

# GRENARDI GROUP

## AS Grenardi Group

*incorporated and registered in the Republic of Latvia with registration number 40203279291*

### PROGRAMME FOR THE ISSUANCE OF NOTES IN THE AMOUNT OF EUR 17 000 000

This Base Prospectus (the "**Base Prospectus**") was prepared for the programme (the "**Programme**") for the offering of secured notes (the "**Notes**") of AS Grenardi Group, a joint stock company (in Latvian – *Akciju sabiedrība*), incorporated in, and operating under the laws of the Republic of Latvia, and registered in Commercial Register maintained by the Register of Enterprises of Latvia under the registration number: 40003551060, legal address: Dēļu iela 2, Rīga, LV-1004, Latvia, (the "**Issuer**") in the amount of up to EUR 17 000 000 (the "**Offering**") and admission thereof (the "**Admission**") to trading on the Baltic Bond List of AS Nasdaq Riga ("**Nasdaq**" or "**Nasdaq Riga**").

This Base Prospectus should be read and constructed together with any supplements hereto (if any) and any other documents attached herein and, in relation to any tranche of Notes issue (the "**Tranche**"), with the Final Terms of the relevant Tranche (the "**Final Terms**"), as applicable. The issue-specific summary shall be annexed to the Final Terms of each of the Tranche and shall be announced in the same order as the Base Prospectus and provided to the Latvian competent authority, the Bank of Latvia (in Latvian – *Latvijas Banka*, the "**Bank of Latvia**") together with the Final Terms.

Neither this Base Prospectus nor any Final Terms constitute an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Furthermore, the distribution of this Base Prospectus and/or any Final Terms in certain jurisdictions may be restricted by law. Thus, persons in possession of this Base Prospectus and/or any Final Terms are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Notes shall be offered, as specified in the Base Prospectus and the Final Terms, subject to possible cancellation or modification of the Offering and subject to certain other conditions.

This Base Prospectus has been prepared and the Final Terms will be prepared by the Issuer in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as may be amended from time to time (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980, as may be amended from time to time (the "**Delegated Regulation**"). The Bank of Latvia (in Latvian – *Latvijas Banka*) in its capacity as the competent authority in Latvia under the Prospectus Regulation has approved this document as a Base Prospectus and has notified the approval of the Base Prospectus to the Estonian Financial Supervision Authority (in Estonian: *Finantsinspektsioon*; the "**EFSA**") and the Bank of Lithuania (in Lithuanian: *Lietuvos bankas*, the "**Bank of Lithuania**").

The approval by the Bank of Latvia of this Base Prospectus only means that it is meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Application has also been made to Nasdaq Riga for Notes issued under the Programme to be admitted to trading on the Baltic Bond List of Nasdaq Riga.

The Base Prospectus has been drawn up as a base prospectus in accordance with Article 8 of the Prospectus Regulation.

All the Notes of the Issuer (when issued) will be non-material registered notes and will be registered with Nasdaq CSD, SE ("**Nasdaq CSD**"). When registering the Notes of different Tranches, Nasdaq CSD will provide different ISIN to Notes of different Tranches, unless it will be decided by Nasdaq CSD to provide the same ISIN to Notes of different Tranches for any reason. Noteholders will be able to hold the Notes

through Nasdaq CSD participants including the Bank, such as investment firms and custodian banks operating in any of the Baltic states.

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

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

Before deciding to purchase the Notes, prospective investors must make their own assessment as to the suitability of investing in the Notes. Each prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investment in the Notes to be issued under the Programme involves certain risks. Prospective investors should carefully acquaint themselves with such risks before deciding to invest in the Notes. The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes are discussed in Section 2 "Risk Factors" of this Base Prospectus. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer. If any of these risks materialize, the market value of the Notes and the likelihood the Issuer will be able to fulfil its payment obligations under the Notes may decrease, in which case the Noteholders could lose all or part of their investments.

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

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the "**Regulation S**"), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The date of this Base Prospectus is 20 March 2024

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## 1 OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the General Terms and Conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction in conjunction with the other parts of the Base Prospectus (including any documents incorporated therein). Any decision to invest in the Notes should be based on a consideration by the investor of the Base Prospectus as a whole.*

*Words and expressions defined in the General Terms and Conditions of the Notes below or elsewhere in this Base Prospectus have the same meanings in this overview.*

*This overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Delegated Regulation.*

<b>Issuer:</b>	AS Grenardi Group
<b>Legal Entity Identified (LEI):</b>	9845008F599B95980934
<b>Programme Limit:</b>	Up to EUR 17 000 000 aggregate nominal amount of Notes outstanding at any one time
<b>Risk Factors:</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in Section 2 "Risk Factors"
<b>Method of Issue:</b>	The Notes shall be issued in Tranches. The Notes of each of the Tranches will generally be subject to similar main terms, except that the following may differ, as specified in the respective Final Terms of the respective Tranche: the Issue Date, the nominal value of the Notes, the Issue Price of the Notes, Maturity Date and the annual fixed interest rate
<b>Form of the Notes:</b>	The Notes will be issued in dematerialized form and book entered with Nasdaq CSD SE
<b>Status and Security:</b>	Secured, commercial pledges in amount of up to EUR 21 000 000 on assets of the Collateral Providers as further described in Section 13.8 "Collateral of the Notes", with the particular secured claim amount specified in the Final Terms of the respective Tranche according to the total aggregate amount of Notes issued under the Programme at the time
<b>Currency:</b>	EUR
<b>Denomination:</b>	The nominal amount of each Note shall be specified in the Final Terms
<b>Issue Price:</b>	The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount
<b>Minimum Investment Amount:</b>	The Notes will be offered for subscription for a minimum investment amount that will be specified in the Final Terms
<b>Interest:</b>	The Notes will bear interest at a fixed annual interest rate as specified in the Final Terms
<b>Maturity:</b>	The Notes shall be repaid in full at their nominal amount on the date which will be specified in the Final Terms. Each Tranche may have a maturity up to 3 (three) years
<b>Listing:</b>	Application will be made to Nasdaq Riga for admitting each Tranche to listing and trading on the official bond list (the Baltic Bond List) according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the respective Tranche
<b>Taxation:</b>	All payments in respect of the Notes by the Issuer shall be made without withholding or deduction for, or on account of, any

present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by laws of Latvia. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Noteholders in respect of such withholding or deduction

**Rating:**

Neither the Issuer, nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process

**Governing Law:**

Latvian law

**Dispute Resolution:**

Any disputes relating to or arising in relation to the Notes shall be settled solely by the courts of Latvia of competent jurisdiction

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Base Prospectus in the United States of America, the EEA, UK, the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia and other jurisdictions, see Section 3.7 "Distribution of the Base Prospectus and Selling Restrictions" of this Base Prospectus

## 2 RISK FACTORS

*The prospective investors are advised to carefully consider the risk factors and other information provided in this Base Prospectus. Investing in Notes involves certain risks including but not limited to the risks described herein. Risk factors, understood as sources of uncertainty, are inherent in any business activity. Thus, investment in Notes is open to various risks which may, independently or collectively, have an adverse effect on the Issuer's and Group's business operations, financial position, or business results and, thereby, the Issuer's and Group's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. As a result, investors could lose a part or all the value of their investments.*

*The risks and uncertainties described in this Section are not the only risks currently faced by the Issuer and the Group. In addition to the risks listed in this Section "Risk factors", the Issuer and the Group could be exposed to risks, of which the Issuer is not currently aware or which the Issuer considers immaterial at the moment, but which could affect the Issuer's business operations, financial position, or business results and, thereby, the Issuer's and Group's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. Accordingly, each prospective Investor should thoroughly consider all the information in this Base Prospectus, including the risk factors described below.*

*The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Issuer and the Notes are set out first, considering their potential negative effect for the Issuer and the probability of their occurrence. This does not imply that the remaining risk factors are ranked based on their materiality or comprehensibility, nor based on the probability of their occurrence.*

*The potential magnitude of each risk towards the business of the Issuer and the Group has been categorised as "low" or "medium" or "high" in the opinion of the Management Board at the date of this Base Prospectus. Risk categories have been provided for ease of reference and cannot be understood separately from the description of each risk. The Issuer and the Group may face number of the risk factors described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong to more than one category and prospective investors should carefully consider all risk factors set out in this Section.*

### 2.1 Risk factors relating to the economic and geopolitical environment

#### 2.1.1 Macroeconomic risk

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

The Group is engaged in the jewellery retail business with a direct presence in three countries, namely Latvia, Estonia and Lithuania. In 2023 the majority of the Group's retail turnover 75% was generated in Latvia, while Estonia made up 14% and Lithuania 11%. Therefore, the Group is currently largely dependent on the revenue streams generated in Latvia and, by extension, dependent on the macroeconomic situation there. 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 Issuer considers the macroeconomic risk as medium.

#### 2.1.2 Geopolitical risk

On 24 February 2022 Russia launched a military assault on Ukraine. This has led to significant volatility in the global credit markets and on the global economy. Although, as of the date of the Base Prospectus, the restrictive measures imposed against Russia and Belarus have had no direct material impact on the Group's performance, introduction of new sanctions packages, general deterioration of the economic situation and other aspects related to geopolitical events may affect the Group's business results. The Group sells jewellery in the Baltic countries and transports the sourced materials across a variety of national jurisdictions and geographical areas. This entails a risk of business interruptions that may result from political circumstances, trade disputes or inadequacies in the legal systems and law enforcement mechanisms in certain countries from which the Group sources jewellery. The political circumstances or



inadequacies of the legal systems and law enforcement mechanisms in certain countries from which the Group sources jewellery may have a material negative impact on the Group's reputation, revenue, cash flows and financial condition.

The Issuer considers the geopolitical risk as medium.

### 2.1.3 **Global pandemic risk**

A significant interruption to the Group's business due to external events (such as a public health threat/pandemic, war or natural hazard) could restrict access to the Group's products, negatively affect operations and brands, or pose a threat to the safety of employees, any of which could have a negative impact on the Group's commercial and financial performance.

The Issuer considers the global pandemic risk as medium.

## **2.2 Risk factors relating to the industry in which the Issuer and the Group operates**

### 2.2.1 **Seasonality risk**

As a jewellery seller, the Issuer is subject to seasonality risk, since the consumer demand increases particularly during holiday seasons, for instance, Christmas or Valentine's Day. Historically, the Issuer and the Group has reached higher sales and profitability in the fourth quarter of the calendar year due to the end-of-year holiday season. According to historical Financial Reports, the 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. High dependence on purchases during holiday seasons can lead to risk of revenue instability during periods of non-holidays.

In addition, if sales during the Group's peak sales periods are significantly lower than expected, the Group may not be able to adjust its procurement in a timely manner. This may lead to relatively high inventory levels that have a negative impact on the Group's liquidity position. As a result, the Group may be required to lower 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.

The Issuer considers the seasonality risk as high.

### 2.2.2 **Risk of price volatility of precious metals and stones**

The jewellery industry is subject to fluctuations in the prices of precious metals, such as gold, silver, platinum, and gemstones, such as diamonds and sapphires, and, to a lesser extent, other precious and semi-precious stones. Even though the Group does not directly purchase raw materials and other components of the jewellery for its further sale, the 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. Accordingly, the fluctuations in commodity markets could have a material adverse effect on the Group's business, financial condition and operating results.

Variations in gold prices have the greatest impact on the Group, as the jewellery, which contains gold, represented 87% of the Group's inventory, while silver jewellery amounted to 6% of the Group's inventory as of 31 December 2023 according to unaudited consolidated quarterly results (Q4 2023). 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 have any hedging arrangements that relate to commodity price movements.

Although the overall market price of gold has significantly increased over the past years, it is influenced by global economic and geopolitical conditions as well as financial market sentiment. Thus, there is no guarantee that the gold price will continue to rise in the market and would not affect the inventory valuation of the Group in the future. Changes in the material prices may cause difficulties in setting the final price to the Group's customers. Increases in the prices of precious metals could threaten to reduce the consumer demand or to price some of the Group's customers out of this market segment, as they may decide to switch to more accessible jewellery at a lower price point. This could negatively affect the revenue, financial position and cash flows of the Issuer and the Group.

The Issuer considers the risk of price volatility of precious metals and stones as medium.

### 2.2.3 **Consumer trend risk**

The jewellery market is affected by constant changes in consumer purchasing trends and preferences. The Issuer's business is subject to adaptation to new fashion trends, designs, customer demands over the years. The offered products require appeal to a range of customers whose preferences cannot always be predicted with certainty. Moreover, global economic downturns may affect the overall spending culture as the average consumer may reduce or stop purchasing luxury goods, such as jewellery, as opposed to other essential everyday necessities.

In line with growing concern over product sustainability and ethical purchasing habits, the customer attitude towards precious metals may also influence the demand for Issuer's products. The concerns over environment, sustainability and labour issues in the supply chain, as well as concerns over the sources of raw materials may affect the customer preferences for luxury jewellery and affect the Group's sales. Any failure to identify and respond effectively and swiftly to changes in consumer preferences and demand could adversely affect the results of the Group's operations.

The Issuer considers the consumer trend risk as medium.

#### **2.2.4 Expansion and competition risk**

The Issuer is present with its retail stores in all Baltic countries. At the same time, implementing the Group's growth strategy requires significant additional investments, primarily in inventory. The Group may face liquidity issues in case a newly opened store does not meet the Group's expectations.

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.

With respect to store locations, the Issuer competes with other regional retailers to secure attractive premises for the opening of stores. In case the Issuer fails to identify and lease attractive premises or implement the required infrastructure, the Group's expansion plans may slow down, and the intended increase of the Group's market share may not materialise.

While the Issuer has established its presence in a unique market segment and developed its brand positioning, the overall competition in the Baltic jewellery market is relatively high. There is an inherent risk that existing market competitors could change their market positioning, directly targeting the Group's market segment 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 a new player may enter local market in Latvia or Baltic States, thus increasing the existing competition.

The Issuer considers the expansion and competition risk as medium.

#### **2.2.5 Risk of theft or misappropriation**

The jewellery market players, including the Issuer, are subject to theft and misappropriation risks of products in the physical stores, during transportation and at its warehouses. Theft of valuable inventory may occur both during business hours or after hours in the premises, which may lead to financial losses and damage to the Group's brand reputation.

In addition, the Issuer may also be subject to embezzlement risks by its employees in its stores or at other levels of the business. The Issuer and the Group may fail to put the appropriate level of monitoring and internal control systems to enable detection of any such theft or embezzlement cases. This could have a material adverse effect on the Group's business, financial condition, results of operations, value of Collateral, as well as reputation.

The Issuer considers the risk of theft or misappropriation as low.

### **2.3 Risk factors related to the Issuer's business**

#### **2.3.1 Risk of current and new retail space availability**

As at the date of this Base Prospectus, majority Group's stores are located in shopping centres, with the remaining located in other standalone locations with relatively high consumer traffic. To a significant extent the Group's sales are subject to the volume of customer traffic in shopping centres where the stores are

located. In case the shopping centre lacks popular retail brands, it could lead to low customer traffic in the premises, including the Group's stores. The customers' interest in visiting shopping centres may also be decreased due to high vacancies or closures by other retailers nearby. This, in turn, would have an adverse effect on the Group's customer traffic, sales and consequently its financial position.

As part of the business strategy, the Issuer places many of its stores in prominent locations within shopping centres and city centres to ensure the locations are strategically well positioned for customer flows. At the same time, the Issuer cannot control the availability of appropriate locations or acquisition of new premises. In addition, majority of the Group's retail stores are subject to lease agreements concluded with the owner of premises. Hence, the Group is bound by the validity and terms of each lease agreement. Moreover, the availability of prominent locations for retail stores is subject to competition by other market players 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 to obtain new key locations or continue to maintain the existing ones. The Group may be unable to renew the current lease agreements on favourable terms or at all in the future. The Group's inability to secure high-quality locations could negatively impact the Group's operations.

The Issuer considers risk of current and new retail space availability as medium.

### **2.3.2 Supply chain and key manufacturer risk**

The Group does not manufacture its products, but instead outsources them from various third-party manufacturers, mainly in Italy, Hong Kong, and Turkey, which produce the merchandise according to the Group's specifications. In total, the Group has around 100 different partners from 21 countries globally. In 2023, approximately 80% of Group's supply by value was manufactured by 32 suppliers. The Group also relies on arrangements with third-party shipping companies for transport and delivery of its products, including over large geographical distances. Accordingly, supply chain disruptions or issues with the Group's suppliers may affect the inventory levels, product assortment, financial results and competitive position of the Group.

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 interruptions, 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 affect the ability to meet consumer demand and may result in fewer sales of the Group.

The Issuer considers supply chain and key manufacturer risk as medium.

### **2.3.3 Inventory management risk**

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

In the event of high levels of unsold stock, the Group may be forced to sell some of its products at lower prices, which could negatively affect the Group's operating profits and financial condition.

Alternatively, the Group may underestimate the demand for one product compared to another and stock its stores inadequately. To be responsive to shifting customer trends, the product selection and inventory levels require appropriate management. 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, the sales may decrease, and the inventory increase accordingly. 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. The Group 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 that the selling price of the remelted stock will be equivalent to the cost of purchasing the stock.

The Issuer considers inventory management risk as medium.

### **2.3.4 Employee attraction risk**

As at the date end of 2023, the Issuer has authorization contracts with three board members, and the Group has around 290 (two hundred ninety) employees across the Baltic states. The Group's employees form a significant part of the overall customer experience and brand image. Therefore, it is of high

importance for the Group to have a professional and highly skilled team of employees with low employee turnover rate.

Additionally, considering the Group's growth in the recent years and the Group's further expansion plans, it will be necessary to retain and attract a relatively large number of new employees. 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. Hence, the Group may be unable to attract enough skilled employees that would have the appropriate experience, fit the needs and the corporate culture of the Group. Training of new employees also takes time and resources. Inability to attract suitable personnel may disrupt workflow and burden productivity of existing employees.

The Issuer considers employee attraction risk as medium.

#### **2.3.5 Dependence on key employees' risk**

Retention of senior management is important for the Issuer due to the limited availability of experienced and talented retail executives in the market. Inability to retain its senior management and employ suitable replacements in a timely manner, may disrupt the operations of the Group, including key decision-making, management and maintaining competitive market position. The Group's activities in the upcoming years will be also reliant on the ability to preserve, motivate and attract highly qualified personnel with appropriate industry experience in the region.

The Issuer considers dependence on key employees' risk as low.

#### **2.3.6 Risk related to the use of social media and influencers**

Over the past years, there has been significant increase in the use of social media platforms and 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 remedy or correct this issue before there has been a reaction from the wider public.

Additionally, the Group uses social media platforms and influencers as a part of its marketing strategy. In case the Group's cooperation with marketing influencers or use of social media is not aligned with the brand values, there is a reputation risk by way of criticism or negative comments on the Issuer's brand name. In addition, unsatisfactory or inappropriate marketing content may not resonate with consumers or relevant target audience. The Group also 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 Issuer considers risk related to the use of social media and influencers as low.

#### **2.3.7 Brand 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 stores and generating web traffic to the e-commerce platform. Brand image is also important for a successful expansion strategy. It requires the Issuer and the Group to make additional investments in areas such as marketing, advertising and e-commerce, as well as the day-to-day investments required for store operations, website operations and employee training.

Maintaining, promoting and successfully positioning the Group's marketing materials will largely depend on 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.

The Issuer considers brand reputation risk as low.

## **2.4 Legal and regulatory risks**

### **2.4.1 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 and govern the jewellery 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 Group's products and provision of services is subject to a high level of regulation and oversight applicable to the consumer sector. In addition, use of social media platforms and devices is subject to various laws and regulations. Failure of the Issuer and the Group to ensure compliance with applicable laws may result in legal consequences and reputational damage.

The Issuer and the Group are compliant with applicable regulatory requirements at the date of this Base Prospectus. In line with regulatory changes over the time, the Group needs to be able to comply with revised legislation. It cannot be guaranteed that such compliance may be always swift and without material measures. Adapting the Group's operations to any of the legal changes may incur costs for the Group that are difficult to anticipate, which in turn may negatively affect the Group's business operations.

The Issuer considers regulatory risk as medium.

### **2.4.2 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 stores, 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 negative effect on Group's business.

The Issuer considers IT systems risk as medium.

### **2.4.3 Anti-money laundering (AML) breach risk**

The Issuer and the Group are subject to anti-money laundering (AML) laws and related compliance obligations in operating jurisdictions. For compliance purposes the Group has developed and introduced AML policies and appointed responsible persons in each jurisdiction for prevention of AML risks.

The Group is required to comply with AML regulations that are generally less restrictive than those that apply to financial institutions. If the Group is not in compliance with relevant AML laws, it may be subject to criminal and civil penalties and other remedial measures. Even though the Issuer and the Group invests significant resources in its AML program and tools, any penalties, remedial measures or investigations into any potential violations of AML laws could harm the Group's reputation and may have negative effect on its business.

The Issuer considers AML breach risk as low.

### **2.4.4 Risk related to changes in customs regulations**

The majority of the Group's products are manufactured in Italy, Turkey and Hong Kong. With respect to the import of goods from jurisdictions that are not members of the EU, 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.

The Issuer considers risk related to changes in customs regulations as low.

### **2.4.5 Taxation risk**

The Issuer and the Group currently operate in three jurisdictions - Latvia, Estonia and Lithuania, with different sets of tax regimes in each country. 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.

The Issuer considers taxation risk as low.

#### **2.4.6 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.

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 always comply 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.

The Issuer considers privacy and data protection breach risk as low.

#### **2.4.7 Intellectual property (IP) risk**

The Issuer and the Group has intellectual property (IP) rights which are material to its business, including trademarks and domain names. Therefore, the Group is dependent on its ability to protect and promote its brands and other IP rights. At the date of this Base Prospectus, the Group has 14 (fourteen) registered figurative trademarks. The Group plans to further strengthen its IP rights and in the nearest future submit additional IP rights applications on EU level and across the Baltic countries.

The Issuer and the Group could be affected if it is unable to provide appropriate protection and control over its trademarks and other IP rights. If any of the Issuer's or Group company's applications for registration of IP rights is denied, revoked, amended, suspended or expired, it may affect the competitive position of the brand. In case the Group lacks appropriate protection, it may be necessary to initiate litigation proceedings to enforce IP rights or defend against third party claims relating to possible IP infringements. Any legal proceedings may involve reputational risks and cause negative impact on financial condition of the Group.

The Issuer considers intellectual property (IP) risk as low.

#### **2.4.8 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 information technology (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 necessity to have up-to-date technologies and have the capability to implement new functionalities on the Group's e-commerce platforms. In turn, this creates a risk of unexpected costs being incurred in connection with the development or upgrading of the Group's e-commerce platform. Moreover, the e-commerce website of the Issuer needs to be easy to comprehend and operate on behalf of the consumers. 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 brand, reputation and prospects.

The Issuer considers e-commerce risk as low.

## **2.5 Risk factors relating to financial matters**

### **2.5.1 Financial leverage risk**

The Group's financial leverage has increased in the recent years due to an aggressive expansion policy in the Baltics, which was funded through obtaining additional debt. However, by the end of 2023, the financial leverage decreased due to equity investment. While the Group expects its financial leverage to decrease due to growth of EBITDA from the expansion and improving results of the operations, there can be no assurance that this will materialize, which could result in negative consequences for the Group.

Even though the Capitalization Ratio as of 31 December 2023 was 36%, 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 Issuer's and Group's results of operations.

The Group's current financing arrangements include certain restrictions and covenants that could make it more difficult for the Group to obtain new financing in the future or to get it on more favourable terms. A delay in securing the required funding could force the Group to postpone or terminate its plans for expansion or impose restrictions on day-to-day operations, all of which could have a substantial negative impact on the Group's operations, financial condition, and business prospects.

The Issuer considers financial leverage risk as medium.

### **2.5.2 Credit risk of clients**

The "buy now – pay later" (BNPL) trend is becoming increasingly popular amongst jewellery industry players, and this service is also offered by the Group to its clients. In 2023, such sales only constituted 2.2% of the Group's sales, however, the share of the Group's customers using this service could increase in the future.

The Group uses 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, BNPL 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. The BNPL service is also subject to regulations, including consumer protection laws, data security and payment processing. Therefore, inability of the Issuer or the Group to ensure appropriate regulatory compliance, security measures and responsible lending practice may cause negative consequences to the business operations.

The Issuer considers credit risk of clients as low.

## **2.6 Risks relating to the Notes**

### **2.6.1 Liquidity risk**

Neither the Issuer nor any other individual guarantees the minimum liquidity of the Notes. Thus, the potential Investors should consider 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.

In light of these considerations, potential Investors are encouraged to conduct a comprehensive market analysis and assess the prevailing economic conditions that may impact the liquidity of the Notes. Furthermore, potential Investors should factor in the potential influence of external market forces, regulatory changes, or unforeseen economic events that could affect the secondary market for the Notes.

The Issuer considers Notes repayment risk as high.

### **2.6.2 Notes repayment risk**

The Notes will rank *pari passu* with other senior secured obligations of the Issuer including the Existing Secured Notes as further described in Section 13.8 “Collateral of the Notes” of this Base Prospectus.

In addition, the Issuer and the Group have the following arrangements regarding Bank Guarantees:

- 1) arrangement with Signet Bank AS to provide guarantees to the Subsidiaries SIA GIVEN Latvia, GIVEN Estonia OÜ, GIVEN Lithuania UAB in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA GIVEN Latvia to Signet Bank AS (**Bank Security**). The Bank Security is registered after the Existing Collaterals arising from the Existing Secured Notes, yet the intercreditor agreement concluded between Signet Bank AS and the existing Collateral Agent ranks the Bank Security *pari passu* to the Existing Collaterals. The Collaterals securing the Notes under this Base Prospectus would be ranked *pari passu* to the Bank Security and the Existing Collaterals. In December 2023 the Issuer concluded agreement to increase the guarantee limit up to EUR 450 000 in total.
- 2) SIA Grenardi Latvia has arrangement with Luminor Bank AS to provide guarantees to the Subsidiaries SIA Grenardi Latvia and Grenardi Estonia OÜ in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA Grenardi Latvia to Luminor Bank AS. Yet, the agreement will be reviewed, and the underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus.

Furthermore, as at 31 December 2023, SIA Grenardi Latvia had an outstanding credit line of EUR 165 000 issued by Luminor Bank AS. The total limit of the credit line is EUR 1 500 000 and the final maturity is 30 June 2024. The credit line is secured with a commercial pledge over all assets of SIA Grenardi Latvia and Grenardi Estonia OÜ, however the credit line will be terminated by 30 April 2024 and underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus.

The Group is permitted to assume additional Financial Indebtedness, including and pledging the same assets (including obtaining guarantees (in Latvian: *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 Financial Covenants, General Covenants as set forth in Clause 13.21 and 13.22 and Interest Coverage Ratio of this Base Prospectus are met. In particular, the Collaterals, the Existing Collaterals 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, taking into account, that if the Collaterals would be enforced, the Noteholders would receive payment of their claims in respect to Notes only to the extent that the enforcement proceeds of the sale of the Collaterals are sufficient to pay the costs of enforcement of the Collaterals and satisfaction of the fees, costs, damages and claims of the Collateral Agent in accordance with this Base Prospectus. Save for mandatory provisions of law, 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. Should the Issuer become insolvent, legal protection proceedings or out-of-court legal protection proceedings of the Issuer are initiated during the term of the Notes, Noteholder may forfeit interest payable on, and the principal amount of, the Notes in whole or in part. Noteholder is always solely responsible for the economic consequences of its investment decisions.

