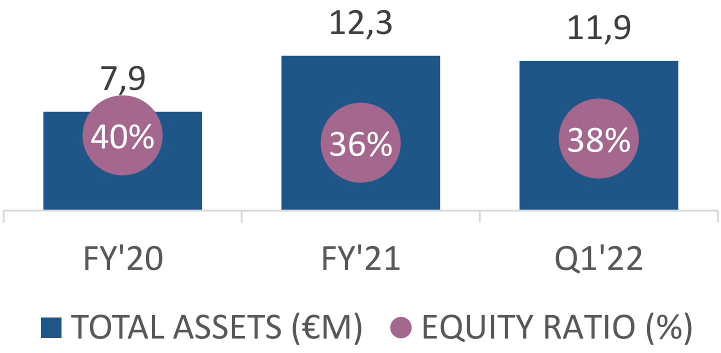
REVENUE (€M) AND GROWTH (%)



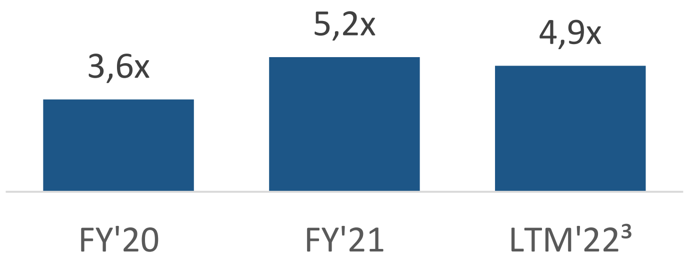
EBITDA (€M) AND EBITDA MARGIN (%)



TOTAL ASSETS (€M) AND EQUITY RATIO (%)[1]



INTEREST COVERAGE RATIO (X)[2]



[1]Equity ratio = Adjusted equity (equity + subordinated debt)/ Total assets
[2]Interest coverage ratio = EBITDA / Interest expense
[3]LTM’22 means result for April’21- March’22

INCOME STATEMENT[1]

EURk	FY'2020 *Unaudited*	FY'2021 *Audited*	Q1'2022 *Unaudited*
Revenue	4'427	6'511	2'529
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)
Earnings before interest & tax	66	802	124
Interest income	1	3	0
Interest expense	(196)	(328)	(114)
Corporate income tax	(10)	(0)	0
Profit for the period	**(141)**	**484**	**10**
EBITDA	702	1'701	399

1. FY 2021 - the highest revenue in GIVEN's history, by 47% higher than in 2020, contniued by continuous quarterly revenue growth in 2022 QoQ. .

2. Improvement of gross margin resulting from efficiencies in pricing policies and procurement terms.

[1]Consolidated audited income statement prepared according to IFRS, auditor for 2021 - Grant Thornton Baltic Audit SIA; FY 2020 - unaudited special purpose (pro-forma) consolidated financial report.

STATEMENT OF FINANCIAL POSITION[1]

EURk	FY'2020 *Unaudited*	FY'2021 *Audited*	Q1'2022 *Unaudited*
Intangible assets	703	777	782
Fixed assets	838	1'162	1'228
Right-of-use assets	2'428	2'705	2'642
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**
TOTAL ASSETS	**7'884**	**12'346**	**11'946**

EURk	FY'2020 *Unaudited*	FY'2021 *Audited*	Q1'2022 *Unaudited*
Share capital & subordinated debt	3'131	3'950	4'051
Retained earnings	21	498	509
Total equity	**3'152**	**4'449**	**4'559**
Loans & Borrowings	820	3'036	3'067
Non-current lease liabilities	1'785	1'965	1'904
Long-term liabilities	**2'604**	**5'001**	**4'971**
Accounts payable	1'123	1'308	907
Current lease liabilities	704	855	856
Taxes & other payables	300	734	653
Total short-term liabilities	**2'127**	**2'896**	**2'415**
TOTAL EQUITY & LIABILITIES	**7'884**	**12'346**	**11'946**

[1]Consolidated audited income statement prepared according to IFRS, auditor for 2021 - Grant Thornton Baltic Audit SIA.

GROUP'S INVENTORY ANALYSIS

STRONG COLLATERAL – BACKED BY LIQUID INVENTORY WITH STABLE VALUE:

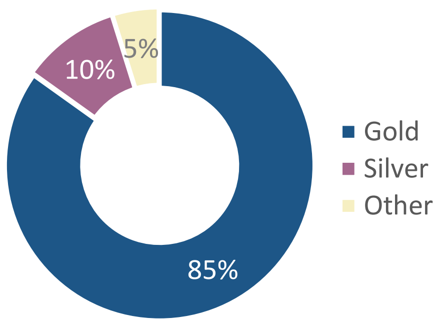
Healthy stock levels:
achieved by efficient inventory management