The Issuer considers Notes repayment risk as medium.

### 2.6.3 Offering cancellation and delisting risk

After registration of the Notes the Issuer plans to request admission to trading of the Notes on the Baltic Bond List of Nasdaq Riga. There is a risk that Nasdaq Riga will not accept the Notes to be admitted to trading on the Baltic Bond List or order the Notes are delisted from the Baltic Bond List before maturity after admission to trading has taken place due to changes in Applicable Laws, including Nasdaq Riga regulations. In addition, the Issuer is entitled to change the dates of the opening and closing of a Subscription Period of the Notes under the Programme according to this Base Prospectus and Final Terms. The Issuer will apply its best effort to ensure that the Offer of the Notes under the Programme occurs as



originally planned, however, the Issuer cannot guarantee that the potential Investor who has subscribed for the Notes will obtain the Notes to which he/she has subscribed for. Such changes in the dates of the Subscription Period, postponement or cancellation of the Offering of Notes of any Tranche may negatively affect the investment plan of potential Investor.

The Issuer considers offering cancellation and delisting risk as low.

#### **2.6.4 Price risk**

The development of market prices of the Notes depends on various factors, such as changes of interest rates, central bank policies, overall economic development, or demand for the Notes. Neither the Issuer, nor any other person undertakes to maintain a certain price level of the Notes. The potential Investors are thus exposed to the risk of unfavourable price development of their Notes if they sell the Notes prior to final maturity. If the potential Investor decides to hold the Notes until maturity, the Notes will be redeemed at their Nominal Value.

The Issuer considers price risk as low.

#### **2.6.5 Early redemption risk**

According to the Base Prospectus, 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 Issuer's redemption right may also adversely impact the potential Investor's ability to sell such Notes.

The Issuer considers early redemption risk as low.

#### **2.6.6 Tax risk**

Tax rates and tax payment procedure applicable at the time of purchase of the Notes to tax residents, non-residents 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.

The Issuer considers tax risk as low.

#### **2.6.7 Resolutions of Noteholders risk**

The majority resolution of a Noteholders is binding to all Noteholders. Thus, the 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.

The Issuer considers resolutions of the Noteholders risk as low.

### **2.7 Risks related to the Collateral**

#### **2.7.1 Risks associated with the Collateral Agent Agreement**

The Noteholders are represented by the Collateral Agent in all matters concerning the Collateral. However, there is a risk the Collateral Agent, or any appointed party, may not fulfil its obligations adequately in terms of perfecting, maintaining, enforcing, or undertaking other necessary actions in relation to the Collateral. Pursuant to the terms outlined in the Collateral Agent Agreement, the Collateral Agent is authorized to engage in agreements with third parties or undertake any other actions deemed necessary to maintain, release, or enforce the Collateral, as well as resolve any disputes regarding the Noteholders rights to the Collateral.

The Issuer considers risks associated with the Collateral Agent Agreement as low.

#### **2.7.2 Risks associated with the market value of the Collateral**

The market value of the Collateral 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 market 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 market 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, market value and sufficiency 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 Issuer considers risks associated with the market value of the Collateral as low.

#### **2.7.3 Risks associated with certain limitations relating to the validity and enforceability of the Collateral**

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

Enforcement of any of the Collateral 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 defences affecting the rights of creditors generally. If one or more of these laws and defences are applicable, the Collateral Provider may have no liability or decreased liability under its Collateral depending on the amounts of its other obligations and the Applicable Laws.

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

The Issuer considers risks associated with certain limitations relating to the validity and enforceability of the Collateral as low.

#### **2.7.4 Risks associated with the limitations and procedures concerning enforcement of the Collateral**

Even when the Collateral is enforceable, the enforcement is subject to the procedures and limitations agreed in the Collateral Agent Agreement and Base Prospectus. 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 Base Prospectus. Additionally, the Collateral enforcement costs may be disproportional to the amount being recovered, and such costs are beyond the control of the Collateral Agent.

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 insurance company If P & C Insurance AS Latvijas filiāle (registration number: 40103201449) with the insured amount up to EUR 2 000 000.

The Issuer considers risks associated with the limitations and procedures concerning enforcement of the Collateral as low.

#### **2.7.5 Risks related to amendments to laws and regulations**

There is a general risk that amendments to applicable laws and regulations governing Collaterals may introduce uncertainty to Noteholders. Namely, there is a general risk that legislative changes may affect the enforceability of Collateral securing the Notes, potentially affecting the Noteholders' position.

The Issuer considers risks related to amendments to laws and regulations as low.

**2.7.6 Risks related to the actions and financial standing of the Collateral Agent**

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.

The Issuer considers risks related to the actions and financial standing of the Collateral Agent as low.

### 3 INTRODUCTORY INFORMATION

#### 3.1 Applicable Law

This Base Prospectus has been drawn up in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") and Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the "**Delegated Regulation**"), in particular with Schedule 6 and 14 thereof. Latvian law shall apply to this Base Prospectus and any disputes arising from this Base Prospectus shall be settled in Latvian courts, except for when, according to the applicable law, the jurisdiction cannot be agreed on.

Please review the following important introductory information before reading this Base Prospectus.

#### 3.2 Responsible Persons and Limitation of Liability

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer and its Subsidiaries taken as a whole (the "**Group**") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable Investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

The Issuer, represented by the members of its Management Board, accepts responsibility for the information contained in this Base Prospectus and in any Final Terms which complete this Base Prospectus for each Tranche of Notes issued hereunder and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and that Base Prospectus does not omit anything likely to affect the import of such information.

*signed with a safe electronic signature*

Member of the Management Board

Marta Andersone

*signed with a safe electronic signature*

Member of the Management Board

Līga Emma Gulbe

*signed with a safe electronic signature*

Chairman of the Management Board

Ģirts Rudzītis

#### 3.3 Presentation of Information

##### 3.3.1 Approximation of numbers

Numerical and quantitative values in this Base Prospectus (e.g., monetary values, percentage values, etc.) are presented with such precision that the Issuer deems necessary to provide adequate and sufficient information on the relevant matter while avoiding an excessive level of detail. In some cases, quantitative values have been rounded up to the nearest decimal place or whole number to avoid an excessive level of detail. As a result, certain values may not necessarily add up to the respective totals because of the approximation. Exact numbers can be examined and derived from the Financial Statements to the extent that the relevant information is reflected therein.

##### 3.3.2 Currencies

In this Base Prospectus, financial information is presented in euro (EUR), the official currency of the EU Member States participating in the Economic and Monetary Union, including Latvia.

##### 3.3.3 Date of information

This Base Prospectus is drawn up based on information which was valid as of the date of the Base Prospectus. Where not expressly indicated otherwise, all information presented in this Base Prospectus (including the consolidated financial information of the Group, the facts concerning its operations and any

information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than the date of the Base Prospectus, this is identified by specifying the relevant date.

#### **3.3.4 Third-party information and market information**

Certain information contained in this Base Prospectus have been obtained from third parties. Such information is accurately reproduced and, as far as the Issuer is aware and can ascertain from the information published by the third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Certain information regarding the markets in which the Group operates is based on the best assessment made by the Management Board. Reliable information pertaining to the markets in which the Group operates is not always available or conclusive. While all reasonable measures have been taken to provide the best possible assessment of information about the relevant area of activity, such information may not be relied upon as final and conclusive. Prospective investors are encouraged to conduct their own analysis of the relevant areas of activity or employ a professional consultant.

#### **3.3.5 Definitions of terms**

In this Base Prospectus, terms with capitalised first letters have the meaning given to them in Section 17 "Glossary", unless the context evidently requires the contrary, whereas the singular shall include plural and vice versa. Other terms may be defined elsewhere in the Base Prospectus.

#### **3.3.6 References to the Issuer's Website**

This Base Prospectus contains references to the Issuer's website ([www.grenardi.group](http://www.grenardi.group)). The Issuer does not incorporate the information available on the website in the Base Prospectus, i.e. the information on the website is not part of this Base Prospectus and has not been verified or confirmed by the Bank of Latvia. This does not apply to the hyperlinks indicating information incorporated by way of reference.

### **3.4 Forward-Looking Statements**

This Base Prospectus includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements are based on opinions and best judgments by the Issuer or its Management Board relative to the information currently available to the Management Board. All forward-looking statements in this Base Prospectus are subject to risks, uncertainties, and assumptions regarding the future operations of the Issuer, the local and international macroeconomic environment and other factors.

These forward-looking statements can be identified in the Base Prospectus by the use of words including, but not limited to, "strategy", "anticipate", "expect", "anticipate", "believe", "estimate", "will", "continue", "project", "intend", "targets", "goals", "plans", "should", "would" and other words and expressions of similar meaning, or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements can also be identified in the way they do not directly relate to historical and current facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the Group's or the Issuer's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements (please see Section 2 "Risk Factors" of this Base Prospectus).

The Issuer is under no obligation to, and expressly disclaims any obligation to, update or alter the forward-looking statements in this Base Prospectus based on changes, new information, subsequent events or for any other reason.

The validity and accuracy of forward-looking statements is influenced by the general operating environment and the fact that the Group is affected by changes in domestic and foreign laws and regulations (including those of the European Union), taxes, developments in competition, economic, strategic, political, and social conditions, as well as other factors. The actual Group's results may differ from the Management Board's expectations due to changes caused by various risks and uncertainties, which could adversely impact the Group's operations, business, or financial results. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements.

### **3.5 Approval of this Base Prospectus**

This Base Prospectus has been approved by the Bank of Latvia, as competent authority under the Prospectus Regulation, dated 20 March 2024. The Bank of Latvia only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval of this Base Prospectus should not be considered as an endorsement of the Notes. The prospective investors should make their own assessment as to the suitability of investing in the Notes.

### **3.6 Important Information for Investors**

No person is authorised to give any information or to make any representation not contained in this Base Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus, any Final Terms nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, to any person to subscribe for or to purchase any Notes.

Each potential investor in the Notes must make their own assessment as to the suitability of investing in the Notes. In particular, each potential investor should:

- 1) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus;
- 2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- 3) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- 4) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- 5) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### 3.7 Distribution of the Base Prospectus and Selling Restrictions

The distribution of this Base Prospectus and any Final Terms may in certain jurisdictions be restricted by law, and this Base Prospectus and any Final Terms may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction other than the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia. The Issuer expects persons into whose possession this Base Prospectus or any Final Terms comes to inform themselves of and observe all such restrictions. The Issuer does not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Notes is aware of such restrictions. In particular, this Base Prospectus and any Final Terms may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, Singapore, Russia, Belarus or any other jurisdiction in which it would not be permissible to deliver the Notes, and the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries.

Furthermore, this Base Prospectus and any Final Terms may not be addressed to any person who are Russian or Belarusian nationals or natural persons residing in Russia or Belarus or any legal persons, entities or bodies established in Russia or Belarus. The latter shall not apply to nationals of a Member State of the European Union, of a country member of the EEA or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the EEA or in Switzerland within the meaning of Council Regulation (EU) No 833/2014 of 31 July 2014 (as amended), and nationals of a Member State of the European Union or natural persons having a temporary or permanent residence permit in a Member State of the European Union within the meaning of Council Regulation (EC) No 765/2006 of 18 May 2006 (as amended).

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the "**Regulation S**"), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The Bank of Latvia (in Latvian – *Latvijas Banka*), as competent authority under the Prospectus Regulation, has approved this Base Prospectus and has notified the approval of the Base Prospectus to the competent authority in Lithuania (the Bank of Lithuania (in Lithuanian - *Lietuvos Bankas*) and Estonia (the Estonian Financial Supervision Authority (in Estonian – *Finantsinspeksioon*)). However, in relation to each member state of the European Economic Area (the "**EEA**") (except the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia), the Issuer represents that it has not made and will not make any public offer of Notes prior to that EEA member state's authority receiving a certificate of approval of the Bank of Latvia attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation together with a copy of the Base Prospectus.

Accordingly, any person making or intending to make an offer within the EEA of Notes which are the subject of an offering contemplated by this Base Prospectus and the relevant Final Terms (other than the offer of Notes in the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia) may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

**IMPORTANT – EEA RETAIL INVESTORS:** The Notes have a fixed rate of interest, and the redemption amount is fixed as described in the Base Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") has been prepared by the Issuer.

### 3.8 References incorporated into this Base Prospectus

The following documents have been incorporated into this Base Prospectus by references and are available at the Issuer's website as follows:

- 1) the Group's unaudited consolidated annual report for the financial year ended 31 December 2023: [www.grenardi.group/investors](http://www.grenardi.group/investors);
- 2) the Group's audited consolidated annual report for the financial year ended 31 December 2022: [www.grenardi.group/investors](http://www.grenardi.group/investors);

- 3) the Group's audited consolidated annual report for the financial year ended on 31 December 2021: [www.grenardi.group/investors](http://www.grenardi.group/investors);
- 4) the Issuer's Articles of Association: [www.grenardi.group/investors](http://www.grenardi.group/investors).

The Financial Statements have been audited or reviewed by an independent auditor Grant Thornton Baltic Audit SIA (please see Section 6.7 "Statutory auditors" of this Base Prospectus). The Financial Statements incorporate by reference the information requested in accordance with the Delegated Regulation.

### **3.9 Documents on Display**

This Base Prospectus and each of the Final Terms will be available in electronic form on the website of the Bank of Latvia ([www.bank.lv](http://www.bank.lv)) and Nasdaq Riga website ([www.nasdaqbaltic.com](http://www.nasdaqbaltic.com)). In addition, the following document can be accessed through the Issuer's website ([www.grenardi.group](http://www.grenardi.group)) during the validity period of this Base Prospectus - this Base Prospectus and the Final Terms (available at: [www.grenardi.group/investors](http://www.grenardi.group/investors)).

Any interested party may download the above documents from the Issuer's website free of charge or request the delivery of electronic copies of the documents from the Issuer or the Arranger.



#### **4 INFORMATION ABOUT THE ISSUER**

The legal and commercial name of the Issuer is AS Grenardi Group. The Issuer is operating as a joint stock company (*akciju sabiedrība*), incorporated and registered under laws of Latvia. The Issuer was registered on 11 December 2020 with the Commercial Register of Register of Enterprises of Latvia.

The registration number of the Issuer is 40203279291 and the legal entity identifier (LEI) is 9845008F599B95980934. The registered address of the Issuer is Dēļu iela 2, Rīga, LV-1004, Latvia. The Issuer has been established for an indefinite period.

##### **Contact details of the Issuer:**

E-mail: [info@grenardi.group](mailto:info@grenardi.group)  
Telephone number: + 371 67796000  
Website: [www.grenardi.group](http://www.grenardi.group)

## **5 REASONS FOR OFFER AND USE OF PROCEEDS**

The net proceeds from the Notes issue of each Tranche of the Notes will be used by the Issuer in the following manner and order:

1. For redemption of the particular Existing Secured Notes in the following order:
  - 1.1. Secured debt securities with ISIN LV0000860054 due on 30 April 2024 with an outstanding amount of EUR 3 000 000; and
  - 1.2. Secured debt securities with ISIN LV0000860104 due on 31 July 2025 with an outstanding amount of EUR 4 000 000.
2. For general corporate purposes, primarily related to financing the purchase of additional inventory for expanding the assortment in existing stores and opening new ones, as well as for remaining and future payments for acquisitions made and possible future acquisitions.

In addition to the net proceeds raised from the prospective Investors from the Notes issue of first Tranche, the Issuer's Shareholders might also subscribe to these Notes. The net proceeds in the subscribed amount of up to EUR 2 000 000 received from the Issuer's Shareholders under the first Tranche will be used for the repayment of the unsecured credit line of the Issuer, which was issued by the same Shareholders of the Issuer after 31 December 2023.

The estimated total expenses of the issue of the Notes of each Tranche and the estimated net amount of the proceeds from the issue of the Notes of each Tranche will be provided in the Final Terms.

Subject to economic and market conditions in the future and business development of the Group and the Issuer, the manner and order of the above referred proceeds may differ from the envisaged plan. The net proceeds from the Notes issue of each Tranche are subject to the actual amount of financing attracted as a result thereof. The statements included herein shall be considered as forward-looking statements that are based on the best opinion of Management Board (for further information please see Section 3.4 "Forward-Looking Statements" of this Base Prospectus).

## 6 BUSINESS OVERVIEW

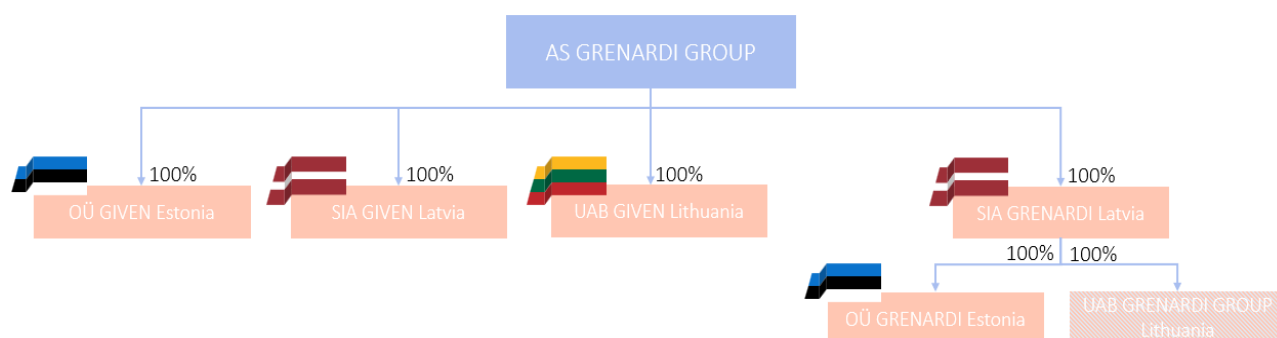
The Issuer and the Group are operating in jewellery industry, and in particular, retail sales of jewellery and watches. The key information on business operations of the Issuer and the Group is provided in this section, which shall be read alongside information that is provided elsewhere in this Base Prospectus, including but not limited to, Section 2 "Risk Factors" and Section 7 "Principal Markets".

### 6.1 History and development of the Issuer and the Group

- ✓ **2000** – Family business SIA "Grenardi" was established and the first Grenardi brand store was opened in Mežciems, Latvia.
- ✓ **2004** – The first Grenardi store was opened in Tallinn, Estonia.
- ✓ **2009** – Grenardi launched its e-commerce platform.
- ✓ **2018** – The GIVEN brand was introduced, and a distinction between the GIVEN and GRENARDI concepts was made. GIVEN opened its first store in Estonia.
- ✓ **2019** – GIVEN unveils its e-commerce platform
- ✓ **2020** – The Issuer was founded, welcoming new shareholders to contribute to GIVEN's Pan-Baltic growth story.
- ✓ **2021** – The Issuer issued its first bonds by way of private placement to support its rapid growth.
- ✓ **2022** – Given opened its first store in Vilnius, Lithuania. Significant expansion of GIVEN chain continued.
- ✓ **2023** – The Issuer acquired SIA Grenardi Latvia with its Subsidiary Grenardi Estonia OÜ, thereby forming the leading retail chain in the luxury and affordable jewellery segment. The rebranding process for the Group commenced. The Issuer was renamed from AS "GIVEN Jewellery" to AS "Grenardi Group".

### 6.2 Organisational structure and information about the Collateral Providers

At the date of this Base Prospectus, the legal structure of the Issuer and the Group is as follows:



Source: the Issuer

The Issuer (AS Grenardi Group) was established in 2020 and together with its Subsidiaries is one of the leading jewellery retail chains in Latvia with a fast-growing presence across Baltic countries. The Issuer is the parent company of the Group, which fully owns two Subsidiaries in Latvia - SIA GIVEN Latvia (acquired in 2018) and SIA Grenardi Latvia (acquired in 2023), one direct Subsidiary in Lithuania - GIVEN Lithuania UAB (established in 2021) and one direct Subsidiary in Estonia - GIVEN Estonia OÜ (acquired in 2018). The Issuer has two indirect subsidiaries – GRENARDI Estonia OÜ, which is owned by Subsidiary SIA Grenardi Latvia, as well as Grenardi Group Lithuania UAB which is currently in liquidation process due to the discontinuation of its business activities several years ago.

The Issuer operates as the holding company of the Group and is responsible for day-to-day strategic planning, management and oversight of Group's operations. Each Subsidiary operates in the retail sales of jewellery and watches across Baltic countries. Currently the initial wholesale procurement is carried out by

Subsidiary SIA GIVEN Latvia for the Group purposes. It is foreseen that in the future the procurement could be organized by the Issuer.

In the fourth quarter of 2023, the Issuer completed the acquisition of SIA Grenardi Latvia, which was previously owned by two existing Shareholders of the Issuer, namely SIA "SpringbySpring" and SIA "A.S. Capital". As a result of the transaction, the Issuer's legal name was changed from AS Given Jewellery to AS Grenardi Group.

#### 6.2.1 The Issuer

AS Grenardi Group	
<b>Legal form</b>	Joint stock company (AS)
<b>Date and place of incorporation</b>	11 December 2020, Latvia, Register of Enterprises
<b>Registration number</b>	40203279291
<b>Legal address</b>	Dēļu iela 2, Rīga, LV-1004, Latvia
<b>Principal activities</b>	Holding company
<b>Share capital</b>	EUR 7 200 001.30
<b>Number of shares</b>	72 000 013
<b>Shareholders</b>	Please see Section 11.2 "Shareholders" of this Base Prospectus

#### 6.2.2 Subsidiaries acting also as Collateral Providers of the Notes

SIA GIVEN Latvia, SIA Grenardi Latvia, GIVEN Lithuania UAB and GIVEN Estonia OÜ are all fully owned (100%) Subsidiaries of the Issuer, as well as the Collateral Providers of the Notes at the date of this Base Prospectus. The data below provides information on each Collateral Provider. Each Collateral Provider is involved in the consolidation according to IFRS for the purposes of Audited Financial Reports and Interim Financial Statements of the Group.

SIA GIVEN Latvia	
<b>Legal form</b>	Limited liability company (SIA)
<b>Date and place of incorporation</b>	5 September 2018, Latvia, Register of Enterprises
<b>Registration number</b>	40203166474
<b>Legal address</b>	Dēļu iela 2, Rīga, LV-1004, Latvia
<b>Website</b>	<a href="http://www.given.lv">www.given.lv</a>
<b>E-mail, telephone number</b>	<a href="mailto:info@grenardi.group">info@grenardi.group</a> Telephone number: 67796000
<b>LEI</b>	No legal entity identifier (LEI) has been assigned to SIA GIVEN Latvia
<b>Principal activities</b>	Retail sale of watches and jewellery in specialised stores
<b>Share capital</b>	EUR 1 700 000
<b>Number of shares</b>	1 700 000

<b>Nominal value</b>	EUR 1
<b>Shareholders</b>	The Issuer, representing 100% of share capital
<b>Administrative, management and supervisory bodies</b>	<p>SIA GIVEN Latvia has two tier corporate governance structure, which consists of management board and shareholders' meeting. Management board is comprised of one member Mr Ģirts Rudzītis, who has been appointed on 23 July 2021.</p> <p>For further information on management board member Mr Ģirts Rudzītis please see Section 10.2 "Management Board" of this Base Prospectus</p>
<b>Conflicts of interest and other declarations</b>	As at the date of this Base Prospectus, there are no potential conflicts of interest between any duties arising to the company of its management board and their private interests or their other duties
<b>Articles of Association</b>	According to the NACE classification the economic activities of SIA GIVEN Latvia are retail sale of watches and jewellery in specialized stores
<b>History and development</b>	Please see Section 6.1 "History and development of the Issuer and the Group" of this Base Prospectus
<b>Material contracts</b>	Please see Section 6.4 "Material contracts and related party agreements" concerning material contracts of SIA GIVEN Latvia
<b>Statutory auditor</b>	<p>The audit firm SIA "Grant Thornton Baltic Audit", registration number: 50003946031, legal address: Blaumaņa iela 22, Rīga, LV-1011, Latvia, is the auditor for the accounting period covered by the historical financial information contained in this Base Prospectus. SIA "Grant Thornton Baltic Audit" is a certified auditor (license No. 183) and a member of the Latvian Association of Certified Auditors.</p> <p>The financial year for SIA GIVEN Latvia is from 1 January to 31 December</p>
<b>Legal proceedings</b>	As at the date of this Base Prospectus, the Issuer is not aware of any pending or probable governmental, legal or arbitration proceedings of SIA GIVEN Latvia that are likely to have a material effect on the financial position or profitability of SIA GIVEN Latvia, or which would have had such effect in the past 12 months
<b>Recent trends, development and significant change</b>	Please see Section 7.6 "Recent trends, development and significant change" concerning recent trends, development and significant change of each Group entity. There have not been any other significant changes in the financial performance of the Group, including SIA GIVEN Latvia, in the period from the date of Group's audited consolidated annual report for the financial year ended 31 December 2022 until the date of this Base Prospectus
<b>Selected financial information</b>	SIA GIVEN Latvia is legally required to prepare stand-alone financial statements. SIA GIVEN Latvia is compliant with such requirements as at the date of this Base Prospectus

## SIA Grenardi Latvia

<b>Legal form</b>	Limited liability company ( <i>SIA</i> )
<b>Date and place of incorporation</b>	3 January 2000, Latvia, Register of Enterprises
<b>Registration number</b>	50003474971
<b>Legal address</b>	Dēļu iela 2, Rīga, LV-1004, Latvia
<b>Website</b>	<a href="http://www.grenardi.lv">www.grenardi.lv</a>
<b>E-mail, telephone number</b>	info@grenardi.group Telephone number: 67796000
<b>LEI</b>	No legal entity identifier (LEI) has been assigned to SIA Grenardi Latvia
<b>Principal activities</b>	Retail sale of watches and jewellery in specialised stores
<b>Share capital</b>	EUR 498 000
<b>Number of shares</b>	498 000
<b>Nominal value</b>	EUR 1
<b>Shareholders</b>	The Issuer, representing 100% of share capital
<b>Administrative, management and supervisory bodies</b>	<p>SIA Grenardi Latvia has two tier corporate governance structure, which consists of management board and shareholders' meeting. Management Board is comprised of two members Mrs Alīna Sprīģe, who has been appointed on 1 April 2022 and Mrs Emma Līga Gulbe, who has been appointed on 8 August 2019. Each management board member has sole rights to represent SIA Grenardi Latvia. Mrs Alīna Sprīģe currently also holds the position of creative director of the Issuer. Additionally, she is the co-creator of the GIVEN concept and has authored several private brands. Alīna has played a crucial role in Grenardi's business development by contributing to procurement activities, establishing new concept stores, and shaping the brand image. Mrs Sprīģe has a bachelor's degree in political science from the University of Latvia.</p> <p>For further information on management board member Mrs Emma Līga Gulbe please see Section 10.2 "Management Board" of this Base Prospectus</p>
<b>Conflicts of interest and other declarations</b>	As at the date of this Base Prospectus, there are no potential conflicts of interest between any duties arising to the company of its management board and their private interests or their other duties
<b>Articles of Association</b>	According to the NACE classification the economic activities of SIA Grenardi Latvia are retail sale of watches and jewellery in specialized stores
<b>History and development</b>	Please see Section 6.1 "History and development of the Issuer and the Group" of this Base Prospectus

<b>Material contracts</b>	Please see Section 6.4 "Material contracts and related party agreements" concerning material contracts of SIA Grenardi Latvia
<b>Statutory auditor</b>	<p>As of financial year 2023, the audit firm SIA "Grant Thornton Baltic Audit", registration number: 50003946031, legal address: Blaumaņa iela 22, Rīga, LV-1011, Latvia, is the auditor of SIA Grenardi Latvia. SIA "Grant Thornton Baltic Audit" is a certified auditor (license No. 183) and a member of the Latvian Association of Certified Auditors. For the financial year 2022 and 2021 SIA "ES Audits", registration number: 48503017501, legal address: Striķu iela 15 - 1A, Saldus, LV-3801, Latvia, was the auditor of SIA Grenardi Latvia. SIA "ES Audits" is a certified auditor (license No. 160) and a member of the Latvian Association of Certified Auditors.</p> <p>The financial year for SIA Grenardi Latvia is from 1 January to 31 December</p>
<b>Legal proceedings</b>	As at the date of this Base Prospectus, the Issuer is not aware of any pending or probable governmental, legal or arbitration proceedings of SIA Grenardi Latvia that are likely to have a material effect on the financial position or profitability of SIA Grenardi Latvia, or which would have had such effect in the past 12 months
<b>Recent trends, development and significant change</b>	Please see Section 7.6 "Recent trends, development and significant change" concerning recent trends, development and significant change of each Group entity. There have not been any other significant changes in the financial performance of the Group, including SIA Grenardi Latvia, in the period from the date of Group's audited consolidated annual report for the financial year ended 31 December 2022 until the date of this Base Prospectus
<b>Selected financial information</b>	SIA Grenardi Latvia is legally required to prepare stand-alone financial statements. SIA Grenardi Latvia is compliant with such requirements as at the date of this Base Prospectus

#### GIVEN Lithuania UAB

<b>Legal form</b>	Private limited liability company (UAB)
<b>Date and place of incorporation</b>	15 November 2021, Lithuania, Lithuanian Register of Legal Persons
<b>Registration number</b>	305936789
<b>Legal address</b>	Krokuvos g. 53-3, LT-09306 Vilnius, Lithuania
<b>Website</b>	<a href="http://www.given.lt">www.given.lt</a>
<b>E-mail, telephone number</b>	<p>info@grenardi.group</p> <p>Telephone number: 67796000</p>
<b>LEI</b>	No legal entity identifier (LEI) has been assigned to GIVEN Lithuania UAB

<b>Principal activities</b>	Retail sale of watches and jewellery in specialised stores
<b>Share capital</b>	EUR 1 475 000.00
<b>Nominal value</b>	EUR 0.1
<b>Number of shares</b>	14 750 000
<b>Shareholders</b>	The Issuer, representing 100% of share capital
<b>Administrative, management and supervisory bodies</b>	<p>GIVEN Lithuania UAB has two tier corporate governance structure, which consists of a managing director and the shareholder's meeting. Justina Buterlevičienė is the managing director, who has been appointed on 23 March 2022. Mr Ģirts Rudzītis has general power of attorney as of 2022. Justina Buterlevičienė is also the CEO of GIVEN Lithuania UAB with broad experience in business development, sales, personnel management, fashion procurement, and project management. Previously Justina served as the regional manager of the Baltic States at Marks &amp; Spencer, head of retail in Lithuania at Studio Moderna, and managing director of the Baltic States at Pietro Filipi. Justina holds a bachelor's degree from Vilnius University and completed additional studies in business administration at Kaunas Technology University.</p> <p>For further information on management board member Mr Ģirts Rudzītis please see Section 10.2 "Management Board" of this Base Prospectus</p>
<b>Conflicts of interest and other declarations</b>	As at the date of this Base Prospectus, there are no potential conflicts of interest between any duties arising to the company of its management board (managing directors) and their private interests or their other duties
<b>Articles of Association</b>	According to the NACE classification the economic activities of GIVEN Lithuania UAB are retail sale of watches and jewellery in specialized stores
<b>History and development</b>	Please see Section 6.1 "History and development of the Issuer and the Group" of this Base Prospectus
<b>Material contracts</b>	Please see Section 6.4 "Material contracts and related party agreements" concerning material contracts of GIVEN Lithuania UAB
<b>Statutory auditor</b>	<p>As of financial year 2023, the audit firm UAB "Grant Thornton Baltic", registration number: 300056169, legal address: Krokuvos g. 53-3, LT-09306 Vilnius, Lithuania, is the auditor of GIVEN Lithuania UAB. UAB "Grant Thornton Baltic" is a certified auditor (license No. 183) and a member of the Lithuanian Chamber of Auditors. Before the financial year 2023, GIVEN Lithuania UAB was not required to prepare audited financial statements according to applicable law.</p> <p>The financial year for UAB GIVEN Lithuania is from 1 January to 31 December</p>
<b>Legal proceedings</b>	As at the date of this Base Prospectus, the Issuer is not aware of any pending or probable governmental, legal or arbitration proceedings of GIVEN Lithuania UAB that are likely to have a material effect on the financial position or



	profitability of GIVEN Lithuania UAB, or which would have had such effect in the past 12 months
<b>Recent trends, development and significant change</b>	Please see Section 7.6 "Recent trends, development and significant change" concerning recent trends, development and significant change of each Group entity. There have not been any other significant changes in the financial performance of the Group, including GIVEN Lithuania UAB, in the period from the date of Group's audited consolidated annual report for the financial year ended 31 December 2022 until the date of this Base Prospectus
<b>Selected financial information</b>	GIVEN Lithuania UAB is legally required to prepare stand-alone financial statements. GIVEN Lithuania UAB is compliant with such requirements as at the date of this Base Prospectus

### GIVEN Estonia OÜ

<b>Legal form</b>	Private limited company (OÜ)
<b>Date and place of incorporation</b>	11 June 2018, Estonian Business Register
<b>Registration number</b>	14505229
<b>Legal address</b>	Peterburi tee 46, Harju maakond, Tallinn, Lasnamäe linnaosa, 11415, Estonia
<b>Website</b>	<a href="http://www.given.ee">www.given.ee</a>
<b>E-mail, telephone number</b>	info@grenardi.group Telephone number: 67796000
<b>LEI</b>	No legal entity identifier (LEI) has been assigned to
<b>Principal activities</b>	Retail sale of watches and jewellery in specialised stores
<b>Share capital</b>	EUR 1 250 000
<b>Number of shares</b>	1 250 000
<b>Nominal value</b>	EUR 1
<b>Shareholders</b>	The Issuer, representing 100% of share capital
<b>Administrative, management and supervisory bodies</b>	GIVEN Estonia OÜ has two tier corporate governance structure, which consists of management board and shareholders' meeting. Management Board is comprised of two members Mrs Natalja Reinoja, who has been appointed on 17 January 2022 and Mr Girts Rudzītis, who has been appointed on 28 September 2021. Each management board member has sole rights to represent GIVEN Estonia OÜ. Natalja has also served as the CEO of GIVEN Estonia OÜ since 2022, concurrently holding the position of CEO at the Group entity Grenardi Estonia OÜ since 2023. Her background includes management roles in retail and wholesale at Linette Retail OÜ, as well as key account management at Iuna OÜ. She brings extensive experience in project and public procurement management from her

	<p>time at KL Design. Natalja holds a bachelor's degree in advertising and public relations.</p> <p>For further information on management board member Mr Ģirts Rudzītis please see Section 10.2 "Management Board" of this Base Prospectus</p>
<b>Conflicts of interest and other declarations</b>	As at the date of this Base Prospectus, there are no potential conflicts of interest between any duties arising to the company of its management board and their private interests or their other duties
<b>Articles of Association</b>	According to the NACE classification the economic activities of GIVEN Estonia OÜ are retail sale of watches and jewellery in specialized stores.
<b>History and development</b>	Please see Section 6.1 "History and development of the Issuer and the Group" of this Base Prospectus
<b>Material contracts</b>	Please see Section 6.4 "Material contracts and related party agreements" concerning material contracts of GIVEN Estonia OÜ
<b>Statutory auditor</b>	<p>As of financial year 2023, the audit firm Grant Thornton Baltic OÜ, registration number: 10384467, legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Pärnu mnt 22 10141, Estonia, is the auditor of GIVEN Estonia OÜ. Grant Thornton Baltic OÜ is a certified auditor (license No. 178) and a member of The Estonian Auditors' Association. Before the financial year 2023, GIVEN Estonia OÜ was not required to prepare audited financial statements according to applicable law.</p> <p>The financial year for GIVEN Estonia OÜ is from 1 January to 31 December</p>
<b>Legal proceedings</b>	As at the date of this Base Prospectus, the Issuer is not aware of any pending or probable governmental, legal or arbitration proceedings of GIVEN Estonia OÜ that are likely to have a material effect on the financial position or profitability of GIVEN Estonia OÜ, or which would have had such effect in the past 12 months
<b>Recent trends, development and significant change</b>	Please see Section 7.6 "Recent trends, development and significant change" concerning recent trends, development and significant change of each Group entity. There have not been any other significant changes in the financial performance of the Group, including GIVEN Estonia OÜ, in the period from the date of Group's audited consolidated annual report for the financial year ended 31 December 2022 until the date of this Base Prospectus
<b>Selected financial information</b>	GIVEN Estonia OÜ is legally required to prepare stand-alone financial statements. GIVEN Estonia OÜ is compliant with such requirements as at the date of this Base Prospectus

### 6.2.3 Indirect subsidiaries

In addition to its existing Subsidiaries, the Issuer holds indirect shareholding in Grenardi Estonia OÜ and Grenardi Group Lithuania UAB which is fully owned (100%) by Subsidiary SIA Grenardi Latvia.

<b>Legal form</b>	Private limited company (OÜ)
<b>Date and place of incorporation</b>	23 July 2008, Estonian Business Register
<b>Registration number</b>	11518421
<b>Legal address</b>	Peterburi tee 46, Harju maakond, Tallinn, Lasnamäe linnaosa, 11415, Estonia
<b>Website</b>	<a href="http://www.grenardi.ee">www.grenardi.ee</a>
<b>E-mail, telephone number</b>	info@grenardi.group Telephone number: 67796000
<b>LEI</b>	No legal entity identifier (LEI) has been assigned to Grenardi Estonia OU
<b>Principal activities</b>	Retail sale of watches and jewellery in specialised stores
<b>Share capital</b>	EUR 2556
<b>Number of shares</b>	2 566
<b>Nominal value</b>	EUR 1
<b>Shareholders</b>	The Issuer, representing 100% of share capital
<b>Administrative, management and supervisory bodies</b>	<p>Grenardi Estonia OÜ has two tier corporate governance structure, which consists of management board and shareholders' meeting. Management Board is comprised of two members Mrs Natalja Reinoja, who has been appointed on 15 January 2024 and Mrs Alīna Sprīģe, who has been appointed on 27 December 2023. Each management board member has sole rights to represent Grenardi Estonia OÜ. Natalja is also holding the position of CEO since 2023. Her background includes management roles in retail and wholesale at Linette Retail OÜ, as well as key account management at Iuna OÜ. She brings extensive experience in project and public procurement management from her time at KL Design. Natalja holds a bachelor's degree in advertising and public relations. In turn, Mrs Alīna Sprīģe currently also holds the position of creative director of the Issuer.</p> <p>Additionally, she is the co-creator of the GIVEN concept and has authored several private brands. Alīna has played a crucial role in Grenardi's business development by contributing to procurement activities, establishing new concept stores, and shaping the brand image. Mrs Sprīģe has a bachelor's degree in political science from the University of Latvia</p>
<b>Conflicts of interest and other declarations</b>	As at the date of this Base Prospectus, there are no potential conflicts of interest between any duties arising to the company of its management board and their private interests or their other duties
<b>Articles of Association</b>	According to the NACE classification the economic activities of Grenardi Estonia OÜ are retail sale of watches and jewellery in specialised stores

<b>History and development</b>	Please see Section 6.1 "History and development of the Issuer and the Group" of this Base Prospectus
<b>Material contracts</b>	Please see Section 6.4 "Material contracts and related party agreements" concerning material contracts of Grenardi Estonia OÜ
<b>Statutory auditor</b>	The audit firm I.S. Audiitorteenuste OÜ, registration number: 10375416, legal address: Harju maakond, Tallinn,13815, Lasnamäe linnaosa, K.Kärberi tn.54-10, Estonia, is the auditor for the accounting period covered by the historical financial information contained in this Base Prospectus. I.S. Audiitorteenuste OÜ is a certified auditor (license No. 104) and a member of the Estonian Association of Certified Auditors.  The financial year for GRENARDI Estonia OÜ is from 1 January to 31 December
<b>Legal proceedings</b>	As at the date of this Base Prospectus, the Issuer is not aware of any pending or probable governmental, legal or arbitration proceedings of Grenardi Estonia OÜ that are likely to have a material effect on the financial position or profitability of Grenardi Estonia OÜ, or which would have had such effect in the past 12 months
<b>Recent trends, development and significant change</b>	Please see Section 7.6 "Recent trends, development and significant change" concerning recent trends, development and significant change of each Group entity. There have not been any other significant changes in the financial performance of the Group, including Grenardi Estonia OÜ, in the period from the date of Group's audited consolidated annual report for the financial year ended 31 December 2022 until the date of this Base Prospectus
<b>Selected financial information</b>	Grenardi Estonia OÜ is legally required to prepare stand-alone financial statements. Grenardi Estonia OÜ is compliant with such requirements as at the date of this Base Prospectus

At the date of this Base Prospectus Grenardi Group Lithuania UAB (registration number: 301637782, legal address: Naugarduko g. 3, LT-01141 Vilnius, Lithuania) is not significant with respect to the Issuer's activities, and it is in the liquidation process that is anticipated to finish in 2024.

### **6.3 Principal activities of the Group**

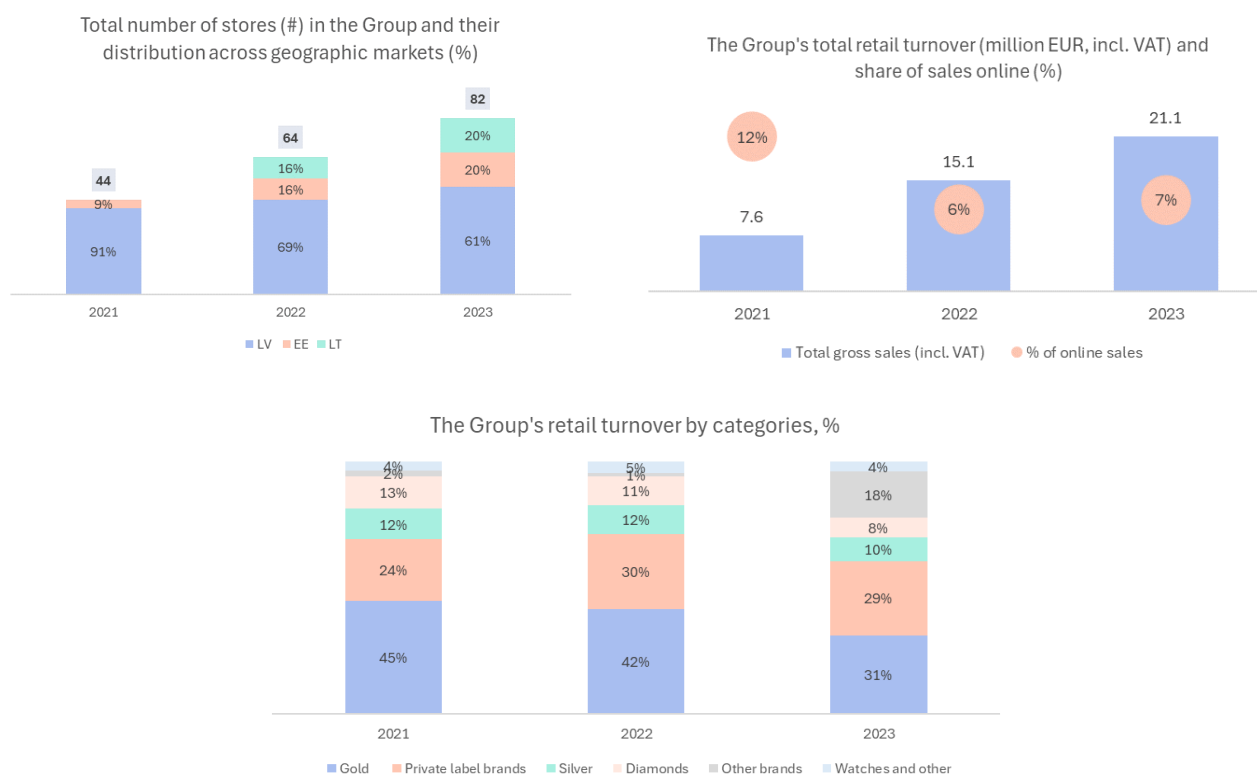
#### **6.3.1 Introductory overview**

The Issuer operates as the holding company of the Group and is responsible for day-to-day strategic planning, major decision-making, management, and oversight of Group's operations. The Issuer also undertakes financial management and planning functions for the Group in line with its development plans. Moreover, the Issuer oversees the capital adequacy status of each Subsidiary in order to evaluate if, among other activities, the respective increase of share capital is necessary. The Group, and in particular, the Subsidiaries are active in retail sale of jewellery and watches in specialised stores in the Baltics and online, catering "all occasions, all budgets" for most of the age groups. Key approach by the Group has been to develop a distinct and wide product range to meet customer requirements within different price range.

In addition, the Subsidiaries provide its customers with opportunity to purchase its products either in specialised stores at convenient locations or online platform. The product offering of the Group primarily consists of precious jewellery from gold and silver, as well as watches. The Group also provides split payment services, gold exchange, gift card purchases, as well as engraving and jeweller services.

As of the date of the Base Prospectus, the Group operates in Latvia, Estonia and Lithuania. Although Latvia remains the primary market for the Group in terms of both the number of stores and retail turnover, the

proportion of stores and retail turnover (including VAT) in Lithuania and Estonia has been consistently growing, both in absolute terms and relative to the overall performance. The charts provided below include key data on the retail turnover of the Group per geographic markets and online sales, as well as total number of stores by geographic distribution.



Source: The Group's internal information, which includes GRENARDI chain data as of 1 December 2023

### 6.3.2 Main product categories



Wide assortment of jewellery is offered covering variety of product types, including, earrings, rings, necklaces, pendants, bracelets, and watches. Most of the offered products are "timeless", having classic style and contemporary classic jewellery. The Group offers a choice of around 19 000 different products across a diverse price range.

Product offerings are sourced from variety of third-party manufacturers. In 2023 EUR 80% of the Group's supply requirements for jewellery were produced by the Group's top 32 suppliers from Italy, Belgium, Croatia, and Hong Kong. The Group has around 100 different partners from 21 jurisdictions around the world in total. Potentially new partners are monitored and approached regularly by visiting major jewellery exhibitions. At the same time, the Group is orientated towards building long-term relationships with its suppliers. The Group has worked with most of its suppliers since the inception of the Group. Over the last three years, the Group has started cooperation with more than 30 new suppliers, expanding its product range of jewellery and adding watches to assortment.

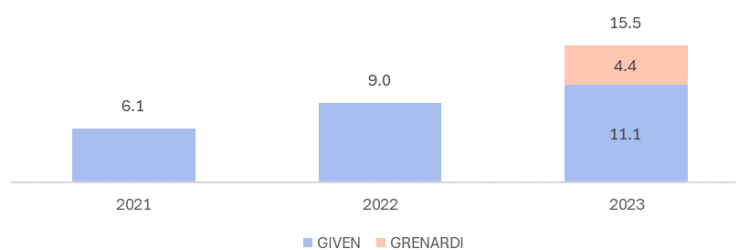


To meet customer demand, effective logistics system must be in place and sufficient inventory levels maintained. For this reason, a specialised product management system with an order-and-demand forecasting function that provides a "just in time and in place" has been implemented in 2023.

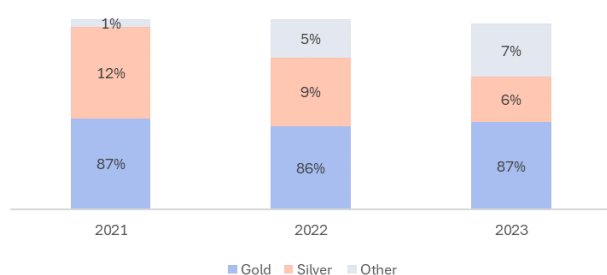
With respect to the Group inventory, as of 31 December 2023, the total inventory amounted to EUR 15 500 000 and it comprises 87% gold items, 6% silver items and 7% items from other materials. The largest inventory categories by product type are earrings (32%), rings (29%), necklaces (19%), and bracelets (7%).

The inventory dynamics and respective split of inventory is provided below:

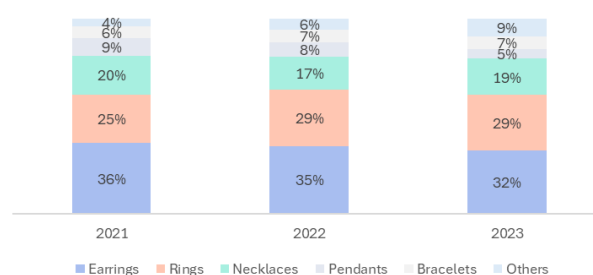
Inventory dynamics, million EUR



The Group's inventory by key metals, %



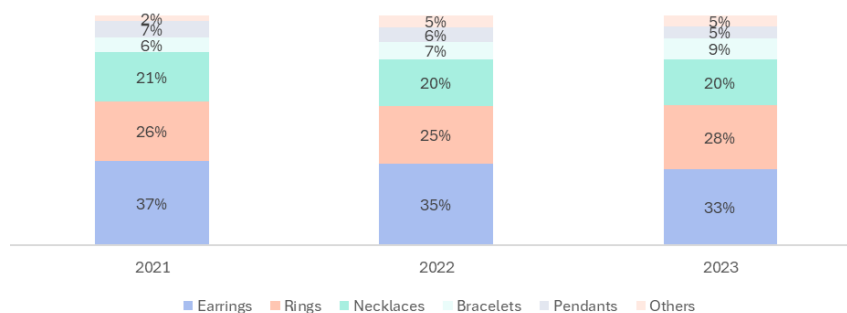
The Group's inventory by key product categories, %



Source: The Group's internal data

The Group's inventory split by product categories are naturally positively correlated also with retail turnover results by categories – most popular of it being earrings (33% of retail sales in 2023), followed by rings (28%) and necklaces (20%).

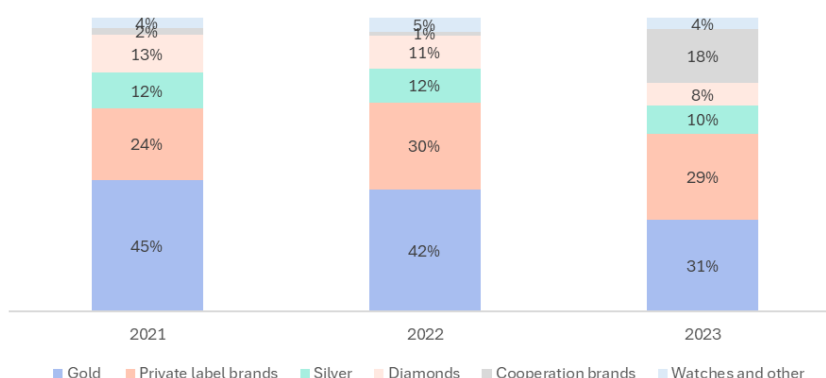
The Group's retail turnover by key product categories, %



Source: The Group's internal information, which includes GRENARDI chain data as of 1 January 2023

An alternative approach to classify and analyse the Group's performance is through retail sales split into categories as depicted in the graph below. While the most popular category in the GIVEN chain has historically been non-branded gold jewellery, another significant category has been private label brands. Following the acquisition of GRENARDI, the pro-forma retail sales data reflects that cooperation brand category has significantly increased from 1% in 2022 to 18% in 2023. This increase is attributed due to GRENARDI's emphasis on other brands as a key retail sales category within their chain, as explained in more detail in the following sections.


The Group's retail turnover by categories, %



Source: The Group's internal information, which includes GRECARDI chain data as of 1 January 2023

### 6.3.3 Cooperation with well-established brands

Throughout its retail network, the Group also serves as a sales channel for well-established jewellery and watches brands. The cooperation partners include amongst other, *Roberto Coin, Pasquale Bruni, Pomellato, Marco Bicego, Giorgio Visconti, Recarlo, Nanis, Brumani, Crivelli, Leo Pizzo, Gellner, Meister, Baraka, Raymond Weil, Anne Klein, Maseratti, Cerruti 1881*. In 2023, 48% of sales consisted of the sale of brands, out of which 18% was the sale of the Group's cooperation partners brands and 29% of the Group's private labels.

ROBERTO COIN	Roberto Coin is a globally acclaimed luxury jewellery brand based in Vicenza, Italy, and is recognized for its exceptional craftsmanship and timeless designs. Each Roberto Coin piece reflects a meticulous journey through diverse cultures, multi-ethnic influences, and the beauty of nature.
PASQUALE BRUNI	Pasquale Bruni is a world-renowned luxury jewellery brand from Valenza, Italy. Renowned for creating high-quality jewels infused with emotion and love, the brand draws inspiration in nature, Italian heritage and the self-awareness and femininity of contemporary women. Each piece, designed by a woman for women, prioritizes comfort for everyday wear.
	Pomellato, an Italian luxury jewellery brand based in Milan, is renowned for its distinctive design and vibrant gems, creating an iconic style through innovative stone cutting and setting techniques. Meticulously crafted by a team of skilled artisans, all jewellery solidifies the brand's status as a symbol of creativity and excellence in contemporary jewellery.
MARCO BICEGO	The Italian brand Marco Bicego has established a unique and unmistakable style: elegant, refined luxury that accompanies women throughout their daily lives. Over the years, the brand has cultivated a unique aesthetic characterised by vivid colour combinations, finely balanced volumes, and unmistakable motifs. The jewellery crafted by Marco Bicego celebrates nature through its organic forms and the extraordinary beauty of coloured gemstones.
GIORGIO VISCONTI	Giorgio Visconti (Valenza, Italy) specializes in crafting timeless and classic jewellery, with a consistent focus on innovation, design, and research. The brand's mission revolves around seamlessly blending tradition with contemporary design, ensuring exceptional quality while showcasing the brilliance of outstanding diamonds.
	Recarlo, a distinguished Italian jewellery brand, represents a pinnacle of luxury and craftsmanship. Renowned for its exceptional diamonds, impeccable classical design, and commitment to excellence, the brand has become synonymous with timeless beauty, creating jewellery that transcends generations with its timeless allure.