Stability:
gold – long-standing value

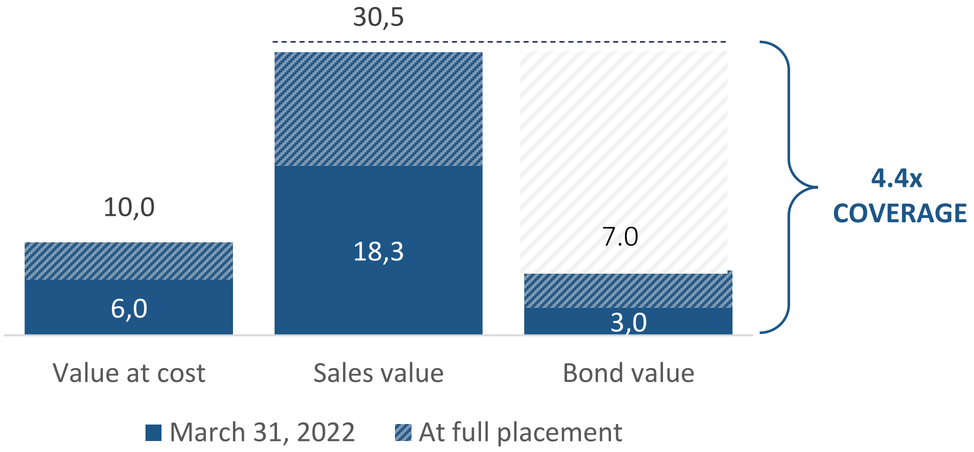
Liquidity:
possibility to remelt gold products and sell at spot price on stock exchange

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

INVENTORY BY KEY METALS AS OF MARCH 31, 2022



INVENTORY VALUE (€M) AS OF MARCH 31, 2022 AND ESTIMATE AT FULL PLACEMENT



[1]The bond issuance is to be placed gradually by Q1 2023.

INVESTMENT HIGHLIGHTS

FASTEST GROWING RETAIL CHAIN IN THE BALTIC STATES[1]

55
SHOPS

27
CITIES

UNIQUE BRANDS AND ESTABLISHED LONG-TERM PARTNERSHIPS

9
UNIQUE BRANDS

~45
LONG-TERM PARTNERS

STRONG COLLATERAL – BACKED BY LIQUID INVENTORY

85%
OF KEY METAL IN INVENTORY - GOLD

6.0 €M
INVENTORY AT COST AS OF MARCH 31, 2022

STRONG FINANCIAL AND OPERATIONAL PERFORMANCE

38%
EQUITY RATIO AS AT MARCH 31, 2021

26%
STRONG EBITDA MARGIN (2021)

[1]Number of shops in the Baltic States as of June 30, 2022

GIVEN AT A GLANCE

BUSINESS OVERVIEW

FINANCIAL HIGHLIGHTS

TRANSACTION OVERVIEW

TERM-SHEET

ISSUER	AS GIVEN JEWELLERY
Type of notes	**Senior secured bonds**
Collateral	Commercial pledge on assets of SIA GIVEN Latvia, GIVEN Estonia OÜ and GIVEN Lithuania UAB
Guarantors	Corporate guarantee from SIA GIVEN Latvia, GIVEN Estonia OÜ and GIVEN Lithuania UAB
Issue size	**EUR 4,000,000**
Coupon rate	**6.00% + 3M EURIBOR (floor at 0), paid quarterly**
Maturity	**31 July 2025**, bullet
Type of placement	Private placement
Nominal value	EUR 1,000
Minimum subscription	EUR 100,000
Use of proceeds	Investments in working capital
Call option	@102% after 1st year, @100.5% last 3 months before maturity
Financial covenants (based on consolidated data)	• To maintain inventory coverage ratio of at least 1.4x[1] • To maintain consolidated interest coverage ratio of at least 2x[2] • To maintain consolidated equity ratio of at least 30%[3]
Arranger	Signet Bank AS
Collateral Agent	ZAB Vilgerts SIA
Listing	Nasdaq Riga First North within 12 months after the Issue Date

[1] Inventory coverage ratio = (Inventory + Cash) / Financial indebtedness,
[2] Interest coverage ratio = EBITDA / Interest expense,
[3] Equity ratio = (Equity + Subordinated debt) / Assets

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 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.

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.

GEOPOLITICAL RISK

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

The Group sells jewellery in the Baltic countries and transports the sourced materials across a variety of national jurisdictions a nd 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 jew ellery. The political circumstances or inadequacies of the legal systems and law enforcement mechanisms in certain countries f rom which the Group sources jewellery may have a material negative impact on the Group's reputation, revenue, cash flows a nd financial condition.

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.

RISK FACTORS (2)

RISKS RELATED TO THE ECONOMIC & REGULATORY ENVIRONMENT

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.

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.

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.

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.

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.

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.

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 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.

RISK OF AVAILABLE RETAIL SPACE

As of 31 March 2022, 45 (fourty-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.

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.

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.

RISK FACTORS (4)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

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.

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.

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.

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.

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 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. 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.

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.

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.

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.

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.

RISK FACTORS (5)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

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.

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.

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.

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.

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.

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.

RISK FACTORS (6)

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

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 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 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.

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 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.

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.

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.

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.

EARLY REDEPMTION 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.

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.

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.

RISK FACTORS (8)

RISKS RELATED TO COLLATERAL AND GUARANTEES

RISKS 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.

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.

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.

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.

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 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.

RISK FACTORS (9)

RISKS RELATED TO COLLATERAL AND GUARANTEES

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.

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 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).

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.