	<p>Nanis, an esteemed Italian jewellery brand, is a testament to the fusion of artistic expression, contemporary aesthetics and exquisite craftsmanship. Each creation is a testament to the brand's passion for beauty, versatility and individuality, making Nanis a symbol of sophistication and wearable art.</p>
<p>BRUMANI</p>	<p>Brumani, a prominent Brazilian jewellery brand, is celebrated for its sophisticated designs and vibrant gemstones. Each collection reflects a harmonious blend of colors, shapes, and intricate details, showcasing the rich cultural diversity of Brazil. Brumani pieces are distinctive, wearable works of art that capture the essence of Brazilian joie de vivre.</p>
	<p>Crivelli, an Italian luxury jewellery brand, has been enchanting connoisseurs since its inception and is frequently a choice on red carpets. Renowned for its intricate detailing and the use of precious gemstones, Crivelli jewellery embodies a perfect balance of heritage and contemporary allure. Each creation is a testament to the brand's commitment to exceptional quality.</p>
<p>LeoPizzo</p>	<p>Leo Pizzo, the distinguished Italian jewellery brand, stands as a symbol of timeless elegance and exquisite craftsmanship. Renowned for its mastery in working with diamonds and precious gemstones, Leo Pizzo's creations capture the essence of luxury and refinement.</p>
<p>GELLNER THE SPIRIT OF PEARLS</p>	<p>Gellner, a distinguished German jewellery brand, symbolizes excellence and forward-thinking luxury in the world of pearls. Renowned for redefining traditional pearl jewellery, the brand seamlessly blends classic elements with innovative designs and a contemporary aesthetic.</p>
<p>BARAKA</p>	<p>Baraka, an Italian jewellery brand, is known for its expertise in crafting men's jewellery and is celebrated for its unique pieces that harmonize traditional craftsmanship with modern techniques.</p>
<p>MEISTER</p>	<p>Originating from Germany, Meister is a prestigious wedding band brand renowned for its exceptional quality and a seamless blend of traditional craftsmanship with contemporary design.</p>
<p>RAYMOND WEIL GENEVE</p>	<p>Raymond Weil, the renowned Swiss watchmaker, stands as a symbol of precision, craftsmanship, and timeless elegance in the world of horology. The brand's commitment to excellence is exemplified in its celebrated collections, which not only showcase classic design but also integrate innovative features.</p>
<p>ANNE KLEIN</p>	<p>Anne Klein, an iconic American fashion brand, is synonymous with sophistication, timeless style, and accessible luxury. Each Anne Klein watch seamlessly combines fashion-forward aesthetics with reliable functionality.</p>
 <p>MASERATI</p>	<p>Maserati watches, an extension of the renowned Italian luxury automotive brand, epitomize elegance and precision. Inspired by the dynamic spirit of Maserati cars, these watches seamlessly blend Italian design with Swiss watchmaking craftsmanship.</p>
<p>CERRUTI 1881 SWISS WATCHES</p>	<p>Cerruti 1881 watches, an extension of the Italian fashion house, embody timeless elegance with a modern twist. These watches showcase a harmonious blend of classic and contemporary design elements. With high-quality materials and precision movements, Cerruti 1881 watches embody the enduring style of Italian fashion.</p>









### 6.3.4 Private labels

The Group recognises the opportunities of effective distribution network, thus has also developed twelve private label brands – *Lilly Spring*, *Due*, *Rotājies Latvija!*, *Zoye*, *Nine*, *Joy*, *Joy Silver*, *Silvia*, *Colours*, *Op-la*, *Naomi*, and *Robur*. The Group's private labels offer modern, fashionable designs and differentiate the Issuer's assortment from other competitors, which helps in the sales process as each of the brands has a unique value and story to tell.

	<p>Lilly Spring's collections come in a variety of styles – from contemporary and mix-and-match jewellery that allows for countless wearing variations, to very classic jewellery with elegant shapes, stone polishing and a nuanced, sophisticated look. However, the brand's jewellery is united by the same values: the highest quality standards, elegant design and sophisticated shapes.</p>
	<p>Due collection offers tasteful, comfortable and captivating classic designs of diamond earrings, necklaces and rings selected for clients with a wide range of tastes and possibilities. The classic Due diamond collection invites to celebrate the magical moment when two hearts meet. The translucent, innocent glimmering of diamonds is like a promise – through centuries, generations and ongoing change - that the most beautiful story will remain – the story of true love and the willingness to find your better half.</p>
	<p>Spring by Spring embodies a refined jewellery line characterized by subtle designs and original combinations of stones and materials, tailored for contemporary, modern women. The brand incorporates eye-catching elements that enhance and celebrate femininity, making each piece a testament to style and sophistication.</p>
<p><b>Rotājies, Latvija!</b> <i>Latvian Silver Foundation</i></p>	<p>Rotājies, Latvija! collection, created in collaboration with former President of Latvia Vaira Vīķe-Freiberga, features the sun as a central element symbolizing energy and rebirth. The minimalist designs blend historical elements with contemporary twists and are crafted in both silver and gold. Each sale contributes to a charitable cause: EUR 10 from silver pieces and EUR 50 from gold pieces are donated to a scholarship program named after Vaira Vīķe-Freiberga, supporting underprivileged students at Latvian universities through the Vītols Foundation.</p>
	<p>ZOYE jewellery is designed for women who are open to new inspirations, ready for experiments and challenges. The collection combines jewellery items that perfectly match and complement each other, in a way that allows one to indulge, meld and transform. The asymmetric shapes of the jewellery create a contemporary and up-to-date look that complements any everyday look.</p>
	<p>Nine collection is Nine 9K gold story brand jewellery, which includes both classic and modern style jewellery for everyday use.</p>
	<p>JOY represents jewellery with elegant and feminine collection that has subtle designs and original combinations of stones and materials. It has eye-catching touches that allow femininity to flourish.</p>
	<p>JOY SILVER collection - the timeless elegance of silver blends with the natural sparkle of precious stones. Each piece is masterfully designed to celebrate life's moments and inject a spark of joy into every day. The soul of the collection lies in the vibrant gemstones, rock crystals, moonstone, quartz, garnet, pearl, amethyst and cubic zirconia, carefully selected to bring joy and sparkle to everyone's everyday life. The collection includes earrings, rings, piercings, bracelets and necklaces.</p>
	<p>Silvia collection combines statement earrings, rings with large natural stones, a variety of earring designs and necklaces. The silver jewellery collection Silvia attracts with colours of mid-summer meadow flowers and the glimmer of clear, sparkling water of natural stones and pearls. It represents modest elegance of silver from the original beauty of nature.</p>

	<p>This brand is a selection of gold jewellery to suit all tastes with one's favourite stone and colour. This selection of jewellery combines natural semi-precious stones from around the world with synthetic-coloured stones.</p>
	<p>The Op-la collection is dedicated to the closest, most precious and dearest people - children. This jewellery is a beautiful and unforgettable gift for every celebration – when visiting a new-born, birthdays, baptism and special moments that we want to capture and remember. The symbol of the Op-la collection is a teddy bear. The collection includes a wide range of stud earrings with English and French clasps in various shapes and designs. Chains and bracelets with comfortable and size-adjustable clasps, as well as pendants and rings.</p>
	<p>Naomi is an exclusive jewellery collection for children crafted in gold and embellished with diamonds and vibrant semiprecious stones. The designs feature motifs such as fairies, butterflies, animals, hearts, flowers, and other symbolic elements, representing a child's individual interests and hobbies.</p>
	<p>ROBUR - Distinguished collection of men's jewellery, a fusion of strength, sophistication, and style crafted from premium materials such as steel, silver, and ceramic. Elevate your personal fashion statement and leave a lasting impression with accessories that embody strength, resilience, and enduring elegance.</p>

### 6.3.5 Branding and advertising

The Group operates with two brands that are well recognised by local customers – GIVEN and GRENARDI. According to pro-forma retail sales (including VAT), in 2023, 64% of sales were generated by GIVEN retail chain, while 36% by GRENARDI.

# GIVEN

#### ***GIVEN brand and characteristics***

GIVEN brand story is about joy – the joy to afford, to receive and to give. GIVEN brand reminds people about what is valuable - valuable life events, valuable relationships and the long-lasting value of jewellery. The brand stands for high-quality products at affordable prices for everyone. Its diverse product offer lets everybody find the most suitable and fitting piece.

The target audience is economically active consumers in the age of 25 (twenty-five) to 60 (sixty) in the Baltic markets. A unified branding strategy is pursued focusing on creating consistency of brand perception across all communication channels and markets. A singular experience is preferred for consumers across all communication channels, including email, social media accounts, website, outdoor media, print, radio, TV. To build on brand and rise brand awareness, image campaigns are implemented using variety of communication channels along with Google display and search ads. In addition, quality photo and video shoots featuring products are at key importance to further build on brand image.

Sales campaigns are also important brand component and there are 3 (three) key types – special event sales, monthly sales and WOW campaigns. Special event sales are provided for Valentine's day, Mother's day, school graduations, Christmas and Black Friday offers. Monthly sales include specific discount offers for product categories, such as earrings or necklaces, as well as some private label brands that best match the current events of a specific month. In turn, WOW campaigns provide lower prices on a quarterly basis for selected item or product category.

# GRENARDI

#### ***GRENARDI brand and characteristics***

GRENARDI brand story is based on sophistication, timeless elegance, and a dedication to empowering individuals through the enduring beauty of jewellery. Each jewellery piece from GRENARDI is meticulously crafted with attention to detail and without compromises in the selection process and encapsulates a unique narrative. The brand places high value on the uniqueness of every customer and is committed to providing a seamless, personalized experience.

GRENARDI takes pride in exclusive collaborations with world renowned brands, offering the most coveted and iconic pieces. GRENARDI has developed several private labels where each piece carries a unique story, adding significance to the jewellery and enhancing the wearer's personality. GRENARDI offers a unique tailor-made service "As You Wish" allowing customers to design their own piece. The brand's daily commitment is to keep jewellery enthusiasts informed about the latest trends and provide insights into the nuanced world of jewellery, where every detail holds significance. To fulfil this commitment, a digital magazine *Grenazine.lv*, was created. Additionally, to deepen understanding and appreciation for diamonds, the brand introduced diamond masterclasses. To provide a better introduction to the brands, the Group regularly hosts brand presentations for press and VIP clients.

The target audience consists of middle class and affluent consumers aged 25 (twenty-five) to 60 (sixty) in the Baltic markets. A cohesive branding strategy is implemented, ensuring a consistent brand image across various communication channels, including WhatsApp, email, social media accounts, digital magazine, outdoor media, and print. The brand has established partnerships with luxury events and venues. To enhance brand awareness, image campaigns are conducted, utilizing both partnering brand materials and unique content created by the Group. The style of the image material is characterized by a very clean, elegant, and contemporary aesthetic.

#### 6.3.6 **Customer loyalty**

The Group's key strengths is its excellent customer service that also includes loyalty card system "Darling" that offers different discount levels based on the number of past purchases. The Group has more than 100 thousand loyal customers that are in possession of loyalty card and the loyalty card system has 4 loyalty levels offering discounts of 5%, 10%, 15%, 20% as well as jewellery maintenance and service and an additional discount on the purchase of a birthday day. On monthly basis information on special offers and other relevant aspects of business, such as the opening of new stores, is sent out to loyalty card owners thus increasing their exposure on the Group news and encourage repeated sales and loyalty.

#### 6.3.7 **Social Media**

As part of its online presence, the Issuer is actively utilising social media platforms, including Facebook, Instagram and LinkedIn. To raise brand awareness and attract new followers, the Issuer collaborates with influencers and uses targeted advertising, by sponsoring monthly offer ads on social media. In an era dominated by digital connectivity, the Issuer recognizes the paramount significance of social media platforms in shaping its online presence. Actively engaging with the vast and diverse audience on platforms such as Facebook, Instagram, and LinkedIn, the Issuer has strategically positioned itself to harness the power of social media for brand promotion and audience engagement.

One of the primary objectives of the Issuer's social media strategy is to elevate brand awareness. By maintaining an active and dynamic presence on these platforms, the Issuer's not only reaches existing audience but also taps into new demographics. Leveraging the visual appeal of Instagram, the informative nature of LinkedIn, and the broad user base of Facebook, the Issuer tailors its content to resonate with various target audiences. Furthermore, the Issuer employs targeted advertising as a strategic tool to reach specific segments of its audience. Sponsoring monthly offer ads on social media allows the company to showcase its products or services to a tailored audience, increasing the likelihood of engagement and conversion. This approach not only enhances the visibility of promotional campaigns but also ensures that marketing efforts are directed towards those who are most likely to be interested in the offerings. The Issuer's active utilization of social media is not just a marketing strategy; it is a dynamic approach to fostering a strong online community, building brand loyalty, and driving business growth. By embracing the interactive and influential nature of social platforms, the company navigates the digital landscape with agility and precision, staying at the forefront of its industry.

#### 6.3.8 **IT systems**

To ensure appropriate operations of information technology, the Group outsources IT development and maintenance services. The key software tools used by the Group are management system, business intelligence and internal communication platform. The tailor made and quickly adjustable management system is used by the Group to track inventory, client data, transactions, split payments and other data. In turn, business intelligence system (*Microsoft Power BI*) is used to ensure efficient monitoring of daily business activities. The internal communication within the Group is organised in *Bitrix24* platform, which

allows exchange of news, tasks and projects with employees, sharing of documents and internal management.

#### 6.4 Material contracts and related party agreements



The Group companies have entered into several agreements that may be considered material for the Group. The following section below provides summary of key information of each agreement, which has been entered into by the Issuer or any of its Subsidiary outside the ordinary course of business that may contain provision under which the Issuer or any of its Subsidiaries has any obligation or entitlement relevant to the Issuer at the date of this Base Prospectus.

Other than the agreements listed in this section and the contracts entered in the ordinary course of business, neither the Issuer nor any Subsidiary or Collateral Provider has entered into a material contract, which could result in any Group member being under obligation or an entitlement that is material to the Issuer's ability, and / or the ability of the Collateral Provider under the Collaterals to meet the obligations to the Noteholders in respect of the Notes being issued according to this Base Prospectus.

Contract type	Description on key matters relating to the contract
<b>Lease contracts</b>	The Group companies have signed lease agreements with flagship shopping centres for retail premises with the average term of three to seven years. Mainly such contracts include standard commercial terms, such as rent and services payments, turnover rent, lease duration, and general conditions concerning maintenance obligations and operation requirements.
<b>Security contracts</b>	The Group companies have entered into commercial insurance agreements, civil insurance agreements, and arrangements with private security firms to safeguard the technical security of the facilities, personnel, and assets.
<b>Key partnership agreements</b>	The group companies have signed distribution agreements with three partners ( <i>Pomellato S.p.A.</i> , <i>Pasquale Bruni S.p.A.</i> , <i>Roberto Coin S.p.A.</i> ). These agreements determine points of sale, delivery terms, payment terms, use of trademarks, as well as minimum purchases, reorder conditions and other. There are also active online retailer agreements with two partners ( <i>Marco Bicego S.p.A</i> and <i>Recarlo S.p.A.</i> ) stating the liabilities of e-commerce activities.
<b>Related party agreements</b>	The key related party agreements within the Group are the credit line agreements between the Issuer and its Subsidiaries SIA GIVEN Latvia, UAB GIVEN Lithuania and OÜ GIVEN Estonia. Also, the Group companies have entered into cooperation agreements concerning the cooperation in procurement of goods (retail, wholesale) and management services.

#### 6.5 Intellectual property rights

As at the date of this Base Prospectus, the Management Board considers the following key intellectual property objects important for the everyday business of the Group. The recognition of the Group's brands has a material role for market position and consumer trust.

Registration number	Owner	Market	Type	Validity term	Sign
M 77 577	GIVEN Latvia SIA	Latvia	Figurative trademark	28.09.2031.	
M 72 121	Grenardi Latvia SIA	Latvia	Figurative trademark	16.08.2027.	

M 72 122	Grenardi Latvia SIA	Latvia	Figurative trademark	16.08.2027.	
M 72 123	Grenardi Latvia SIA	Latvia	Figurative trademark	16.08.2027.	
55862	Grenardi Latvia SIA	Estonia	Individual / Combined	06.06.2028.	
55863	Grenardi Latvia SIA	Estonia	Individual / Combined	06.06.2028.	
55864	Grenardi Latvia SIA	Estonia	Individual / Combined	06.06.2028.	
M 66 386	Grenardi Latvia SIA	Latvia	Figurative trademark	19.02.2033.	
2013/14 Gaz	Grenardi Latvia SIA	Estonia, Lithuania	Figurative trademark	19.02.2033.	
M 64 889	Grenardi Latvia SIA	Latvia	Figurative trademark	19.03.2032.	
M 70 613	Grenardi Latvia SIA	Latvia	Figurative trademark	23.03.2026.	
2016/31 Gaz	Grenardi Latvia SIA	Estonia	Figurative trademark	23.03.2026.	
M 78 745	Grenardi Latvia SIA	Latvia	Figurative trademark	18.05.2033.	
M 78 728	Grenardi Latvia SIA	Latvia	Figurative trademark	18.05.2033.	

## 6.6 Legal proceedings

As at the date of this Base Prospectus, the Management Board is not aware of any pending or probable governmental, legal or arbitration proceedings that are likely to have a material effect on the financial

position or profitability of the Issuer or the Group, or which would have had such effect in the past 12 (twelve) months.

### **6.7 Statutory auditors**

As of 2021 the audit firm SIA "Grant Thornton Baltic Audit", registration number, 50003946031, legal address: Blaumaņa iela 22, Rīga, LV-1011, Latvia, is the Group auditor for the accounting period covered by the historical (consolidated) financial information contained in this Base Prospectus. SIA "Grant Thornton Baltic Audit" is a certified auditor (license No. 183) and a member of the Latvian Association of Certified Auditors.

The financial year for the Issuer is from 1 January to 31 December.

## 7 PRINCIPAL MARKETS

*This section provides overview of the operating segments of the Group. The key operations relate to retail sales of jewellery and watches across the Baltic countries. This section provides summarized information relating to key developments and competitive edge of the Group's operating market, which has been obtained through diverse public and private sources. Information in this section is provided only for informative purposes.*

*To the best of its abilities, the Management Board has sought to ascertain and accurately reproduce the following information, omitting no facts which could render the reproduced information misleading or inaccurate. However, the Management Board accepts no further responsibility in respect to data and information contained in this Section.*

*Prospective Investors should read this Section "Principal Markets" together with information provided elsewhere in this Base Prospectus, including Section 2 "Risk Factors", Section 12 "Selected Financial Information and Operating Data".*

### 7.1 Principal product and service markets

For detailed overview of the main product categories sold and services performed, please see Section 6.3 "Principal activities of the Group". At the same time, when analysing supply and demand of principal product and service markets where the Group is active, specific product categories with high likelihood would not constitute separate principal markets. When considering supply side, such products as earrings, rings, necklaces, pendants, bracelets together constitute wider jewellery segment that along with watches are procured from the same or similar partners and distributed through the same main channels (specialised retail stores and on-line stores). In the meantime, the demand side is constituted by clients that are mainly looking for a jewellery or gift in general. In addition, as a part of customer facing service (and in some cases related to legal manufacturer requirements), jewellery and watch repair and maintenance service is provided via specialised retail store network. Overall, the key product and service market of the Issuer is the retail sale of jewellery and watches in specialised stores and online.

### 7.2 Specialised retail store network in Baltics

As at the end of 31 December 2023, the Group operates the widest jewellery retail chain in the Baltic States with a network of 82 specialised retail stores, of which 50 are in Latvia, 16 in Estonia and 16 in Lithuania. At the end of December 31, 2024, the Group operated a total of 82 stores, comprising 7 GRENARDI chain stores and 75 GIVEN chain stores. The stores are mainly located in central areas of shopping malls and city centres.

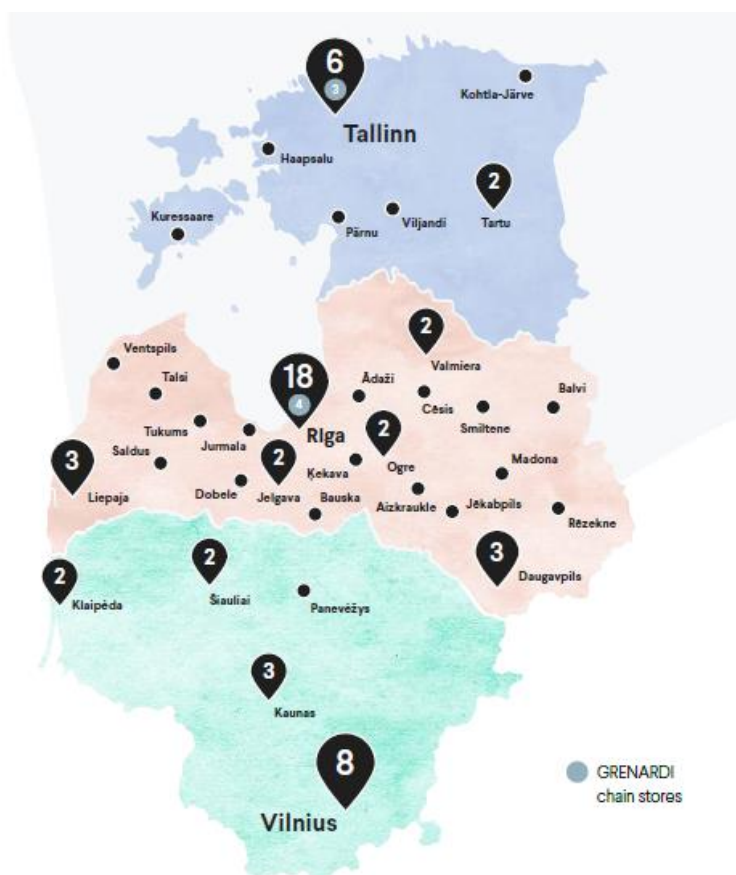
All GIVEN chain stores operated by the Group have a unified design that creates a cosy and welcoming feeling. The intention of the design was to create an ergonomic layout able to place a wide range of products, as well as a convenient and attractive look. The colourful wallpaper is the unique feature of all stores, which was designed by artist Marta Gotliba. The shelves are mainly organised by product groups, prices and discount policies. In addition, the shelf layout is customised based on the customer profile in each location.

The GRENARDI chain stores boast a distinctive interior design characterized by innovation, modernity, and palette of soft tones. This new GRENARDI store concept was developed in 2022 and has since been implemented across nearly all stores within its chain. The inaugural store featuring this fresh concept was launched in the SPICE shopping mall in August 2022. The designers behind the new concept stores, Anete Eglīte and Marta Gaile, collaborated closely with Alīna Sprinģe, the Management Board Member and creative director at GRENARDI, to develop the salon concept.

Retail stores are the primary communication channel of the brand. Each store has a unique and visible design that serves as a great touch point with customers. In addition, with an aim to reach shopping centre visitors, the Group has large TV screens located by store entrances, which communicate the latest offers and values. TV displays help to engage and attract customer traffic. Furthermore, the Issuer considers its professional and trained sales consultants as a powerful tool to drive sales in the in-store communication with customers. The Group's stores also place various visuals, merchandising and informative materials

which provide the customers with up-to-date information on discounts, split payments, loyalty programmes and offers.

Most of the specialised stores are currently located in shopping centres, only few stores are operating as a stand-alone retail. The size of retail store floor space ranges from around 21 square meters to 130 square meters. All stores are leased typically between three to seven years. Rental expense per square metre varies considerably across Group's store portfolio.



Source: Internal information on the Group specialised store network in Latvia, Estonia and Lithuania

### 7.3 E-commerce



In addition to its geographic presence, the Group has a strong online visibility and developed e-commerce platform, which is consumer friendly and accessible in all Baltic countries. In 2018, the Group opened its e-commerce store in Latvia ([www.given.lv](http://www.given.lv)), in November 2019 in Estonia ([www.given.ee](http://www.given.ee)) and in March 2022 in Lithuania ([www.given.lt](http://www.given.lt)). The Group e-commerce also includes GRENARDI e-commerce platforms in Latvia ([www.grenardi.lv](http://www.grenardi.lv)) and in Estonia ([www.grenardi.ee](http://www.grenardi.ee)). The Group's e-commerce platforms are custom built on the OpenCart platform with an "API-first" approach, which provides flexibility to modify the platforms and promptly implement new services and features.

GIVEN Latvia e-store was visited by more than 630 000 users in 2023 with average engagement time more than five minutes. From all purchases made on [www.given.lv](http://www.given.lv) 92% of all orders were done by registered users. In turn, e-store [www.given.ee](http://www.given.ee) was visited by more than 230 000 users in 2023 with average engagement time above three minutes and 97% of orders were done by users who have registered profile. Lithuania e-store [www.given.lt](http://www.given.lt) was visited more than 280 000 users with the smallest average engagement time – almost two minutes. Likewise, 97% of orders were made by users who have registered client profile in the e-store.

GRENARDI Latvia e-store [www.grenardi.lv](http://www.grenardi.lv) was visited by more than 110 000 users in 2023, representing a monthly average of 9100 users and average engagement time more than three minutes. Furthermore, GRENARDI Estonia e-store [www.grenardi.ee](http://www.grenardi.ee) attributed to more than 77 000 users in 2023 with a monthly average of 6 400 users and average engagement time being three minutes. From all orders on [www.grenardi.lv](http://www.grenardi.lv) 96% were made by registered users, whereas on [www.grenardi.ee](http://www.grenardi.ee) – by 90%. The Group's e-commerce platforms currently have around 80 000 visits per month, of which 80% are visits by new users and 20% existing users, with an average session of four point twenty minutes. In 2021, the Group's e-commerce platforms, together, generated 12% of the Group's sales.

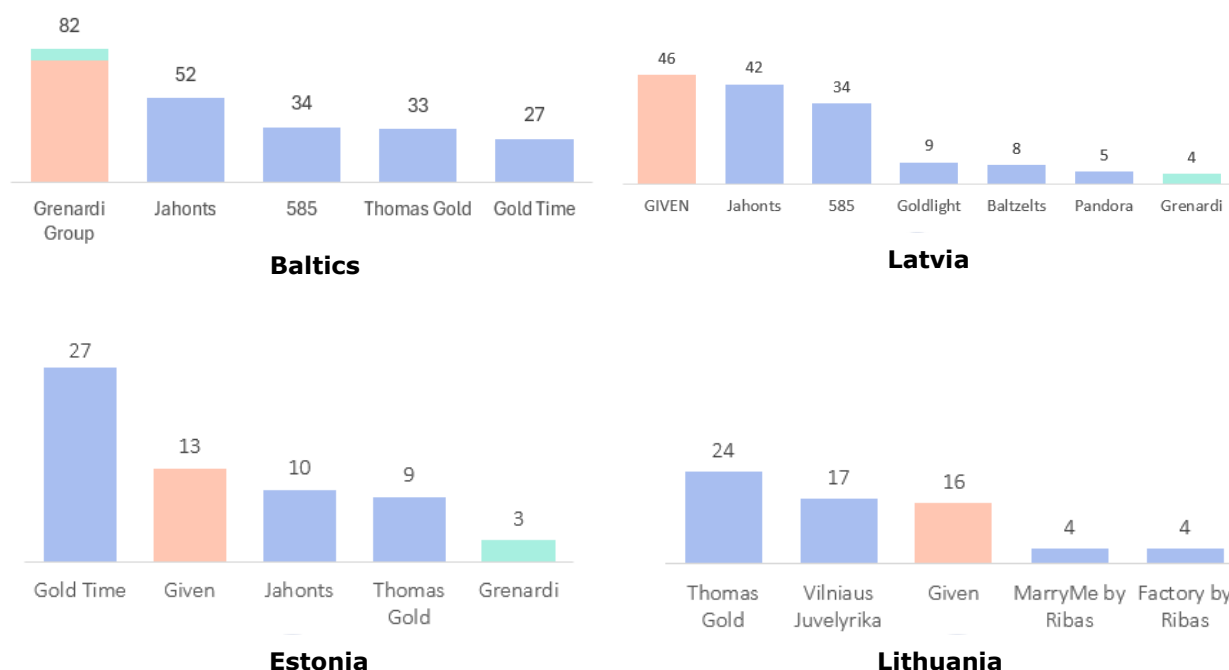
The global challenges that disrupt accessibility of specialised store network demonstrated the Group's e-commerce platforms are a crucial part of the business. The Group's e-commerce websites complement the Group's existing network of store and enhance the accessibility of product range.



## 7.4 Competitive landscape

The Baltic jewellery and watch markets consist of around 15 principal market participants. The Group primarily competes with other retail chains represented in shopping malls, independent jewellers, hypermarket, department or other stores with a dedicated jewellery section or corner, and online retailers.

According to publicly available information at the end of the year 2023, the Group is the largest retail chain in the Baltics and Latvia measured by number of stores, followed by *Jahonts* and *585* brands. The Group considers *Gold Time* and *Jahonts* as the main competitors in Estonia with 27 and 10 stores respectively and *Tomas Gold* in Lithuania with 24 stores (as of 31 December 2023). The visualisation below provides an overview of store network for key competitors of the Group by country:



Source: Group data and publicly available information on specialised store retail network of main competitors

The Group believes it has a distinct market position from other competitors. The GIVEN chain caters to the market segment seeking a contemporary and mainstream assortment, while GRENARDI stands as the premier luxury jewellery retail chain, offering an extensive selection of world-renowned luxury jewellery brands and sophisticated private collections. Key to the success of both retail chains is exceptional customer service, a differentiated assortment featuring unique brands, and appealing store designs that are convenient and attractive.

## 7.5 Key strengths of the Issuer and the Group

**The Group offers wide and modern assortment of products.** The Group's product assortment includes various range of jewellery categories, world renowned brands as well as unique private labels that differentiate it from other competitors in the market. The products are diligently selected by professional and experienced procurement specialists from around 100 (one hundred) different partners from various jurisdictions.

**Excellent customer service.** The Group ensures excellent customer service by carefully selecting and training its sales personnel. The Group has its own digital learning platform "Academy Ocean". Training sessions for the cooperation brands are conducted by brand representatives and take place in Latvia or brand showrooms several times per year. The sales personnel are offered performance bonus system that relates their compensation to the monthly sales results. To ensure the best service, Grenardi stores provide refreshments in a

	<p>specially designed seating area, allowing customers to try the product in maximum comfort.</p>
<p><b>Competitive prices and payment methods.</b> As part of its strategy, the Issuer provides competitive prices and boosts sales with the use of monthly sales campaigns and offers on special events. In addition, the Group provides its customers with the option to “buy now – pay later” in its stores and e-commerce store.</p>	<p><b>Diversification.</b> At the date of this Base Prospectus the Group’s stores are in 34 (thirty-four) different cities. In 2022 and 2023 the Group opened 33 (thirty-three) new stores and has accordingly proven its ability to open new stores and enter new geographical markets. The expansion in other regions and jurisdictions ensures that the Group has an increasingly diversified geographic presence and proven ability to enter new regional markets.</p>
<p><b>Strong strategic investor support.</b> The Group has strong strategic investor support from its Shareholders that provides both strategic advice, as well as financial support.</p>	<p><b>Distinct brand image.</b> The Issuer has a distinct and colourful brand image that is reflected in its store design, advertising and branding materials. The brand is also actively present on social media platforms and various partnerships with influencers.</p>

## 7.6 Recent trends, development and significant change

### 7.6.1 Recent developments in the Group structure

On 1 December 2023 the Issuer acquired SIA Grenardi Latvia with its subsidiaries Grenardi Estonia OÜ and Grenardi Lithuania UAB. The total transaction cost amounted to EUR 10 019 000. To finance major part of this acquisition, share capital of the Issuer was increased by EUR 6 200 000. As of 31 December 2023, an outstanding deferred payment remained for the transaction in the amount of EUR 3 519 000. Following the transaction, the shareholding structure of the Issuer remained unchanged.

Overall, the acquisition is expected to have positive results on the Group’s operations and financials. Operationally positive synergies are expected from brand awareness, improved collaboration with suppliers, and streamlined operational processes. Historically, SIA Grenardi Latvia and Grenardi Estonia OÜ have a track record of positive profitability, therefore positive effect on the Group’s profitability and balance sheet indicators is expected. Along with the acquisition, few other minor changes were made. The legal names of the following Group’s entities were amended – the Issuer AS GIVEN Jewellery AS was renamed to AS Grenardi Group, SIA Grenardi was renamed to SIA Grenardi Latvia, Grenardi Group Estonia OÜ was renamed to Genardi Estonia OÜ.

### 7.6.2 Recent trends in retail industry of jewellery and watches

Retail industry of jewellery and watches encounters variety of trends that shape the customer demand of products and experience. The Issuer continuously follows industry trends and to the best of its ability addresses them in an efficient manner with focus on such trends as increased online presence, sustainable and ethical practices adopted by retailer, as well as lab created gems as a distinct product category offering.

#### Increased online presence and e-commerce

The purchase of a valuable piece of jewellery generally is associated with personalized services, calm and sophisticated atmosphere, as well as the presence of a knowledgeable expert. In view of the future-oriented developments, it is now important to replicate this expectation online. Thus, there is a focus on compelling, customized offers and digital experiences to transfer customer service on the screen.

The Group recognises the importance to continue investing in customer online experience, thus e-commerce stores have been introduced in all three Baltic countries over past years. The number of visits (including) by new users is growing steadily along with percentage of the Groups total sales that are also increasing via this retail channel. In addition, the Group promotes various offers and discounts online to drive the sales and engage new audience. Considering significant role of social media platforms, the Group also engages brand ambassadors and influencers to promote its product offering.

#### Sustainable and ethical choices

Consumer purchases based on sustainable and ethical choices are rapidly growing in the past years. Consumers, including of younger age, are expecting environment and social responsibility from brands, especially luxury labels. Primarily, such awareness relates to sustainably sourced and ethically produced jewellery, including use of recycled materials for reduction of environmental impact, as well as adoption of circular economy principles by providing opportunity to return used jewellery for recycling, for instance. Other consumer demand trends relate to purchasing certified and validated products and promoting locally

built brands. Companies that fail to follow environmental, social and governance (ESG) trends in its practice may be less competitive in the future. To address this, the Issuer is increasingly working towards procurement of products with traceable materials, implementing transparency in its supply chain and circularity principles, as well sustainable maintenance of products.

### **Lab-created gems**

Jewellery is increasingly eyeing lab-grown gemstones, with particular focus on diamonds. Customers are drawn to the lower price point of lab-grown gems, which allow them to get a bigger, shinier piece of jewellery for a fraction of the cost. The Group has also set its sights towards introducing in its product offering alternative or lab grown gems, considering them as a significant new product to address the trend driven demand. In 2023 the Group introduced two GIVEN private labels – *Stardust* with lab-grown diamonds and *Moissanite* with lab-grown semi-precious moissanite. The Issuer envisages to continue developing these brands in the future.

For further information on the anticipated strategy of the Group in line with industry demands please see Section 9 “Strategy of the Group”.

There have not been any other significant changes in the financial performance of the Group in the period from the date of Group’s audited consolidated annual report for the financial year ended 31 December 2022 until the date of this Base Prospectus.

## 8 LOYALTY PROGRAMME

The Issuer has introduced the investor loyalty programme, which may be provided to the initial investors under the respective Tranche at the sole discretion of the Issuer. The Final Terms of the respective Tranche shall provide confirmation if the initial investors of the Tranche are eligible to participate in the loyalty programme.

### Conditions for participation




Each initial investor who will purchase the Notes within the initial offering under the respective Tranche with the minimum investment amount of EUR 500, will be eligible to participate in the loyalty programme if such participation is provided by Final Terms of the respective Tranche. The investors purchasing the Notes on the secondary market are not eligible to participate in the loyalty programme.

### Key information on the loyalty programme

- ✓ Further information about the loyalty programme will be available on the Issuer's website: [www.grenardi.group/investors](http://www.grenardi.group/investors);
- ✓ Investors will be able to apply to the loyalty programme on the Issuer's website within one month after the Issue Date of the respective Tranche;
- ✓ The loyalty programme will be effective within one year after registration thereof;
- ✓ Gift cards and vouchers will be sent to the investors electronically via e-mail;
- ✓ The participation in loyalty programme will include an investor loyalty card offering 15% discount with exception for certain product categories or brands without expiry date.

### Benefit levels

The benefits provided in the loyalty programme will depend on the initial investment amount made by the initial investor when purchasing the Notes as follows:

	 SILVER	 GOLD	 PLATINUM
Initial investment amount	EUR 500 up to EUR 10 000	EUR 10 001 up to EUR 50 000	Over EUR 50 000
Gift card amount	EUR 50	EUR 200	EUR 300
Jewellery box with a piece of jewellery	Not applicable	✓	✓
Gift card at birthday	EUR 25	EUR 100	EUR 150
Voucher at Goldwork ( <a href="http://www.goldwork.lv">www.goldwork.lv</a> ) jewellery repair and maintenance service provider	Not applicable	EUR 30	EUR 50
Invitation to VIP events	Not applicable	Not applicable	✓
Loyalty card	Investor loyalty card (15% discount)		

## 9 STRATEGY OF THE GROUP

The Group's strategy is to continue its profitable growth via four main cornerstones: (a) expansion and strong market position; (b) distinct and wide assortment; (c) economies of scale and (d) customer experience and loyalty. In 2024, the Group plans to further increase its market share in the Baltic States by prioritizing the strengthening of its market position. While the Group aims to seize opportunities to expand its store network in strategic locations, mainly in Estonia and Lithuania, the primary focus will be on ensuring the profitability and success of the Group's existing retail chain. Additionally, the Group will leverage synergies from the acquisition of GRENARDI to enhance the overall performance. The Group's strategy is also to be the top e-commerce platform of jewellery in the Baltic States.

The Group's goal is to achieve economies of scale via the expansion of its retail chain. First, due to expanding the retail chain the Group can obtain better pricing and payment terms from its partners. Secondly, as the sales increase, the managerial and administrative costs increase at a significantly smaller rate, thus, the fixed costs decrease per one unit sold or as a percentage of sales. The Group's strategy is to establish new long-term partnerships to provide an even wider and more diverse assortment. In the coming years the Group also expects to further capitalise on the Group's existing private labels, as well as building new ones.

The Group is continuously working on its customer experience and loyalty. The Group aims to increase its loyal customer base via an engaging loyalty programme that offers special offers and discounts. The Group's goal is to further improve the customer experience via an offer of split payments both in its retail stores and e-stores, as well as excellent after-sales service support.





### 9.1 Marketing strategies – above the line (ATL) and below the line (BTL)

Incorporating both ATL advertising and digital marketing tools into the strategies enables the Group to achieve a balance between broad reach and targeted engagement, enhance brand visibility. ATL advertising allows the Issuer and the Group to reach a wide audience through traditional mediums like television, radio and outdoors. Meanwhile, digital marketing tools such as social media, email, and search engine marketing enable precise targeting and interactive engagement with specific segments. By leveraging both approaches, the Group can achieve a balance between broad reach and targeted engagement, ensuring their message reaches the right audience at the right time. Digital marketing provides valuable data and analytics to track campaign performance and optimize strategies in real-time. By leveraging data-driven insights from digital channels, company can refine targeting, personalize messaging, and allocate resources more efficiently. This agility and optimization, when combined with the broader reach of ATL advertising, ensure company stay relevant and responsive in today's dynamic marketplace.

Modern store environments prioritize customer experience by focusing on factors such as aesthetics, ambiance, layout, and convenience. From inviting decor and comfortable seating areas to interactive displays and seamless navigation, every aspect of the store is meticulously crafted to delight and engage shoppers. By providing a memorable and enjoyable shopping experience, modern store environments encourage repeat visits and positive word-of-mouth recommendations, ultimately driving sales.

### 9.2 Environmental, Social and Governance (ESG) strategy

As part of its ESG strategy, the Issuer strives to establish a sustainable business model and become a leading responsible jewellery retailer in the Baltic market.

<b>Circular durability:</b>	<ul style="list-style-type: none"> <li>– Implement circularity principles, where possible</li> <li>– Educate on sustainable maintenance</li> <li>– Introduce alternative or lab grown materials</li> </ul>	
<b>Traceability and knowledge:</b>	<ul style="list-style-type: none"> <li>– Responsible and transparent supply chain</li> <li>– Traceable materials</li> <li>– Strengthening and sharing the knowledge</li> </ul>	
<b>Empowering culture</b>	<ul style="list-style-type: none"> <li>– Good and safe workplace</li> <li>– Diversity, equity and inclusion</li> <li>– Learning and development</li> </ul>	
<b>Reduced footprint</b>	<ul style="list-style-type: none"> <li>– Reduced emissions</li> <li>– Improved energy efficiency</li> <li>– Reusable and durable product packaging</li> </ul>	

## 10 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 10.1 Governance Structure

The Issuer has a corporate governance structure, which consists of the Management Board, Supervisory Board and the General Meeting of Shareholders as the highest governing body of the Issuer. In accordance with the Commercial Law of Latvia and Articles of Association, Management Board is executive institution of the Issuer, which carries out general and strategic management, as well as representation of the Issuer. Management Board is elected by the Supervisory Board.

The Supervisory Board is the oversight body of the Issuer, which represents the interests of the Shareholders between the Shareholders' Meetings and supervise the activities of the Management Board in the scope set by Commercial Law and the Articles of Association. Supervisory Board is elected by the General Meeting of Shareholders. In turn, the Shareholders' Meeting is the supreme governing and decision-making body of the Issuer. Further information on the competence of the General Meeting is provided in Section 11.3 "Articles of Association" subsection "Shareholders' Meeting" of this Base Prospectus.

The business address of the members of the Supervisory Board, the Management Board is the registered legal address of the Issuer, which is, Dēļu iela 2, Rīga, LV-1004, Latvia.

As of the date of this Base Prospectus, the Issuer has not established the audit committee. The audit committee of the Issuer will be elected in the next Shareholders' Meeting of the Issuer which will take place following the date of this Base Prospectus.

### 10.2 Management Board

#### ***Responsibilities and functions***

Management Board is the responsible institution of the Issuer for management and supervision of Issuer's affairs. It is responsible for the operations, accounting, administration of Issuer's property, commercial activities and other duties set by Articles of Association and the law. Management Board is elected by the Supervisory Board and the chairperson of Management Board is appointed by Supervisory Board among the Management Board members.

According to the Articles of Association of the Issuer Management Board shall consist of three members who are elected by the Supervisory Board for a five-year term. Each member of the Management Board has the right to represent the Issuer solely.

The Commercial Law provides that the Management Board has the right to adopt decisions if more than half of its members are present in the meeting. Management Board adopts its decisions by a simple majority of votes cast at the meeting. Management Board has the obligation to report in writing regarding its activities to the Supervisory Board once every quarter, whereas at the end of the year – to the Meeting of Shareholders. The report shall reflect the results of commercial activities of the Issuer, economic conditions and its impact, planned policies for commercial activities in the next accounting period and other matters stipulated by law.

In respect to adopting decisions on significant matters, the Management Board requires the consent of Supervisory Board as stipulated by Commercial Law. Further information concerning corporate governance provisions is provided in Section 11.3 "Articles of Association" of this Base Prospectus.

List of Management Board members as at the date of the Base Prospectus:

First name and last name	Position	Appointment date	Term expiry date
Ģirts Rudzītis	Chairman of the Management Board, CEO	19 July 2021	19 July 2026
Marta Andersone	Management Board Member, CFO	7 December 2023	7 December 2028

### **Professional experience and background of Management Board members**

#### **Ģirts Rudzītis Chairman of the Management Board, CEO**

Since 2021 Ģirts Rudzītis is the Chief Executive Officer (CEO) of the Issuer and the Group with broad experience in business development, sales and marketing and supply chain management. Previously Ģirts was the business management director of the Baltic states and managing director of the Baltic distribution centre at Schneider Electric. Ģirts holds a bachelor's degree in business administration.

As at the date of this Base Prospectus positions and activities of Mr Rudzītis outside the Issuer are not significant with respect to the Issuer.



**ĢIRTS RUDZĪTIS**  
Group's CEO

#### **Marta Andersone Management Board Member, CFO**

From September 2021, Marta Andersone is the Chief Finance Office (CFO) of the Issuer with broad experience in financial planning and analysis, investment analysis and project management. Previously Marta led financial planning and analysis team at Twino and held financial consultant position at Deloitte. Marta holds bachelor's degree from Stockholm School of Economics in Riga as well as master's in law degree specializing in law and finance from Riga Graduate School of Law.

As at the date of this Base Prospectus positions and activities of Ms Andersone outside the Issuer are not significant with respect to the Issuer.



**MARTA ANDERSONE**  
CFO

#### **Emma Līga Gulbe Management Board Member**

Līga Emma Gulbe joined GRENARDI in 2017 as. Since 2022 Līga has been the CEO and Management Board member at SIA Grenardi Latvia. She has longstanding experience in the jewellery sector spanning over nine years. She has specialized in procurement operations.

Līga holds a diploma in Business Administration from the Open University.

As at the date of this Base Prospectus positions and activities of Ms Gulbe outside the Issuer are not significant with respect to the Issuer.



**LĪGA EMMA GULBE**  
Chief Procurement Officer

## **10.3 Supervisory Board**

### **Responsibilities and functions**

The Supervisory Board is the responsible institution of the Issuer for representation of the interests of Shareholders between Shareholders' meetings and supervision of Management Board in the scope provided by Commercial Law and the Articles of Association. The key functions of the Supervisory Board, amongst

other matters, include election and removal of Management Board members, monitoring that the business is conducted in accordance with the law, Articles of Association and decisions of Shareholders' meeting, examining annual accounts of the Issuer and the proposal of Management Board for use of profits.

As at the date of this Base Prospectus, the Supervisory Board of the Issuer consists of three members, who are elected for a five-year term. Supervisory Board member may be recalled from office at any time by a decision of Shareholders' Meeting.

Supervisory Board is entitled to take decisions if more than half of the members participate at the meeting. The decisions are adopted by simple majority of the Supervisory Board members present at the meeting. In case of a tie vote, the Chairman of Supervisory Board has decisive vote. The Supervisory Board member who is not present at the meeting, may vote in writing by delivering vote to another member, or over the phone or in any other manner if the means of communication used allow the Supervisory Board members to concurrently participate in discussion of the issue and making of decision and if such activity is recorded respectively in a document. Meetings of the Supervisory Board are convened according to necessity, but not less than once in each quarter. List of Supervisory Board members as at the date of the Base Prospectus:

First name and last name	Position	Appointment date	Term expiry date
Ainārs Sprīģis	Chairman of the Supervisory Board	13 August 2021	13 August 2026
Alberts Pole	Supervisory Board Member	13 August 2021	13 August 2026
Māris Keišs	Supervisory Board Member	13 August 2021	13 August 2026

### **Professional experience and background of Supervisory Board members**

#### **Ainārs Sprīģis Chairman of the Supervisory Board, Founder**

Mr Ainārs Sprīģis is the founder of the Issuer and Chairman of the Supervisory Board. Mr Sprīģis has 20 (twenty) years of experience in the jewellery industry and had established the largest retail chain of mobile phones and accessories in the Baltics at the time – Trodeks and DUAL, which was successfully exited in year 2006.

Mr Sprīģis holds bachelor's degree in entrepreneurship from RISEBA University. As at the date of this Base Prospectus positions and activities of Mr Sprīģis outside the Issuer are not significant with respect to the Issuer.

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#### **Alberts Pole Supervisory Board Member**

Mr Alberts Pole is Supervisory Board Member of the Issuer with wide experience in the financial services industry as an entrepreneur and investor. Mr Pole is the co-founder of investment platform AS Mintos Marketplace and financial solutions company Eleving Group.

Mr Pole holds bachelor's degree in economics and business administration from Stockholm School of Economics in Riga. As at the date of this Base Prospectus positions and activities of Mr Pole outside the Issuer are not significant with respect to the Issuer.

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#### **Māris Keišs Supervisory Board Member**

Māris Keišs is Supervisory Board Member of the Issuer. Since 2008 Mr Keišs has gained vast experience as a serial entrepreneur specializing in the financial services industry. He is the co-founder of investment platform AS Mintos Marketplace and financial solutions company Eleving Group.

Mr Keišs holds bachelor's degree in economics and business administration from Stockholm School of Economics in Riga. As at the date of this Base Prospectus positions and activities of Mr Keišs outside the Issuer are not significant with respect to the Issuer.



#### **10.4 Conflicts of interest and other declarations**

As at the date of this Base Prospectus, the Issuer is not aware of any conflicts of interest or potential conflicts of interest between the Issuer duties of the members of the Management Board and their private interests and/or their other duties.

For the avoidance of doubt, the use of proceeds raised under these Notes may be used for payment of the deferred payment resulting from the acquisition of shares of SIA Grenardi Latvia and Grenardi Estonia OÜ in amount of EUR 1 914 000, if there are sufficient net proceeds remaining after the use of proceeds described in Clause 1 and Clause 2 in Section 5 "Reasons for Offer and Use of Proceeds" of this Base Prospectus. SIA Grenardi Latvia and Grenardi Estonia OÜ was previously owned by two existing Shareholders of the Issuer, namely SIA "SpringbySpring" and SIA "A.S. Capital".

In addition to the net proceeds raised from the prospective Investors from the Notes issue of each Tranche, the Issuer's Shareholders might also subscribe to these Notes. The net proceeds in the subscribed amount of up to EUR 2 000 000 received from the Issuer's Shareholders under the first Tranche will be used for the repayment of the unsecured credit line of the Issuer, which was issued by the same Shareholders of the Issuer after 31 December 2023.

For further information on the manner and order of use of proceeds please see Section 5 "Reasons for Offer and Use of Proceeds" of this Base Prospectus.

## 11 SHARE CAPITAL, SHARES, MAJOR SHAREHOLDERS, ARTICLES OF ASSOCIATION

### 11.1 Share capital and shares

Shares of the Issuer have been issued in accordance with the Commercial Law. Any changes to the nature or scope of rights attached to the Issuer's shares, as defined in the Articles of Association, can only be made according to the procedure outlined in the Commercial Law. The Issuer is registered and operating as joint stock company (in Latvian: *akciju sabiedrība*).

The share capital of the Issuer is EUR 7 200 001.30, which is composed of 72 000 013 registered shares with the nominal value of one share EUR 0.10. All shares have been fully paid up. The form of the shares is registered shares. Each Shareholder is granted voting rights only by way of a fully paid-up share. Each minimum value paid-up share entitles to one vote in the Shareholders' Meeting.

#### *Issuer's shares*

Share type	Amount	Nominal value	Total nominal value
Registered shares	72 000 013	EUR 0.10	EUR 7 200 001.30

### 11.2 Shareholders

At the date of this Base Prospectus the Shareholders of the Issuer are as follows:

Shareholder	Number of shares	Proportion of total share capital (%)	Ultimate holder of respective shares
<b><i>Shareholders of the Issuer holding over 5% of the shareholding:</i></b>			
SIA "A.S. Capital"	32 400 035	45.00%	Ainārs Sprīņģis
SIA Curiosity Capital	13 856 982	19.25%	Linda Kesenfelde
AS Obelo Capital	5 363 994	7.45%	Māris Keišs
SIA "Nevia Finance"	5 363 994	7.45%	Alberts Pole
SIA EMK Ventures	5 363 994	7.45%	Kristaps Ozols
SIA "SpringbySpring"	3 600 010	5.00%	Alīna Sprīņģe
<b><i>Shareholders of the Issuer holding below 5% of the shareholding:</i></b>			
SIA "Sofi Investments"	2 304 004	3.20%	Toms Jurjevs
SIA ALPPES Capital	2 235 000	3.10%	Aigars Kesenfelds
SIA BCAP Holding	1 079 999	1.50%	Mārtiņš Baumanis
SIA "EL Investments"	4 32 000	0.60%	Emīls Latkovskis
SIA "Sofi Consulting"	1	below 0.1%	Toms Jurjevs

#### **Control**

Shareholders SIA "A. S. Capital" and SIA "SpringbySpring" together hold above 50% of total number of shares in the Issuer. SIA "A. S. Capital" is directly (100%) owned by Mr Ainārs Sprīņģis and SIA "SpringbySpring" is directly (100%) owned by Mrs Alīna Sprīņģe. As Mr Ainārs Sprīņģis and Mrs Alīna Sprīņģe are spouses, together they indirectly control the Issuer. However, the Articles of Association put

in place safeguards stipulating that certain matters fall under the exclusive competence of the extraordinary Shareholders' Meeting of the Issuer. For further information regarding decision making of the Shareholders' Meetings please see Section 11.3 "Articles of Association" of this Base Prospectus.

At the same time, the Issuer has a diverse shareholding structure, which is distributed among a wide range of Shareholders. This diversity allows to promote appropriate dispersion of control and decision-making within the Issuer. To ensure that the control is not abused, the Issuer preserves the necessary corporate governance practices in its everyday business. The Issuer has a three-tier governance structure that consists of Management Board, Supervisory Board and Shareholders' Meeting, where each governing body is responsible for its own functions and duties prescribed by law and Articles of Association. The Issuer has effective communication internally, as well as appropriate engagement with relevant stakeholders externally.

## **Arrangements**

### **Shareholders' agreement**

The Issuer has a Shareholders' agreement in place, which provides the following rights and obligations concerning share ownership changes as at the date of this Base Prospectus:

- the Shareholders shall have the rights of first refusal to acquire any shares (or part thereof) of the Issuer *pro rata* to their percentage shares in the share capital of the Issuer, when such Issuer shares (or part thereof) are being sold to a person which is not a related party for the purposes of shareholders' agreement;
- Shareholder or a group of Shareholders together selling at least 50% of the Issuer shares to a third-party buyer for at least the fair value of the shares of the Issuer must notify the other Shareholders (on the potential exit at least 30 (thirty) days prior to execution of the exit and comply with the right of first refusal procedure;
- the remaining Shareholders (each individually) shall have a right, though not an obligation, to request that, and in such case the selling Shareholders are obligated to ensure, the buyer purchases the Issuer shares owned by the remaining Shareholders *pro rata* to the amount of the Issuer shares the buyer has agreed to purchase from the selling Shareholder, on the same terms as agreed with the selling shareholders, provided that the selling Shareholder sell at least 50% of the shares of the Issuer to the buyer;
- the selling Shareholders shall have a right, though not an obligation, to request that, within 15 days of the date of the exit notice, the remaining Shareholders (all together) sells all or part of their shares to the buyer, and in such case the remaining Shareholders (all together) are obligated to sell all or part of their Issuer shares to the buyer on the same terms as agreed with the selling Shareholders, provided that the selling Shareholders sell at least 50% of the shares of the Issuer to the buyer;
- in the case of exercise of the tag-along right and/or drag-along right the loans of the Shareholders selling their Issuer shares shall become due and payable and the Issuer must repay the loans of the Shareholders selling their Issuer shares by no later than completion of the sale of the Issuer shares;
- starting from 1 January 2024 and / or in case of unresolved deadlock Shareholders representing at least 20% of the total share capital of the Issuer may initiate a structured trade sale process where all Shareholders (100%) of the Issuer sell their Issuer shares in the trade sale process to a bona fide third-party purchaser, unless any of the Shareholders use their right of first refusal. The structured trade sale process may not be initiated more often than once in a 12 month period;
- in case the Shareholders do not distribute dividends in accordance with this agreement, the Shareholders whose rights to receive dividends have been breach, shall have the right and option, but not the obligation, to sell, and the Shareholders who have voted "against" distribution of dividends shall have the obligation to buy the Issuer's shares of the Shareholders whose rights to receive dividends have been breached.

### **Share option agreements**

Furthermore, in 2022 employees working for the Group entered share option agreements with the Issuer. According to the share option regulations, the conditional increase of the share capital related to options, cannot exceed EUR 41 666.50 or 4% of the total share capital registered at the time of the conclusion of the agreement. In 2022, 95% of the share options for distribution of the Issuer were granted. Employees of subsidiaries in Estonia and Lithuania have entered into share option agreement with Group companies - GIVEN Estonia OÜ and GIVEN Lithuania UAB respectively. The option plan concerns maximum of 4% of the

subsidiaries' voting shares of the same category as owned by the Issuer. In 2022 and as at the date of this Base Prospectus in both Subsidiaries 50% of the share options were granted.

The aim of the share-based options is to retain employees and increase their motivation through possibility to directly benefit from the growth in value of the Issuer and the Group. The vesting conditions for employees is mainly performance based. Employee share options are granted free of charge to employees with management responsibilities. The exercise price of the share options is equal to the nominal price of the underlying shares.

### **11.3 Articles of Association**

According to the Articles of Association of the Issuer the main commercial activity according to Statistical Classification of Economic activities (NACE classifier) is activities of holding companies (NACE 64.20). The current version of Articles of Association is dated 30 November 2023 which has been approved by the Shareholders' Meeting. Articles of Association of the Issuer are available on the following website of the Issuer: [www.grenardi.group/investors](http://www.grenardi.group/investors).

#### ***Shareholders' Meeting***

Shareholders' Meeting is the supreme governing body of the Issuer. Shareholders' Meeting must be convened in the administrative territory where the legal address of the Issuer has been registered. According to the Articles of Association of the Issuer, the Shareholders' Meeting shall be entitled to take decisions if more than 75% of the Issuer's voting capital is present. The following matters fall under the exclusive competence of the extraordinary Shareholders' Meeting of the Issuer and shall be deemed to be resolved only if more than 75% of the share capital with voting rights of the Issuer is present in the Shareholders' Meeting and votes "For" the particular matter:

- approval of amendments to the Articles of Association of the Issuer;
- increase or decrease of the Issuer's share capital;
- reorganization of the Issuer and approval of the terms of the reorganization;
- liquidation of the Issuer or termination of the liquidation and continuation of operation of the Issuer;
- adoption of a decision on issuing convertible bonds.

Articles of Association provide that the regular Shareholders' Meeting must be convened by the Management Board within four months after the end of each financial year. Shareholder is granted voting rights only by way of a fully paid-up share. Each minimum value paid-up share entitles a Shareholder to one vote in the Shareholders' Meeting. Following approval of the annual report of the Issuer, the Shareholders' Meeting shall decide on the utilization of the Issuer's profit and distribution of dividends to Shareholders. Dividend may be determined and calculated also of profits generated during the period after the end of the preceding reporting year of the Issuer. The Management Board of the Issuer convenes the Shareholders' Meeting to adopt a decision on determination of extraordinary dividend if this is requested by Issuer's Shareholders representing no less than 50% of the voting capital of the Issuer. Dividends are calculated only for fully paid shares.

#### ***Supervisory Board***

According to Articles of Association of the Issuer, the Supervisory Board consists of 3 members, who are elected for 5-year term. Members of the Supervisory Board are approved by the Shareholders' Meeting. For certain decisions regarding the Issuer, the Management Board requires consent of the Supervisory Board as stipulated by the Commercial Law. Further information concerning Supervisory Board of the Issuer is available in Section 10.3 "Supervisory Board" of this Base Prospectus.

#### ***Management Board***

According to Articles of Association of the Issuer, the Management Board consists of 3 members, who are elected by Supervisory Board for a 5-year term. Management Board member may at any time resign from the position by informing the Issuer about it and submitting a written notice about resignation. The Chairman of the Management Board is appointed by the Supervisory Board from amongst the members of the Management Board. Each Management Board member represents the Issuer solely. Further information concerning Management Board of the Issuer is available in Section 10.2 "Management Board" of this Base Prospectus.

#### ***Audit committee***

Upon election of the audit committee of the Issuer, it will operate in accordance with the law, including the Commercial Law and the Financial Instruments Market Law, as well as the audit committee regulations of the Issuer. The key tasks of the audit committee will be supervising the efficiency of operation of the internal control of the Issuer, risk management and internal audit system as far as it concerns the credibility and objectivity of annual and consolidated annual reports, and to provide proposals for eliminating deficiencies of the relevant system.

Audit committee of the Issuer will consist of minimum three members elected by the Shareholders' Meeting. The audit committee will be chaired by its chairperson, which is elected by the audit committee members from amongst themselves. At least once per year, the assessments and findings of the audit committee shall be reported to the Shareholders' Meeting.

The business address of members of the audit committee of the Issuer will be the registered legal address of the Issuer, which is, which is, Dēļu iela 2, Rīga, LV-1004, Latvia.

## 12 SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The financial information contained in this Section is extracted from the consolidated audited financial statements of the Group pertaining to the financial years ending on 31 December 2022 and 31 December 2021 prepared in accordance with Accounting Principles (the “**Audited Financial Reports**”), which are incorporated into this Base Prospectus by reference.

The financial information in this Base Prospectus for the 12-month period ended 31 December 2023 has been derived or taken from the unreviewed consolidated interim financial statement of the Group for the 12-month period ended 31 December 2023 prepared in accordance with the Accounting Principles (the “**Interim Financial Report**”). In addition, Consolidated Statement of Comprehensive Income presents also adjusted pro-forma financial figures. Adjusted pro-forma financials are calculated assuming that the Issuer acquired SIA Grenardi Latvia and Grenardi Estonia OÜ on 1 January 2023. Such approach allows prospective investors to review performance of the group without one-time impact of the official merger.

All Collateral Providers are involved in the consolidation according to IFRS for the purposes of Audited Financial Reports and Interim Financial Statements of the Group. Each Collateral Provider is legally required and compliant to prepare stand-alone financial statements according to applicable laws of Estonia, Latvia and Lithuania respectively.

The Audited Financial Statements and Interim Financial Statements are further referred to as “**Financial Information**”.

### 12.1 Consolidated Financial Information of the Group

#### **Consolidated Statement of Comprehensive Income, EUR**

The table below sets out selected information from the Group’s consolidated statement of income for years ended 31 December 2023, 2022, and the twelve-month period ended 31 December 2023.

	<i>Year ended 31 December</i>		<i>Twelve-month period ended 31 December<sup>1</sup></i>	<i>Twelve-month period ended 31 December</i>
	<i>Audited</i>		<i>Unaudited</i>	<i>Adjusted pro-forma<sup>2</sup></i>
<i>Item</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2023</i>
Net turnover	<b>6 510 871</b>	<b>12 836 909</b>	<b>18 011 424</b>	<b>23 221 091</b>
Cost of sales	(2 996 595)	(5 434 776)	(7 718 790)	10 437 674
<b>Gross profit or loss</b>	<b>3 514 276</b>	<b>7 402 133</b>	<b>10 292 634</b>	<b>12 783 417</b>
Selling expenses	(2 601 052)	(5 197 806)	(7 625 405)	(9 040 847)
Administrative expenses	(654 362)	(1 532 685)	(1 941 842)	(2 589 757)
Other operating income	588 142	51 164	130 773	194 869
Other operating costs	(44 624)	(91 203)	(105 402)	(148 477)
Other revenue from interest and similar income	3 194	1 326	221	35 856
Interest expense and similar expense	(328 357)	(669 479)	(1 104 038)	(1 228 692)
<b>Profit or loss before corporate income tax</b>	<b>477 217</b>	<b>(36 550)</b>	<b>(353 059)</b>	<b>6 369</b>
Income tax	(54)	50 028	94 198	61 640
<b>Total comprehensive income for the year</b>	<b>477 163</b>	<b>13 478</b>	<b>(258 861)</b>	<b>68 009</b>

<sup>1</sup> The Unaudited Consolidated Statement of Comprehensive Income incorporates financial data from the acquired GRENARDI chain starting from 1 December 2023.

<sup>2</sup> Adjusted-pro forma prepared to demonstrate the Group's result as if GRENARDI chain had been acquired on 1 January 2023. Adjustments include one-time write-offs or expenses to indicate the potential financial performance of the new Group.

### Consolidated Statement of Financial Position, EUR

The table below sets out selected information from the Group's consolidated statement of financial position for years ended 31 December 2023, 2022, and the twelve-month period ended 31 December 2023.

Item	Year ended 31 December		Twelve-month period ended 31 December
	Audited		Unaudited
	2021	2022	2023
<b>ASSETS</b>			
<b>LONG-TERM INVESTMENTS</b>			
<b>Intangible assets:</b>			
Concessions, patents, licences, trademarks and similar rights	115 666	136 816	186 259
Other intangible assets	14 634	12 681	14 587
Goodwill <sup>1</sup>	642 471	642 471	7 468 664
Advance payments for intangible assets	3 939	3 266	-
<b>Total intangible assets</b>	<b>776 710</b>	<b>795 234</b>	<b>7 669 510</b>
<b>Fixed assets, investment properties, and right-of-use assets:</b>			
Long-term investments in rented fixed assets	361 927	746 170	902 315
Right of-use-assets	2 704 582	3 951 713	6 522 269
Other fixed assets and inventory	729 068	1 037 053	1 786 468
Costs of the establishment of fixed assets and unfinished building objects	57 946	183 544	86 821
Advance payments for fixed assets	12 850	5 024	1 298
<b>Total fixed assets</b>	<b>3 866 373</b>	<b>5 923 504</b>	<b>9 288 171</b>
<b>Long-term financial investments</b>			
Deferred tax assets	-	50 139	144 593
<b>Total long-term financial investments</b>	<b>-</b>	<b>50 139</b>	<b>144 593</b>
<b>TOTAL LONG-TERM INVESTMENTS</b>	<b>4 643 083</b>	<b>6 768 877</b>	<b>17 102 274</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Finished goods and goods for sale	6 090 002	9 030 127	15 511 313
Advance payments for inventories	130 389	100 595	153 774
<b>Total inventories</b>	<b>6 220 391</b>	<b>9 130 722</b>	<b>15 665 056</b>
<b>Receivables</b>			
Trade receivables	181 175	334 001	666 881
Receivables from associated entities	68 192	82 948	8 179
Other receivables	482 925	92 017	374 738
Deferred expenses	56 985	89 090	105 053
<b>Accrued income</b>	<b>-</b>	<b>-</b>	<b>39 270</b>

<b>Total receivables</b>	<b>789 277</b>	<b>598 056</b>	<b>1 194 051</b>
Cash	693 691	1 478 563	1 620 952
<b>TOTAL CURRENT ASSETS</b>	<b>7 703 359</b>	<b>11 207 341</b>	<b>18 480 059</b>
<b>TOTAL ASSETS</b>	<b>12 346 442</b>	<b>17 976 218</b>	<b>35 582 334</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1 000 000	1 000 000	7 200 001
Share premium	347 408	347 408	694 407
Accumulated losses/ Retained earnings:			
brought forward	21 213	498 376	511 855
for the period	477 163	13 478	(258 861)
<b>Total equity</b>	<b>1 845 784</b>	<b>1 859 262</b>	<b>8 147 402</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Bonds <sup>2</sup>	5 440 456	8 803 091	8 460 864
Other loans	198 400	-	-
Non-current lease liabilities	1 965 409	2 769 353	4 606 444
<b>Total long-term liabilities</b>	<b>7 604 265</b>	<b>11 572 444</b>	<b>13 067 308</b>
<b>Short-term liabilities</b>			
Bonds			3 000 000
Loans from credit institutions			166 501
Other loans	-	86 500	-
Received advance payables	60 913	103 682	180 725
Trade payables	803 860	1 735 481	3 398 243
Current lease liabilities	854 906	1 369 186	2 288 931
Payables to related parties	-	9 380	-
Payables to associated entities	504 016	105 749	13 185
Taxes and State mandatory social insurance payments	312 344	584 624	1 063 838
Other liabilities <sup>3</sup>	169 016	309 606	3 918 077
Accrued liabilities	191 338	240 304	338 124
<b>Total short-term liabilities</b>	<b>2 896 393</b>	<b>4 544 511</b>	<b>14 367 624</b>
<b>Total liabilities</b>	<b>10 500 658</b>	<b>16 116 955</b>	<b>27 434 932</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12 346 442</b>	<b>17 976 218</b>	<b>35 582 334</b>

**Note:** The Unaudited Consolidated Statement of Financial Position incorporates financial data from the acquired GRENARDI chain as at 31 December 2023.

<sup>1</sup> As of 31 December 2023 Goodwill comprises EUR 6 800 000, reflecting the goodwill attributed to the acquisition of GRENARDI.

<sup>2</sup> As at 31 December 2023 bonds include subordinated bonds in the amount of EUR 4 500 000.

<sup>3</sup> As at 31 December 2023 other liabilities include deferred payment of EUR 3 500 000 for the acquisition of GRENARDI.



### Consolidated Statement of Cash Flows, EUR

The table below sets out selected information from the Group's consolidated statement of cash flows for years ended 31 December 2023, 2022, and the twelve-month period ended 31 December 2023.

Item	Year ended 31 December		Twelve-month period ended 31 December
	Audited		Unaudited
	2021	2022	2023
<b>Cash flow from operating activities</b>			
<b>Profit or loss before corporate income tax</b>	<b>477 217</b>	<b>(36 550)</b>	<b>(353 059)</b>
<b>Corrections:</b>			
Corrections of decrease in value of fixed assets	876 939	1 526 721	2 050 404
Corrections of decrease in value of intangible assets	21 363	42 296	62 487
Profit or loss from fluctuations of foreign currency rates	(1 401)	(13 626)	(35 658)
Other revenue from interest and similar revenue	(3 194)	(846)	(3 931)
Corrections of reduction in value of long-term and short-term financial investments	32 276	86 548	7 901
Interest payments and similar costs	314 203	634 914	1 033 981
<b>Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors</b>	<b>1 717 403</b>	<b>2 239 458</b>	<b>2 762 126</b>
<b>Corrections:</b>			
Increase or decrease in balances receivables	(497 952)	276 954	(470 847)
Increase or decrease in balances of inventories	(2 709 034)	(2 910 330)	(2 096 305)
Increase or decrease in balances of payables	649 082	1 133 838	345 488
<b>Gross cash flow from operating activities</b>	<b>(840 501)</b>	<b>739 920</b>	<b>540 462</b>
Expenses for interest payments	(314 203)	(634 914)	(1 033 981)
Expenses for corporate income tax payments	(54)	(111)	(367)
<b>Net cash flow from operating activities</b>	<b>(1 154 758)</b>	<b>104 895</b>	<b>(493 886)</b>
<b>Investment activity cash flow</b>			
Acquisition of stocks or shares of related undertakings, associated undertakings, or other undertakings, net of cash acquired	-	-	(6 263 539)
Long term financial investment	-	(118 103)	32 003
Acquisition of fixed assets and intangible assets	(656 728)	(1 316 188)	(700 970)
Revenue from sale of fixed assets and intangible investments	3 980	14 569	648

Loans repaid	110 000	-	-
Interest received	3 194	846	3 472
<b>Cash flows from investing activities</b>	<b>(539 554)</b>	<b>(1 418 876)</b>	<b>(6 928 387)</b>
<b>Cash flows from financing activities</b>			
Income from stock and debenture issue or investments of capital participatory shares	347 408	-	6 547 000
Loans received and bonds issued	6 311 663	3 535 569	2 511 566
Repayment of loans	(3 721 901)	(415 661)	(166 390)
Payment of principal portion of lease liabilities	(591 401)	(1 034 680)	(1 363 172)
<b>Cash flows from financing activities</b>	<b>2 345 769</b>	<b>2 085 227</b>	<b>7 529 004</b>
Result of fluctuations of foreign currency exchange rates	1 401	13 626	35 658
<b>Net cash flow of the reporting year</b>	<b>652 858</b>	<b>784 872</b>	<b>142 390</b>
<b>Balance of cash and its equivalents at the beginning of the reporting year</b>	<b>40 833</b>	<b>693 691</b>	<b>1 478 563</b>
<b>Balance of cash and its equivalents at the end of the reporting year</b>	<b>693 691</b>	<b>1 478 563</b>	<b>1 620 952</b>

## 12.2 The Group's Financial Indebtedness

The Group's goal is to achieve a balanced financing structure to provide the Group with flexibility and support its growth plans.

### The Group's funding structure as of 31 December 2023 (EUR'000)

Funding type	Funding amount	Explanation
Share capital	7 200	Paid-in capital
Share premium	694	Paid-in capital
Undistributed profit	253	Undistributed profits of the Group
Subordinated Notes <sup>1</sup>	4 544	Subordinated debt from shareholders
<b>Adjusted Equity</b>	<b>12 691</b>	
Existing Secured Notes	7 000	Debt under the Existing Secured Notes
Credit line <sup>2</sup>	165	Credit line from Luminor Bank AS issued to SIA Grenardi Latvia and secured with a commercial pledge over all assets of SIA Grenardi Latvia and Grenardi Estonia OÜ with the final maturity until 30 June 2024, however the credit line will be terminated by 30 April 2024 and underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus
<b>Total Financial Indebtedness</b>	<b>7 165</b>	
<b>TOTAL FUNDING</b>	<b>19 856</b>	

<sup>1</sup> Existing Subordinated Notes with ISIN LV0000870103 with maximum amount of up to EUR 5 000 000.

<sup>2</sup> As at 31 December 2023, SIA Grenardi Latvia had an outstanding credit line in the amount of EUR 165 000 issued by Luminor Bank AS. The total limit of the credit line is EUR 1 500 000 and the final maturity of the credit line is 30 June 2024. The credit line is secured with a commercial pledge over all assets of SIA Grenardi Latvia and Grenardi Estonia OÜ, however the credit line will be terminated by 30 April 2024 and

underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus.

There is no other information on the material changes in the Issuer's borrowing and funding structure since the last financial year, except for the credit line from the Issuer's Shareholders that was issued after 31 December 2023 in the amount of up to EUR 2 000 000.

### 12.3 Bank Guarantees

The below table provides an overview of the Bank Guarantees of the Issuer (EUR'000) and the Group as of 31 December 2023:

Guarantee type	Amount	Explanation
Bank Guarantees issued by Signet Bank AS	300	Total available bank guarantee limit to the Group entities issued by Signet Bank AS
Bank Guarantees issued by Luminor Bank AS	150	Total available bank guarantee limit to the Group entities issued by Luminor Bank AS
<b>TOTAL BANK GUARANTEES</b>	<b>450</b>	

<sup>1</sup> The Issuer has arrangement with Signet Bank AS to provide guarantees to the Subsidiaries SIA GIVEN Latvia, GIVEN Estonia OÜ, GIVEN Lithuania UAB in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA GIVEN Latvia to Signet Bank AS (**Bank Security**). The Bank Security is registered after the Existing Collaterals arising from the Existing Secured Notes, yet the intercreditor agreement concluded between Signet Bank AS and the existing Collateral Agent ranks the Bank Security *pari passu* to the Existing Collaterals. The Collaterals securing the Notes under this Base Prospectus would be ranked *pari passu* to the Bank Security and the Existing Collaterals. In December 2023 the Issuer concluded agreement to increase the guarantee limit up to EUR 450 000 in total.

<sup>2</sup> SIA Grenardi Latvia has arrangement with Luminor Bank AS to provide guarantees to the Subsidiaries SIA Grenardi Latvia and Grenardi Estonia OÜ in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA Grenardi Latvia to Luminor Bank AS. Yet, the agreement will be reviewed, and the underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus.

### 12.4 Insight in the Group's Financial Standing

On 11 December 2020, the holding company AS GIVEN Jewellery (now – the Issuer AS Grenardi Group) was established, with the new shareholders investing in the Issuer with the primary objective of developing GIVEN retail chain to become the fastest-growing jewellery retail chain in the Baltics. From the end of 2020 until the end of 2023, the store network increased by 45 stores, and the retail turnover of GIVEN chain in 2023 was 2.6 times higher than the retail turnover in 2021.

Throughout these years, the Group has diligently pursued the implementation of its strategy, becoming the leading jewellery retailer in the Baltics. Over the last two years the Group demonstrated double-digit revenue and EBITDA growth, which resulted in the Group's unaudited revenue for 2023 reaching EUR 18 000 000 and EBITDA amounting to EUR 2 900 000. This growth is primarily attributed to the expansion of the GIVEN retail chain, an increase in same-store sales, and the acquisition of GRENARDI in December 2023.

To execute the growth strategy, alongside shareholder financing the Group opted to issue bonds to support its ambitious expansion plans. Moreover, the Group's decision to pursue a listing on Nasdaq Riga demonstrates its ambition and its long-term vision in establishing a profitable, transparent, and sustainable enterprise. As of 31 December 2023, the Group had attracted secured bonds totalling EUR 7 000 000. Along with increasing secured bonds, the Group has been closely and proactively monitoring its capitalization ratio to maintain a balanced financing structure, achieving a capitalization ratio of 36% as of the end of 2023, based on unaudited results for that year.

Although geopolitical and macroeconomic circumstances beginning with the onset of Covid-19 in 2020, followed by Russia's initiation of the war against Ukraine in February 2022, have had an adverse impact on

the Group's operations in recent years, resulting in increased costs due to inflation and uncertainty, as well as reduced purchasing power among its customers, the Group has persistently yet cautiously continued executing its growth strategy despite these external challenges.

While the Group's core operations are concentrated in Latvia, where it has achieved commendable net profits in year 2022 and 2023, it is actively executing an expansion strategy in Lithuania and Estonia, which has left an impact on the Group's overall profitability. The Group ended the year 2023 with a net loss of EUR 300 000, and pro-forma adjusted net profit of EUR 100 000. This is due to the time it takes, spanning several months, for newly opened stores to achieve their solid profitability.

Adjusted pro-forma EBITDA for year 2023 demonstrates the Group's potential profitability assuming that SIA Grenardi Latvia and OÜ Grenardi Estonia were merged since 1 January 2023. In 2023 the Group invested in redesign and relocation its stores, hence two out of seven GRENARDI chain stores were closed for almost a month and one store in Estonia commenced its operations only in April 2023. The Group believes that in 2024 it will be able to demonstrate even further revenue and EBITDA growth compared to 2023. The growth in 2024 is expected to be achieved by primarily focusing on ensuring the profitability and success of the Group's existing retail chain, leveraging synergies from the acquisition of GRENARDI and seizing opportunities to expand its store network in strategic locations.

### Key financial information regarding the Collateral Providers

Each Collateral Provider is involved in the consolidation according to IFRS for the purposes of Audited Financial Reports and Interim Financial Statements of the Group. The table below present key stand-alone unaudited financial information about the Collateral Providers.

*Twelve-month period ended 31 December or as at 31 December 2023, EUR'000'000*

<i>Collateral Provider</i>	<i>Revenue</i>	<i>Assets</i>	<i>Equity</i>
<b>SIA GIVEN Latvia</b>	16.0	11.6	3.8
<b>SIA Grenardi Latvia</b>	6.5	5.1	2.8
<b>GIVEN Estonia OÜ,</b>	2.1	2.5	0.3
<b>GIVEN Lithuania UAB</b>	2.0	3.1	0.3
<b>Grenardi Estonia OÜ</b>	2.1	2.6	0.9

### 12.5 Alternative performance measures (APM)

This Base Prospectus includes certain references to alternative performance measures (APMs) derived from the Group's Financial Information shown in the table below. This information should be viewed as supplemental to the Group's Financial Information. Investors are cautioned not to place undue reliance on this information and should note that the APMs, as calculated by the Group, may differ materially from similarly titled measures reported by other companies, including the Group's competitors.

The APMs presented in this section are not defined in accordance with IFRS. An APM should not be considered in isolation from, or as substitute for any analysis of, financial measures defined according to IFRS. The following tables present the selected APMs of the Group for the indicated periods or as of the indicated dates:

*Selected Alternative performance measures*

	<i>Year ended 31 December</i>	<i>Twelve-month period ended 31 December<sup>1</sup></i>	<i>Twelve-month period ended 31 December</i>
	<i>Audited</i>	<i>Unaudited</i>	<i>Adjusted pro-forma<sup>2</sup></i>

<i>APM's</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2023</i>
Revenue growth, %	-	97%	40%	81%
Gross margin, %	54%	58%	57%	55%
EBITDA, EUR'000	1 650	2 193	2 862	3 656
EBITDA margin, %	16%	17%	17%	16%
Net Financial Debt, EUR'000	4 945	7 325	10 006	10 006
Net Financial Indebtedness, EUR'000	2 342	3 622	5 462	5 462
Net Financial Indebtedness / EBITDA (x)	1.4	1.7	1.9	1.5
Total Liabilities / Equity (x)	5.7	8.7	3.4	3.4
Current ratio (x)	2.7	2.5	1.3	1.3
<b><i>Financial Covenants</i></b>				
Capitalization ratio, %	36%	31%	36%	36%
Interest coverage ratio, (x)	5.0	3.3	2.6	3.0
Inventory coverage ratio, (x)	2.0	1.9	2.3	2.3

<sup>1</sup> The Unaudited Consolidated Statement of Comprehensive Income incorporates financial data from the acquired GRENARDI chain starting from 1 December 2023.

<sup>2</sup> Adjusted-pro forma prepared to demonstrate the Group's result as if GRENARDI chain had been acquired on 1 January 2023. Adjustments include one-time write-offs or expenses to indicate the potential financial performance of the new Group.

## Revenue growth

The revenue growth reflects an increase in revenue compared to the previous year. Over recent years, the Group has executed a robust expansion strategy, notably expanding its store network in the Baltic States from 30 stores as of 31 December 2020, to 82 stores as of 31 December 2023, thus, becoming the largest retailer in the Baltics. Revenue growth has been additionally supported by same-store sales growth within the existing store network. This upward trajectory in revenue underscores the efficacy of the Group's strategy.

## Gross margin

Gross margin is a financial metric that measures a company's profitability by calculating the difference between revenue and the cost of goods sold (COGS), expressed as a percentage of revenue. It represents the portion of revenue that exceeds the direct costs associated with producing goods or delivering services.

The Group diligently monitors this ratio on a regular basis, recognizing its significance in evaluating various components of its supply chain, pricing strategies, and discount policies.

In recent years, the Group has actively pursued initiatives aimed at enhancing gross profitability. The notable increase in gross margin from 54% in 2021 to 57% is a testament to the success of these endeavours. Furthermore, it is important to note that the gross margin depicted in the adjusted pro-forma Consolidated Statement of Comprehensive Income for 2023 was affected by the acquisition of the GRENARDI chain, which has historically had lower gross margins compared to the GIVEN chain. This distinction can be attributed to the GRENARDI chain's emphasis on a more upscale and luxurious product assortment, which typically entails higher prices and procurement costs.

## EBITDA and EBITDA margin

EBITDA is calculated as described in the Glossary of this Base Prospectus. EBITDA metric is significantly impacted by IFRS 16, a standard on Leases. As all the Group's retail store premises are leased, IFRS 16 has a significant impact on EBITDA due to its requirement to recognize lease liabilities and corresponding right-of-use assets on the balance sheet. Under IFRS 16, a segment of lease expenses is categorized as depreciation and interest expenses, resulting in adjustments to EBITDA calculations.

Due to its limitations, EBITDA should not be considered in isolation, or as a substitute for financial information as reported under IFRS. Investors should not place undue reliance on this data.

No statement in this Base Prospectus is intended as a profit/EBITDA forecast and no statement in this Base Prospectus should be interpreted to mean that the earnings of the Group for the current or future years would necessarily match or exceed the historical published earnings of the Group.

In addition to the growth in revenue and gross profit, the Group's EBITDA has demonstrated substantial year-on-year growth, with a 31% increase in 2023 compared to 2022 and an adjusted pro-forma EBITDA for 2023 growth of 67% relative to 2022. Despite the macroeconomic challenges posed by high inflation, an increase in EURIBOR, and a decrease in the purchasing power of citizens during 2022 and 2023, the achieved EBITDA demonstrates the Group's ability to attain operating profits from its fundamental business operations.

### **Capitalization ratio**

As provided in the Glossary of this Base Prospect, Capitalization ratio is calculated as a ratio of Adjusted Equity to consolidated assets of the Group. Adjusted equity is the aggregate book value of the Group's total equity on a consolidated basis, increased by Subordinated Debt.

As at 31 December 2023 according to unaudited twelve-month data, the capitalization ratio was 36%, representing a 5% increase compared to 31 December 2022. The Group closely monitors its financial performance, and during 2023 the following measures contributed to strengthening of the Group's equity base:

- 1) Share capital of the Group was increased by EUR 6 200 000.
- 2) Share premium increased by EUR 347 000.
- 3) Subordinated Debt in the form of unsecured bonds (ISIN LV0000870103) increased by EUR 841 000.

### **Interest coverage ratio**

Interest coverage ratio is the ratio of EBITDA to Net Finance Charges for the Relevant Period. Investors should bear in mind that EBITDA and Net Finance charges are metrics significantly impacted by IFRS 16, a standard on Leases. As all the Group's retail store premises are leased, IFRS 16 has a significant impact on EBITDA and Net Finance Charges due to its requirement to recognize lease liabilities and corresponding right-of-use assets on the balance sheet. Under IFRS 16, a segment of lease expenses is categorized as depreciation and interest expenses, resulting in adjustments to EBITDA calculations.

While there has been significant EBITDA growth throughout the years, the interest coverage ratio has gradually decreased due to the increasing borrowings to achieve the Group's expansion and future growth, as well as the rise in EURIBOR. This increase in EURIBOR has impacted the borrowing costs of secured debt securities with ISIN LV0000860104.

### **Inventory coverage ratio**

Inventory coverage ratio is the ratio of Pledged Inventory plus consolidated Cash and Cash Equivalents of the Group divided by the Secured Financial Indebtedness and demonstrates the extent to which the Collaterals cover the Group's Secured Financial Indebtedness. For further information regarding definitions please see the Glossary of this Base Prospectus.

This ratio has remained stable throughout the periods, reaching 2.3x as of December 31, 2023, as demonstrated in the APM table above. Most of the increase in secured financial indebtedness has been diverted to increasing the Group's inventory, which represents the largest share of costs for expanding the retail chain.

### **Net Financial Debt**

Net Financial Debt is calculated as all Group's short term and long term debt, net of Cash and Cash Equivalents of the Group, including subordinated bonds, excluding current and non-current lease liabilities calculated according to IFRS 16. For further information regarding definitions please see the Glossary of this Base Prospectus.

### **Net Financial Indebtedness**

Net Financial Indebtedness is calculated as the Group's Financial Indebtedness net of Cash and Cash Equivalents. This metric excludes Subordinated Debt and current and non-current lease liabilities calculated according to IFRS 16.

### **Total Liabilities to Equity**

The Total Liabilities to Equity ratio is calculated as the total liabilities of the Group divided by Equity, as classified in the balance sheet.

### **Current ratio**

Current ratio is calculated dividing the Group's current assets with current liabilities.

The primary reasons for the decrease in the current ratio in 2023 are the reclassification of secured bonds (ISIN LV0000860054) from long-term to short-term liabilities and the inclusion of deferred payments for the Grenardi acquisition in other payables.

## 13 GENERAL TERMS AND CONDITIONS OF THE NOTES

This Section (the "**General Terms and Conditions**") provides an overview of general terms and conditions of the Notes, which together with the applicable Final Terms, constitute the terms and conditions of each Tranche. The General Terms and Conditions included in this Section shall apply to each Tranche. Specific terms and conditions specified in the applicable Final Terms may be different in respect of each individual Tranche. To identify each Tranche, the Final Terms shall stipulate a serial number of the respective Tranche.

The Shareholders' Meeting held on 15 March 2024 authorised the issuance, public offering and listing of the Notes, and authorised the Management Board to approve the General Terms and Conditions, the Base Prospectus, the Final Terms and any of the documents thereto, as well as any amendments and supplements thereof.

Each Final Terms issued in respect of each issue of Notes shall be approved by a separate resolution of the Management Board.

### 13.1 Type and class of the Notes

The Notes are freely transferable secured notes denominated in euro with the nominal value of EUR 100. The Notes represent secured debt obligation of the Issuer towards the Noteholder.

### 13.2 Currency and Nominal Value

The Notes will be issued in euro (EUR). The nominal value (face value) of each Note shall be specified in the Final Terms, but it shall amount to at least EUR 100.

### 13.3 Form and Registration

The Notes are dematerialized debt securities in a bearer form and registered with Nasdaq CSD in a book-entry form with the securities settlement system governed by Latvian law. Each Tranche will be assigned a separate ISIN (International Security Identification Number) code, which will be different from the ISIN code of other Tranches. Investors may hold the Notes through Nasdaq CSD participants participating in the Latvian SSS. Before commencement of the Offering of the Tranche, Nasdaq CSD, upon request of the Issuer, will assign to the respective Tranche an ISIN code. The ISIN code of the respective Tranche will be specified in the Final Terms.

### 13.4 Status of the Notes

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

On the Issue Date, in addition to Existing Secured Notes, the Issuer has Existing Subordinated Notes held by the Issuer's shareholders with a maximum amount of up to EUR 5 000 000.

### 13.5 Ratings

The Notes have not been rated by any credit rating agencies.

### 13.6 Applicable Law and Dispute Resolution

Each Issue of the Notes shall be governed by the laws of Latvia.

Any disputes relating to or arising from the Issue will be settled solely by the courts of the Republic of Latvia of competent jurisdiction. Claims arising from the Notes shall expire in accordance with the statutory terms of Latvian law.

### 13.7 Delivery and Transferability

The Issuer organises the registration of the Notes in the Nasdaq CSD and their deletion from Nasdaq CSD upon their redemption. Only persons who have securities accounts (whether directly or via a nominee structure) with Nasdaq CSD can subscribe for or purchase the Notes.

There are no restrictions on the transfer of the Notes as they are described in the applicable Latvian law. However, any Noteholder wishing to transfer the Notes must ensure that any offering related to such transfer would not be qualified as an offering requiring the publication of a prospectus in the meaning of the applicable law. Ensuring that any offering of the Notes does not require publication of a prospectus under the applicable law is the obligation and liability of the Noteholder.



The Notes can be transferred from one securities account to another by the registrar of Nasdaq CSD by way of debiting the first securities account and crediting the other securities account in the amount of the corresponding number of securities. Ownership of a Note is deemed to have changed in respect of the Issuer as from the moment a relevant entry is made in Nasdaq CSD, i.e., when a Note is transferred to the securities account of the respective Noteholder.

### 13.8 Collateral of the Notes

Each Tranche of the Notes will be secured with a commercial pledge over all assets of the Collateral Providers as an aggregation of property at the moment of pledging, as well as its future components and it will be shared with other creditors on *pari passu* basis. For the avoidance of doubt, in Latvia Collateral Providers will provide a first rank commercial pledge over all assets of the Collateral Providers as an aggregation of property at the moment of pledging, as well as its future components as a first rank pledge, in Lithuania Collateral Provider will provide a first rank maximum mortgage over the Collateral Provider, and in Estonia Collateral Providers will provide a first rank commercial pledge over all movable property of the Collateral Providers, which belongs to the Collateral Providers at the time of the pledge entry is made or the property which the Collateral Provider acquires after the pledge entry. The amount of secured claim of each commercial pledge will be up to EUR 21 000 000 on each of the Collateral Providers for the benefit of the Noteholders, with the particular secured claim amount specified in the Final Terms of the respective Tranche according to the total aggregate amount of Notes issued under the Programme at the time.

Below please see a list of Collateral Providers and their amount of assets as of 31 December 2023 subject to commercial pledge:

<i>Collateral Provider</i>	<i>Amount of assets as of 31 December 2023<sup>1</sup>, EUR'000'000</i>
SIA GIVEN Latvia, registration no. 40203166474, legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia	11.6
GIVEN Estonia OÜ, registration no. 14505229, legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, Estonia	2.5
GIVEN Lithuania UAB, registration no. 305936789, legal address at: Krokuvos g. 53-3, LT-09306 Vilnius, Lithuania	3.1
SIA Grenardi Latvia, registration no. 50003474971, legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia	5.1
Grenardi Estonia OÜ, registration no. 11518421, legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, Estonia	2.6

<sup>1</sup>Source: *Unaudited stand-alone financial statements according to local law*

The Collateral shall be established in accordance with the terms and conditions of the relevant Collateral Agreement to be concluded between the Collateral Agent as the pledgee and the relevant Collateral Provider as the pledgor. The Collateral shall be established (registered) in the Commercial Pledge Registers within 90 (ninety) days after the Issue Date under the respective Final Terms. The Collaterals shall be established in proportion (pro-rata) in case of commercial pledge enforcement – giving the Noteholders, the noteholders of the Existing Secured Notes and holder of the Bank Security equal rights to their respective share of the entire commercial pledge. Ranking of the Notes as the liabilities of the Issuer shall be *pari passu* (equivalent with no priority) with the other liabilities of the Issuer (including the Existing Secured Notes and the Bank Security) secured in accordance with the collateral agreements.

In addition, the Issuer and the Group have the following arrangements regarding Bank Guarantees:

- 1) arrangement with Signet Bank AS to provide guarantees to the Subsidiaries SIA GIVEN Latvia, GIVEN Estonia OÜ, GIVEN Lithuania UAB in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA GIVEN Latvia to Signet Bank AS (**Bank Security**). The Bank Security is registered after the Existing Collaterals arising from the Existing Secured Notes, yet the intercreditor agreement concluded between Signet Bank AS and the existing Collateral Agent ranks the Bank Security *pari passu* to the Existing Collaterals. The Collaterals securing the Notes under this Base Prospectus would be ranked *pari passu* to the Bank Security and the Existing Collaterals. In December 2023 the Issuer concluded agreement to increase the guarantee limit up to EUR 450 000 in total.

- 2) SIA Grenardi Latvia has arrangement with Luminor Bank AS to provide guarantees to the Subsidiaries SIA Grenardi Latvia and Grenardi Estonia OÜ in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA Grenardi Latvia to Luminor Bank AS. Yet, the agreement will be reviewed, and the underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus.

Furthermore, as at 31 December 2023, SIA Grenardi Latvia had an outstanding credit line of EUR 165 000 issued by Luminor Bank AS. The total limit of the credit line is EUR 1 500 000 and the final maturity is 30 June 2024. The credit line is secured with a commercial pledge over all assets of SIA Grenardi Latvia and Grenardi Estonia OÜ, however the credit line will be terminated by 30 April 2024 and underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus.

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

Due to merger of Collaterals under the Existing Secured Notes and the Notes, the Issuer and the Collateral Agent shall replace the existing collateral agent agreement executed in connection with the Existing Secured Notes with the Collateral Agent Agreement where the Collateral Agent acts in the interests of noteholders under the Existing Secured Notes and the Notes jointly. The Noteholders, including Existing Noteholders who become Noteholders in accordance with these General Terms and Final Terms, along with the Issuer, hereby consent to the issuance of Notes in accordance with these General Terms and waive any claims they may have against the Collateral Agent under the existing collateral agent agreement executed in connection with the Existing Secured Notes.

### **13.9 Additional Collateral of the Notes**

The Issuer shall: (a) procure that any new subsidiary of the Issuer which is not a Collateral Provider as of the Issue Date shall enter into transaction security documents with the Collateral Agent substantially equivalent to the existing Collateral Agreement (an "**Additional Collateral Provider**"); and (b) shall grant a pledge over assets of such Additional Collateral Provider to the Collateral Agent if the Issuer has detected the existing Collateral might not be sufficient to cover the requirements of the Inventory Coverage Ratio as under the Clause 13.21.1(c) for the subsequent quarter. Such Additional Collateral Provider shall become a "Collateral Provider" and such new transaction security documents shall be "Collateral Agreement" for the purposes of these General Terms and Conditions. Notwithstanding the foregoing, the Issuer shall not be obligated to cause a new subsidiary to grant the Collateral to the extent such new Additional Collateral by a new subsidiary would reasonably be expected to give rise to or result in a violation of Applicable Law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Subsidiary or any liability for the officers, directors or shareholders of a new subsidiary.

### **13.10 Parallel Debt**

- 13.10.1 Notwithstanding any other provision of the General Terms and Conditions, for the purpose of ensuring and preserving the enforceability of the Collateral, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the Noteholders and as a solidary creditor together with the Noteholders for the purposes of Latvian Applicable Laws, sums equal to and in the currency of each amount payable by the Issuer to each of the Noteholders (whether present or future and whether actual or contingent) in accordance with these General Terms and Conditions and the Final Terms for each Tranche as and in case the amount falls due for payment under these General Terms and Conditions and the Final Terms for each Tranche.
- 13.10.2 The Collateral Agent shall be entitled to act as a joint creditor (jointly with the Noteholders and noteholders of the Existing Secured Notes) of each and every Note (whether present or future and whether actual or contingent) of the Issuer to the Noteholders or any of them and, accordingly, the Collateral Agent shall have its own independent right to demand performance by the Issuer of any of those obligations.

- 13.10.3 For the avoidance of doubt, the aggregate amount due by the Issuer under the Parallel Debt will be decreased to the extent the Issuer has paid any amounts to the Noteholders under these General Terms and Conditions and the Final Terms for each Tranche.
- 13.10.4 For the avoidance of doubt, to the extent the Issuer has paid any amounts to the Collateral Agent under the Parallel Debt the aggregate amount due by the Issuer to the Noteholders under these General Terms and Conditions and the Final Terms for each Tranche will be decreased accordingly.
- 13.10.5 To the extent the Collateral Agent receives any amount in payment of the Parallel Debt following its respective specific written claim made to the Issuer, the Collateral Agent shall transfer such amount to the Noteholders in accordance with Clause 13.15.2 of these General Terms and Conditions and other sections (if any).
- 13.10.6 For the avoidance of doubt, the Parallel Debt shall become due and payable at the same time and to the same extent as the obligations of the Issuer to the Noteholders under these General Terms and Conditions and the Final Terms for each Tranche have become due and payable.

### **13.11 Noteholders and the Collateral Agent**

- 13.11.1 By submitting a subscription order or acquiring the Notes on the secondary market, each Noteholder:
- (a) appoints the Collateral Agent to act as its agent and to perform the obligations and exercise the rights in connection with the Collateral as set forth in these General Terms and Conditions, the Collateral Agreement and the Collateral Agent Agreement and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under or in connection with these General Terms and Conditions, the Collateral Agreement, and the Collateral Agent Agreement;
  - (b) acknowledges the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent;
  - (c) confirms the fact that the Collateral Agent acts under the Collateral Agent Agreement concluded with the Issuer or acting in the interests of the noteholders under the Existing Secured Notes does not constitute any conflict of interests with respect to the Noteholders;
  - (d) confirms the fact that the Collateral secures, inter alia, the Issuer's obligations towards the Collateral Agent does not constitute any conflict of interests with the Noteholder (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 13.15.2 and other clauses of these General Terms and Conditions). Each Noteholder acknowledges the fact that the Collateral secures, inter alia, the Issuer's obligations towards the Collateral Agent shall not prevent the Collateral Agent from fulfilling its obligations and acting in accordance with these General Terms and Conditions and the Collateral Agent Agreement;
  - (e) agrees upon the performance of its obligations and exercising of its rights in connection with the Collateral, the Collateral Agent shall be entitled to act at its own discretion, considering the interests of the Noteholders collectively and generally (and not of any particular Noteholder), unless specifically instructed otherwise by the Noteholders in accordance with Clause 13.13.9 of these General Terms and Conditions and without prejudice to Clause 13.13.12 of these General Terms and Conditions;
  - (f) agrees the Collateral Agent shall have the right to advise the Issuer and to provide any services to the Issuer in any matters and in any fields of activity which do not directly relate to the performance of obligations of the Collateral Agent set forth in these General Terms and Conditions, and the Noteholder does not consider this to cause any potential or actual conflict of interests;
  - (g) each private individual or legal entity as well as their authorized representatives upon the request of the Collateral Agent, are obliged to disclose to the Collateral Agent all information and documents on these private individuals or the legal entities and as well as their authorized representatives and the Collateral Agent is entitled to receive this information and documents for the purposes of performance of duties of the Collateral Agent. This information and documents also include those documents and information that are necessary to the Collateral Agent in order to fulfil the Collateral Agents obligations regarding AML and Sanctions regulation requirements (e.g. information and documents on the beneficial owner).

### **13.12 Scope of Obligations of the Collateral Agent**

- 13.12.1 The functions and obligations of the Collateral Agent are limited to those expressly specified in the Collateral Agent Agreement and these General Terms and Conditions and, notwithstanding any other provisions of these General Terms and Conditions, such functions are limited to the exercise of those rights which belong to the Collateral Agent in its capacity as the holder of the Collateral (pledgee). The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Collateral Provider establishes the Collateral in the interests of the Noteholders and under the name of the Collateral Agent (as the holder of the Collateral (pledgee)) in accordance with these General Terms and Conditions to secure the Notes.
- 13.12.2 The Collateral Agent does not have any obligation:
- (a) to take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to satisfy any claims arising under these General Terms and Conditions in connection with any assets of the Issuer, except for enforcing the Collateral in accordance with these General Terms and Conditions and the Collateral Agreements upon the Collateral becoming enforceable and receiving the relevant instructions from the Majority Noteholders;
  - (b) to ensure the existence, enforceability or validity of the Collateral or to preserve the Collateral or its value or to assess any rights arising from or relating to the Collateral (except for the validity of the Collateral after its establishment to the extent within the control or sphere of influence of the Collateral Agent and to the extent within the scope of its obligations under these General Terms and Conditions);
  - (c) to inform the Noteholders or the Issuer about any circumstances relating to the Collateral except to the extent such obligation to provide information is explicitly set forth in these General Terms and Conditions; and
  - (d) to provide any advice to the Noteholders in legal, accounting, tax or other matters for free.
- 13.12.3 The Noteholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Noteholders may exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these General Terms and Conditions.
- 13.12.4 Upon the performance of its obligations and exercising its rights, the Collateral Agent shall act at its own discretion in the interests and on the account of the Noteholders collectively, and generally (and not any particular Noteholder) without having any independent interests of its own (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 13.12.10 of these General Terms and Conditions) and without any obligation to consider any interests of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. In particular, in accordance with these General Terms and Conditions, the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Noteholders upon failure to obtain instructions from the Majority Noteholders. However, the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Noteholders as described in Clause 13.12.7 of these General Terms and Conditions of the Notes.
- 13.12.5 The Collateral Agent is not a party to the legal relationship between the Issuer and the Noteholders and is under no circumstances liable for the performance of the obligations of the Issuer or impossibility to enforce the Collateral in accordance with these General Terms and Conditions and any Final Terms and the Collateral Agreements or any restrictions or delays thereof.
- 13.12.6 Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right to use the services of third parties and to appoint third-party representatives (including, during the performance of its tasks and acts as stipulated in these General Terms and Conditions, the Final Terms and the Collateral Agreement). In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall evaluate and appoint only reputable third parties having professional expertise for the fulfilment of the tasks and acts as stipulated in these General Terms and Conditions and any Final Terms. In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall also ensure: (i) no conflict of interest exists in respect to the Issuer and the Noteholders; (ii) the fees, costs and expenses of such third

party services are at a reasonable market price; (iii) the fees, costs and expenses for using the services of third parties and/or appointment of third-party representatives would not exceed costs, fees and expenses of the Collateral Agent if the latter would perform its obligations under these General Terms and Conditions, the Final Terms, the Collateral Agreements and the Collateral Agent Agreement on its own; and (iv) it remains duty and obligation of the Collateral Agent to perform its obligations under these General Terms and Conditions and the Final Terms and the Collateral Agent Agreement and not of the appointed third-party. In case the use of services of third parties or appointment of third-party representatives is required for the fulfilment of obligations arising from these General Terms and Conditions and the Final Terms, including the Collateral Agreement, Clause 13.12.10 of these General Terms and Conditions is applicable. The Collateral Agent shall not be responsible for the losses and damage caused by the acts and omissions by third parties.

- 13.12.7 At the request of the Collateral Agent, the Noteholder shall provide the Collateral Agent with any information required for the purposes of identification of the Noteholder and/or for the performance of other obligations arising from applicable laws and regulations.
- 13.12.8 At the request of the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Noteholders specifying the outstanding Nominal Value of the Notes each of them is holding, the respective Tranche of Notes and their latest known email addresses if such information is available. Furthermore, the Issuer agrees to and authorized the Collateral Agent to directly request from Nasdaq Riga any information and documents concerning the Noteholders, private individuals, legal entities, and their authorized representatives for the purpose of fulfilling the duties of the Collateral Agent in accordance with these General Terms, Final Terms and the Collateral Agent Agreement.
- 13.12.9 The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control of the Collateral Agent.
- 13.12.10 The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for the costs relating to the performance of its obligations under this Base Prospectus and the Collateral Agreements in accordance with the Collateral Agent Agreement and shall have the right to withhold the performance of its duties and obligations in case of delay of payment of the relevant fees and costs. As regards the costs, the Issuer shall compensate to the Collateral Agent also all payments made by the Collateral Agent to third parties for the purposes of establishment, amendment, termination and enforcement of the Collateral in accordance with these General Terms and Conditions and the Collateral Agreement (including, without limitation, state fees and taxes, other fees and payments established by laws and regulations, costs and expenses incurred by the Collateral Agent), as well as all damages incurred by the Collateral Agent in relation to the same.
- 13.12.11 Notices and documents to the Collateral Agent shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth in these General Terms and Conditions. All notices of the Noteholder to the Collateral Agent shall be sent in writing (letter and email) to the Collateral Agent and copied to the Issuer and the Arranger. If the Collateral Agent has doubts that a notice from a Noteholder has not been sent to the Issuer, then the Collateral Agent shall immediately forward such notice to the Issuer.
- 13.12.12 The Collateral Agent has the right to terminate the Collateral Agent Agreement in case: (a) the Collateral described in Clause 13.8 of these General Terms and Conditions has not been established within the relevant term stipulated in Clause 13.13.1 of these General Terms and Conditions; and/or (b) the Collateral Agent withdraws from performance of the tasks set out in these General Terms and Conditions on the grounds set out in Clause 13.14.1 or 13.14.3 of these General Terms and Conditions. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of this Collateral Agent Agreement.
- 13.12.13 The Issuer has the right to terminate the Collateral Agent Agreement in case the Issuer decides not to proceed with the Notes issue and/or if the Collateral Agent allows gross negligence/malicious intent in exercising their rights. A new collateral agent must be designated by the Issuer who must take over the obligations of the Collateral Agent.

### **13.13 Establishment, Release and Enforcement of the Collateral**

- 13.13.1 For the purpose of constituting security for the due and timely payment, discharge and performance of the Notes, the Collateral shall be established in the interests of Noteholders and under the name of the Collateral Agent (as the holder of the Collateral (pledgee)) under the Collateral Agreement which, in legal terms, serves as security for the Notes of the Issuer towards the Collateral Agent. The Issuer shall ensure the Collateral Providers will conclude the relevant Collateral Agreements or amend the existing Collateral Agreements to secure the

Notes with the Collateral Agent and ensure the respective Collateral is registered in the Commercial Pledge Registers within 90 (ninety) calendar days from the Issue Date. If a Promissory Note (or similar document of a technical nature) is required to register the respective Collateral, the Issuer and the Collateral Agent shall conclude such Promissory Note in the form suitable to the Commercial Pledge Registers. For the avoidance of doubt, a Promissory Note does not constitute an independent or separate claim and the Collateral Agent may demand payment of any sum under a Promissory Note only in the amount and to the extent such equivalent sum has become due and payable to Noteholders under this Base Prospectus and any Final Terms. For the avoidance of doubt, a Promissory Note is required only if the respective Collateral has not been registered in the Commercial Pledge Registers within 90 (ninety) calendar days from the Issue Date due to refusal of the Commercial Pledge Registers to register the Collateral in favour of the Collateral Agent.

- 13.13.2 The Issuer shall provide written confirmation on the registration of the Collateral in the Commercial Pledge Registers to the Collateral Agent within 3 (three) Business Days after registration has taken place.
- 13.13.3 By subscribing to the Notes, each Noteholder acknowledges and confirms that the Issuer and Subsidiaries may, within their ordinary course of business, sell their assets.
- 13.13.4 By subscribing to the Notes, each Noteholder acknowledges and confirms that in case until Maturity Date of any Notes a merger between any two Collateral Providers occurs, the Issuer and Collateral Agent is not required to receive Noteholder consent to effect the changes which are related to the underlying Collateral as a result of such merger, provided that in any such case the object of the Collateral (*object of the pledge*) and the maximum amount of the claims secured by the Collateral is not decreased. The Collateral Agent undertakes to sign all documents and perform necessary activities to register the changes to the Collateral with the relevant registries.
- 13.13.5 Upon receipt of a notification by the Issuer that an Event of Default has occurred pursuant to Clause 13.24.1, the Issuer shall have the right to submit the proposed action plan within 20 (twenty) Business Days in respect to the claim settlement to the Noteholders ("**Action Plan**"). The Issuer shall act in accordance with Clause 13.29 of these General Terms and the Majority Noteholders may vote for the approval of the Action Plan.
- 13.13.6 If the Majority Noteholders have not approved the Action Plan, the Issuer shall act in accordance with Clause 13.29 "Noteholders' Meetings and Decisions" of these General Terms and Majority Noteholders shall vote on whether to instruct the Collateral Agent to enforce the Collateral ("**Instruction**"). The Noteholders agree that the Collateral Agent will enforce the Collateral upon receipt of the Instruction.
- 13.13.7 If the Majority Noteholders in accordance with Clause 13.13.6 of these General Terms and Conditions have provided to the Collateral Agent the Instruction, the Collateral Agent shall immediately notify by (by letter or e-mail) the Collateral Providers, the Issuer and all Noteholders of receipt of the Instruction, and the Issuer shall publish the received information on its website ([www.grenardi.group](http://www.grenardi.group)) and on Nasdaq Riga information system.
- 13.13.8 Upon receipt of the Instruction to enforce the Collaterals, the Collateral Agent shall commence enforcement of the Collaterals.
- 13.13.9 The Collateral Agent may assume that no violation of the Notes has occurred unless the Collateral Agent has received a written notice (letter or e-mail) to the contrary from the Issuer or the Majority Noteholders. For the avoidance of doubt, the Majority Noteholders shall have such right only if the Notes are not performed in accordance with these General Terms and Conditions and any Final Terms.
- 13.13.10 The Collateral Agent shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Noteholders as to whether, and in what manner, the Collateral Agent should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of Collaterals. Upon such request, the Noteholders' Meeting shall be convened in accordance with the terms of these General Terms and Final Terms and accordingly give their instructions or clarifications to the Collateral Agent within the time period specified in the Collateral Agent's request for instructions or clarifications, such a time period is to be at least 10 Business Days. If the Noteholders' Meeting is not convened in 10 Business Days, the Collateral Agent can convene the Noteholders' Meeting. The Collateral Agent may refrain from acting unless and until Majority Noteholders have provided the Collateral Agent with requested instructions or clarifications.

- 13.13.11 Without prejudice to Clause 13.13.8, if, under Clause 13.13.9 of these General Terms and Conditions or following the request of the Collateral Agent submitted under Clause 13.13.10 of these General Terms and Conditions, the Majority Noteholders have duly instructed the Collateral Agent, the Collateral Agent is obligated to comply with these instructions. Any such instructions from the Majority Noteholders will be binding on all Noteholders of the Issue. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions.
- 13.13.12 Notwithstanding Clause 13.13.11 of these General Terms and Conditions, the Collateral Agent may refrain from doing anything which in its opinion will or may be contrary to these General Terms and Conditions, any Final Terms, the Collateral Agreement, the Collateral Agent Agreement or applicable laws and regulations or otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with such legislation. The Collateral Agent may refrain from acting in accordance with the instructions of the Majority Noteholders until it has received such indemnification or security as it may require for all costs, claims, losses, expenses (including but not limited to legal fees) and liabilities which it will or may expend or incur in complying with such instructions.
- 13.13.13 Without prejudice to Clauses 13.13.10, 13.13.11, 13.13.12 of these General Terms and Conditions, the Collateral Agent may (but is not obligated to) act (or refrain from acting) as it in its own discretion reasonably believes is in the best interests of the Noteholders. The Collateral Agent shall not be liable to Noteholders for acting (or refraining from acting) as described in these General Terms and Conditions or any Final Terms or in accordance with the instructions of the Noteholders and/or Applicable Laws.
- 13.13.14 The Collateral Agent shall not be liable to Noteholders for the outcome of the enforcement of the Collateral, provided the Collateral Agent has acted in accordance with these General Terms and Conditions, the Final Terms and the Collateral Agreement.

#### **13.14 Replacement of the Collateral Agent**

- 13.14.1 The Collateral Agent shall have the right to unilaterally terminate the performance of its duties described in these General Terms and Conditions in accordance with the Collateral Agreements and the Collateral Agent Agreement (including, without limitation, terminate the enforcement of the Collateral) in case:
- (a) In the reasonable opinion of the Collateral Agent: (a) (further) enforcement of the Collateral on reasonable terms is not possible or feasible due to the commencement of insolvency or reorganisation proceedings of the Issuer or the relevant Collateral Provider, or enforcement of the Collateral on reasonable terms may not be possible for any other reason; or (b) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the claims under Clause 13.15.1(a) and/or
  - (b) in the opinion of the Collateral Agent, the Collateral (or the substantial part thereof) ceases to exist for any reason.
- 13.14.2 In order to exercise its right of termination under Clause 13.14.1 of these General Terms and Conditions, the Collateral Agent shall submit a respective written notice stating the basis of exercising the right of termination to the Issuer and all of the Noteholders. The duties and obligations of the retiring Collateral Agent shall be deemed to have terminated from the moment when the respective written notice is submitted to the Issuer and all of the Noteholders. For the avoidance of doubt, under the Applicable Laws, the relevant Collateral Agreement and/or the establishment and discharge of the Collateral, the Collateral Agent may perform certain actions to release (discharge) the Collateral as a result of the termination under Clause 13.14.1.
- 13.14.3 The Collateral Agent shall have the right to resign due to reasons other than stated in Clause 13.14.1 of these General Terms and Conditions by submitting a respective written notice to the Issuer and all of the Noteholders. The duties and obligations of the Collateral Agent shall be deemed to have terminated upon the appointment of a successor Collateral Agent and acceptance by such appointment of the successor Collateral Agent and the execution of all necessary documentation to effectively substitute the retiring Collateral Agent.
- 13.14.4 No later than three months after the receipt of the relevant notice under Clause 13.14.1 or Clause 13.14.3 of these General Terms and Conditions by the Issuer a successor Collateral Agent must be designated by the Issuer and the Majority Noteholders under the Programme, who must take over the obligations of the retiring Collateral Agent.
- 13.14.5 If a successor Collateral Agent has not been appointed within the term set out in Clause 13.14.4 of these General Terms and Conditions, the duties and obligations of the retiring

Collateral Agent shall be deemed to have terminated. For sake of clarity, the retiring Collateral Agent shall be stated as pledgee in the Commercial Pledge Registers until the successor Collateral Agent has been appointed and registered as pledgee of the Collateral in the Register.

- 13.14.6 The Collateral Agent shall evaluate that no conflict of interest exists with regard to the Issuer, Issuer's Management Board, ultimate beneficial owner of the Issuer and/or the Noteholders and, the existence of conflict of interest shall not prevent the Collateral Agent from fulfilling its obligations to the extent and scope as described in these General Terms and Conditions and as provided in the in the Collateral Agreements and in the Collateral Agent Agreement.

### **13.15 Application of the Proceeds from Enforcement of the Collateral**

- 13.15.1 The proceeds from the enforcement of Collateral shall be applied in the following order of priority:
- (a) as the first priority: to the satisfaction and payment of all fees, costs and expenses and damages (including, without limitation, state duties, notary fees, valuation costs and fees, costs and expenses of third parties engaged in by the Collateral Agent pursuant to conditions set out, inter alia, in Clauses 13.12.6 and 13.12.10 of these General Terms and Conditions) related to performance of its duties by, or otherwise payable to, the Collateral Agent under these General Terms and Conditions, the Final Terms, the Collateral Agent Agreement and the Collateral Agreement securing the Issuer's obligations relating to the Issue, including but not limited to the establishment, amendment, termination and enforcement of the Collateral incurred by the Collateral Agent or any of the third parties engaged by the Collateral Agent, provided that the fees, costs and expenses have occurred on a reasonable market price and pursuant to conditions specified in Clause 13.12.6 and/or Clause 13.12.10;
  - (b) as the second priority (after full satisfaction, payment and deduction of all claims and amounts set forth in Clause 13.15.1(a) of these General Terms and Conditions): in payment of the claims of the Noteholders arising under the General Terms and Conditions and the respective Final Terms equally with the claims of noteholders under the Existing Secured Notes, including but not limited to the claims arising from the Notes or the Existing Secured Notes.
- 13.15.2 The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent specified in Clause 13.15.1(a) of these General Terms and Conditions and transfer the remaining proceeds to the Noteholders for satisfying the claims under Clause 13.15.1(b) of these General Terms and Conditions. The Collateral Agent shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Clause 13.15.1 of these General Terms and Conditions to the relevant Collateral Provider.
- 13.15.3 In case the proceeds remaining after covering the fees, costs, expenses, damages and claims under Clause 13.15.1(a) of these General Terms and Conditions do not cover the claims of the Noteholders under Clause 13.15.1(b) of these General Terms and Conditions in full, these claims of the Noteholders shall be satisfied pro rata.
- 13.15.4 The Collateral Agent is not obliged to pay to the Noteholders or any other persons any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).
- 13.15.5 In case the Collateral Agent is required, under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Collateral Agent hereunder, the amount to be paid by the Collateral Agent shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Collateral Agent.

### **13.16 Rights and restrictions connected with the Notes issue**

- 13.16.1 Any Noteholder has the right to receive Interest and Nominal Value payments in accordance with the Clause 13.17 "Interest", Clause 13.19 "Maturity" of these General Terms and Final Terms of the respective Tranche, as well as exercise other rights fixed in these General Terms and Conditions and Applicable Laws of the Republic of Latvia.
- 13.16.2 The Issuer has the right to purchase the Notes on the secondary market directly from the Noteholders. The Notes that are purchased by the Issuer are held in Issuer's financial instruments' custody account and the Issuer has the right to sell the purchased Notes to potential Investors and other Noteholders. The Issuer cannot cancel the purchased Notes held in the Issuer's financial instruments' custody account, therefore decreasing the size of the Notes issue.



- 13.16.3 The Notes owned by the Issuer and/or its Related Parties are not eligible to participate in the voting in accordance with these General Terms and Conditions.

### **13.17 Interest**

- 13.17.1 The Notes shall bear interest at fixed interest rate (the "**Interest**") which shall be determined by the Issuer and specified in the Final Terms.
- 13.17.2 The Interest shall be paid on the dates specified in the Final Terms (the "**Interest Payment Date**") until the Maturity Date.
- 13.17.3 Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date.
- 13.17.4 Interest shall be calculated on 30E/360 basis. The interest payment shall be determined according to the following formula:  
CPN =  $F * C * n/360$  where:  
CPN – amount of an interest in EUR;  
F – principal amount of Notes outstanding;  
C – annual interest rate payable on the Notes;  
n – number of days since the Issue Date or the last Interest Payment Date (as applicable) calculated on 30-day month basis.
- 13.17.5 Interest on the Notes shall be paid through the Nasdaq CSD in accordance with the applicable rules of the Nasdaq CSD. The Noteholders list eligible to receive the interest on the Notes will be fixed at the end of the 5<sup>th</sup> (fifth) Business Day immediately preceding the Interest Payment Date.
- 13.17.6 Should any Interest Payment Date fall on a date which is not a Business Day, the payment of the interest due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.

### **13.18 Early Redemption at the option of the Issuer (call option)**

- 13.18.1 The Issuer shall be entitled to full early redemption (call option) starting:
- (a) one year after the Issue Date by paying 102% (one hundred and two per cent) of the Nominal amount plus accrued and unpaid interest;
  - (b) two years after the Issue Date by paying 101% (one hundred and one per cent) of the Nominal amount plus accrued and unpaid interest;
  - (c) from the last six months before Maturity Date by paying 100% (one hundred per cent) of the Nominal amount plus accrued and unpaid interest;
- 13.18.2 Each Final Terms shall specify exact dates when the Issuer can exercise the early redemption (call option) as stipulated in Clause 13.18.1 (a) to (c) above.
- 13.18.3 The Issuer can carry out call option only in full amount of total outstanding Notes under respective Tranche. The Issuer can exercise the fully early redemption (call option) of the Notes only on the Interest Payment Date.
- 13.18.4 If the Issuer takes a decision on early redemption of the Notes, the Issuer shall notify the Noteholders at least 20 (twenty) Business Days prior to the redemption date of the Notes of the respective Tranche by publishing information on the website [www.grenardi.group](http://www.grenardi.group) and Nasdaq Riga information system.
- 13.18.5 If the Issuer redeems the Notes, the Issuer will pay the redemption payment in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of these General Terms and Conditions are the Nasdaq CSD Rulebook and Corporate Action Service Description. The list of the Noteholders eligible to receive the redemption payment will be fixed at the end of the previous Business Day before the redemption payment date.

### **13.19 Maturity**

- 13.19.1 Each Tranche of the Notes shall have a maturity up to 3 (three) years starting from the Issue Date. The Notes shall be repaid in full at their nominal value on the maturity date, which will be specified in the Final Terms (the "**Maturity Date**"), or on the early redemption date.
- 13.19.2 The Issuer will pay the Nominal Value in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of the Base Prospectus are Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal Value will be paid on the Maturity Date. The list of the Noteholders eligible to receive the Nominal Value will be fixed at the end of the previous Business Day before Maturity Date.
- 13.19.3 If the Maturity Date of the Notes is not a Business Day, the Issuer will pay the Nominal Value of the Notes on the next Business Day after the Maturity Date. In this case, the interest accrues for the days prior to the next Business Day (actual redemption of the Notes).
- 13.19.4 If the Issuer has failed to make Nominal Value payment in accordance with the deadlines specified in the General Terms and Conditions, the Noteholders shall have the right to submit claims regarding the repayment of the Nominal Value not earlier than after 10 (ten) Business Days following the Maturity Date.

### **13.20 Representations and Warranties of the Issuer**

The Issuer represents and warrants to the Noteholders that at the Issue Date and for as long as any Notes are outstanding:

- (a) the Issuer is a duly registered joint stock company (in Latvian: *akciju sabiedrība*) operating in compliance with the laws of Latvia;
- (b) all the Issuer's obligations assumed under this Base Prospectus, including these General Terms and Conditions are valid and legally binding to the Issuer and performance of these obligations is not contrary to the Issuer's Articles of Association, laws or any agreement concluded by the Issuer;
- (c) the Issuer has all the rights and sufficient authorisations to issue the Notes, and fulfil obligations arising from issuing the Notes and the Existing Secured Notes, and the Issuer has performed all the formalities required for issuing the Notes;
- (d) the Collateral Providers each have all the rights and sufficient authorisations to provide the respective Collaterals securing the obligations of the Issuer under the Notes, and to register the Collaterals in the Commercial Pledge Register(s);
- (e) all information that is provided by the Issuer to the Noteholders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any material respect;
- (f) the Issuer has fully complied with the Terms of the Notes Issue of the Existing Secured Notes and terms of agreements between the Collateral Agent and the Issuer regarding Existing Collaterals and Existing Guarantees and also the collateral agreements regarding the Existing Secured Notes are fully complied with by the pledgors;
- (g) the Issuer and Collateral Providers are solvent, able to pay their debts as they fall due, there are no liquidation, compulsory execution, reorganization (except for any sale, disposal, merger, demerger, amalgamation, reorganization or restructuring between the Subsidiaries, or Collateral Providers within the Group), or bankruptcy proceedings pending or initiated against the Issuer or the Collateral Providers;
- (h) there are no court or arbitration proceedings pending or initiated against the Issuer or Collateral Providers where an unfavourable decision would, according to reasonable assessment of the Issuer, have a material adverse impact on the economic condition of the Issuer and Collateral Providers.

### **13.21 Financial Covenants**

- 13.21.1 From the Issue Date of the Notes and as long as any Note is outstanding, the Issuer and the Group shall comply with the following financial covenants:
- (a) to maintain consolidated Interest Coverage Ratio of at least 2x (two times), calculated for the Relevant Period at the end of each quarter;
  - (b) to maintain consolidated Capitalization Ratio at least 30% (thirty per cent) calculated for the Relevant Period at the end of each quarter;

(c) to maintain consolidated Inventory Coverage Ratio of at least 1.25x (one point twenty five times), calculated for the Relevant Period at the end of each quarter.

13.21.2 Financial covenants set forth in Clauses (a) to (c) above shall be tested at the end of each quarter and proof of compliance with these covenants shall be included in every Financial Report of the Group.

13.21.3 The Issuer may in its sole discretion choose to calculate the financial covenants under Clauses (a) to (c) in accordance with the Accounting Principles.

### 13.22 General Covenants

From the Issue Date of the Notes and as long as any Note is outstanding, the Issuer and the Group shall undertake the following:

13.22.1 no Change of Control;

13.22.2 not to commence any new type of economic activity outside the scope of Permitted Business except if revenue from such activity does not exceed 5% (five per cent) of consolidated revenue;

13.22.3 not to sell, present, change, rent, license, invest, or otherwise transfer into utilization the right to use the trademarks of the Issuer;

13.22.4 not to initiate or allow initiation of the Issuer's liquidation or similar proceedings and not to reduce share capital of the Issuer;

13.22.5 any transactions with Related Parties shall be at Fair Market Value;

13.22.6 the Issuer and the Collateral Providers shall not create or permit to subsist any Security other than Permitted Security, upon the whole or any part of its present or future business, undertaking, assets or revenues to secure any Financial Indebtedness;

13.22.7 all existing and future liabilities (loans, notes, etc.) towards Related Parties must be junior and subordinated to the Notes issued, with the exception of the credit line from the Issuer's Shareholders that was issued after 31 December 2023 in the amount of up to EUR 2 000 000 that can be repaid from the net proceeds received from the Issuer's Shareholders by subscribing to these Notes (as according to Section 5 "Reasons for Offer and Use of Proceeds" of this Base Prospectus). For the avoidance of doubt, any Notes subscribed for by the Issuer's Shareholders will rank pari-passu to other Notes issued under this Base Prospectus.

13.22.8 the Notes of each Tranche are admitted to trading on Nasdaq Riga within 3 (three) months from the placement of respective Tranche.

### 13.23 Covenant Cure

13.23.1 The Issuer and shareholders of the Issuer may cure or prevent a breach of the financial covenants in Clause 13.21.1. (and any Event of Default arising a result therefrom) if, prior to or within 90 (ninety) calendar days of the earlier of (i) the date on which the relevant Financial Report is to be published pursuant to these General Terms and Conditions and (ii) the date that such Financial Report was in fact published pursuant to these General Terms and Conditions for any Relevant Period in which such failure to comply was (or would have been) first evidenced ("**Breach Period**"), the Group received the cash proceeds of new shareholder injections from the shareholders of the Group (the "**Equity Cure**"), in an amount at least sufficient to ensure the financial covenants set forth under Clause 13.21.1. would be complied with if tested again as at the last date of the Breach Period.

13.23.2 Any new equity and/or Subordinated Debt provided in respect of such Breach Period shall be deemed to have been provided during the Breach Period (without double counting) in all relevant covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.

13.23.3 If after the adjustment the requirement of the relevant financial covenant is met, then the requirement thereof shall be deemed to have been satisfied as at the relevant original date of determination of any default, Event of Default, occasioned thereby shall be deemed to have been remedied for the purposes of these General Terms and Conditions.

13.23.4 Additionally, the Issuer and the shareholders of the Issuer may cure or prevent breach of financial covenant set forth under Clause 13.21.1(c) by way of providing additional collateral in a manner as described in Clause 13.9.

### 13.24 Events of Default

- 13.24.1 The Noteholders representing at least 10 (ten) per-cent of the principal amount of all outstanding Notes may in accordance with Clause (Notices) notify the Issuer about the occurrence of an Event of Default. Subject to Clause 13.24.2, within 30 (thirty) days after receipt of notification regarding the occurrence of an Event of Default, the Issuer shall prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes, but without any premium or penalty. Interest on the Notes accrues until the prepayment date (excluding the prepayment date).
- 13.24.2 If the Issuer is unable to make payments in accordance with Clause 13.24.1 of the General Terms and Conditions of the Notes, the Issuer shall immediately, but in any case not later than within 20 (twenty) Business Days following receipt of notification regarding occurrence of an Event of Default, notify the Noteholders in accordance with Clause 13.27 thereof.
- 13.24.3 If the Issuer has failed to prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes within a term specified in Clause 13.24.1 of the General Terms and Conditions or within a term specified in Clause 13.24.2 of the General Terms and Conditions and has notified the Noteholders that it is unable to make payments in accordance with Clause 13.24.1 of the General Terms and Conditions, the Noteholders may act in accordance with Clause 13.13 "*Establishment, Release and Enforcement of the Collateral*".
- 13.24.4 Each of the following events shall constitute an event of default (an "**Event of Default**"):
- (a) **Non-Payment:** Any amount of Interest on principal of the Notes has not been paid within 10 (ten) Business Days from the relevant due date;
  - (b) **Breach of Covenants:** The Issuer or the Group has violated the conditions of the Clause 13.21.1 "Financial Covenants" and has failed to remedy such violation as according to Clause 13.23 "Covenant Cure", or the Issuer does not perform or comply with any one or more of its other obligations set out in Clause 13.22 "General Covenants", and the Issuer fails to remedy such a breach within 30 (thirty) calendar days from the date of the breach, unless such a default is incapable of being remedied;
  - (c) **Breach of Other Obligations:** The Issuer does not comply with the General Terms and Conditions in any other way than as set out under item (a) Non-Payment; and (b) Breach of Covenants above, unless the non-compliance (i) is capable of being remedied; (ii) is remedied within 20 (twenty) Business Days after the Issuer becoming aware of the non-compliance;
  - (d) **Cross Default:** If for the Issuer or any of the Collateral Providers representing more than 20% (twenty per cent) of either: (a) the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra-group transactions); or (b) the EBITDA of the Group on a consolidated basis for the Relevant Period:
    - i. any Financial Indebtedness is neither paid when due nor within any applicable grace period;
    - ii. any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described);
    - iii. any commitment for any Financial Indebtedness is cancelled or suspended by a creditor, as a result of an event of default (however described);
    - iv. any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity, as a result of an event of default (however described); or
    - v. any security securing Financial Indebtedness over any asset is enforced by secured creditor.
- Provided, however, the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (v) above exceeds a total of EUR 500 000 (or the equivalent thereof in any other currency); provided it does not apply to any Financial Indebtedness owed to a Subsidiary of the Group or Related Parties, or Subordinated Debt and other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 90 calendar days of commencement or, if earlier.
- (e) **Insolvency:** If the Issuer or any of the Collateral Providers representing more than 20% (twenty per cent) of either (a) the total assets of the Group on a consolidated basis (for

the avoidance of doubt, excluding any intra-group transactions); or (b) the EBITDA of the Group on a consolidated basis for the Relevant Period:

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

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

### **13.25 Force Majeure**

The Issuer shall be entitled to postpone the fulfilment of its obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

- (a) action of any authorities, war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect operations of the Issuer;
- (c) any interruption of or delay in any functions or measures of the Issuer as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer; or
- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer.

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

### **13.26 Further Issues**

The Issuer may, from time to time and without the consent of the Noteholders, create and issue further Notes under the Programme during the validity term of this Base Prospectus, provided that the aggregate total amount of outstanding Notes under the Programme at any time does not exceed EUR 17 000 000 and Issuer has complied with Financial covenants under these General Terms and Final Terms.

### **13.27 Notices**

For so long as the Notes are not admitted to trading on Nasdaq Riga, all notices and reports to the Noteholders shall be published on the website of the Issuer ([www.grenardi.group](http://www.grenardi.group)). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

As of the day when the Notes are admitted to trading on Nasdaq Riga, all notices and reports to the Noteholders shall be published on Nasdaq Riga information system, as well as on the website of the Issuer ([www.grenardi.group](http://www.grenardi.group)). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

### **13.28 Representation of the Noteholders**

Rights of the Noteholders to establish and/or authorize an organization/person to represent interests of all or a part of the Noteholders are not set forth, but on the other hand these are not restricted. The Noteholders should cover all costs/fees of such representative(s) by themselves.

### **13.29 Noteholders' meetings and decisions**

#### ***General provisions***

- 13.29.1 The decisions of the Noteholders (including decisions on amendments this Base Prospectus, these General Terms and Conditions, the Collateral Agreement, on termination of the Collateral Agent Agreement (and change the collateral agent (if applicable)) granting of consent or waiver or instructions to the Collateral Agent) shall be passed at the Noteholders' Meeting or in Procedure in Writing at the choice of the Issuer. However, the Issuer shall have a right to amend the technical procedures relating to the Notes (including any manifest errors or other inconsistencies) without the decision of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders.
- 13.29.2 The Issuer shall have a right to convene the Noteholders' Meeting or instigate a Procedure in Writing at any time and shall do so following a written request from the Collateral Agent or Noteholders who, on the day of the request, represent not less than one-tenth of the principal amount of the Notes outstanding or the principal amount of the Notes of the respective Tranche outstanding as applicable (excluding the Issuer and the Related Parties).
- 13.29.3 The Issuer may refrain from convening the Noteholders' Meeting or instigating the Procedure in Writing if (i) the suggested decision does not fall under the competence of the Noteholders, or (ii) the suggested decision is not in accordance with the Applicable Laws.
- 13.29.4 In case convening of the Noteholders' Meeting or instigation of the Procedure in Writing is requested to the Issuer by the Collateral Agent or Noteholders, the Issuer shall be obliged to convene the Noteholders' Meeting or instigate the Procedure in Writing within 1 (one) month after receipt of the respective Collateral Agent's or Noteholders' written request.
- 13.29.5 All expenses in relation to the convening and holding the Noteholders' Meeting or a Procedure in Writing shall be covered by the Issuer.
- 13.29.6 Only those investors who were appearing in Nasdaq CSD as the Noteholders by the end of the 5th (fifth) Business Day prior to convening the Noteholders' Meeting the Noteholders' Meeting and only those were appearing in Nasdaq CSD as the Noteholders by the end of the 5th (fifth) Business Day after publishing an announcement on instigation of the Procedure in Writing or proxies authorised by such Noteholders, may exercise their voting rights at the Noteholders' Meeting or in the Procedure in Writing. The voting rights of the Noteholders will be determined on the basis of the principal amount of the Notes held.
- 13.29.7 Without amending or varying these General Terms and Conditions, the Issuer may prescribe such further regulations regarding the convening and holding of the Noteholders' Meeting or the Procedure in Writing as the Issuer may deem appropriate. Such regulations may include e.g. a possibility for Noteholders to vote without attending the meeting in person, holding the Noteholders' Meeting in the form of a video conference etc.
- 13.29.8 If the adopted decision of the Noteholders refers to specifications of the Notes and/or Interest calculation method, as well as the procedure of Interest payments and/or repayment of the Nominal Value, the Issuer shall inform Nasdaq CSD on these changes according to the regulation determined in the Nasdaq CSD rules.

#### ***Noteholders' Decisions***

- 13.29.9 A Noteholders' Meeting or a Procedure in Writing may make decisions that are binding on the Noteholders on a matter relating to these General Terms and Conditions. Consent of the Majority Noteholders is required to adopt any decision.
- 13.29.10 Notes held by held by the Issuer, its direct or indirect shareholders and the Related Parties will not carry the right to vote at the Noteholders' Meetings and will not be considered in determining how many Notes are outstanding for the purposes of the present Section of this Base Prospectus.
- 13.29.11 The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take any necessary actions to enforce the decisions of the Noteholders' Meeting or the Procedure in Writing.
- 13.29.12 A matter decided at the Noteholders' Meeting or the Procedure in Writing is binding on all Noteholders of the outstanding Notes or regarding the respective Tranche (as explained below), irrespective of whether they were present at the Noteholders' Meeting or participated in the Procedure in Writing. Decisions made at the Noteholders' Meeting or in the Procedure in Writing are deemed to have been received by the Noteholders at the time (i) they have been entered in the issue account maintained by Nasdaq CSD, or (ii) notified to the Noteholders by a notice published in English and Latvian on the Issuer's website [www.grenardi.group](http://www.grenardi.group) and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Noteholders when sent or published in the manner specified in this Clause), provided that a failure to do so shall not invalidate any decision made or voting result achieved. In addition,

the Noteholders are obliged to notify subsequent transferees of the Notes of the decisions taken at the Noteholders' Meeting or the Procedure in Writing.

- 13.29.13 Information about decisions taken at the Noteholders' Meeting or the Procedure in Writing shall be provided to the Noteholders in English and Latvian on the Issuer's website [www.grenardi.group](http://www.grenardi.group) and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Noteholders when sent or published in the manner specified in this Clause).
- 13.29.14 Consent of the Majority Noteholders of the aggregate principal amount of the Notes outstanding **under the Programme** is required to:
- (a) amend the General Terms and Conditions of the Notes or the Base Prospectus,
  - (b) approve the Action Plan;
  - (c) approve and issue of the Instruction to the Collateral Agent to start the enforcement of the Collaterals;
  - (d) decide on any other matters, except the matters provided for in the Clause 13.29.15.
- 13.29.15 Consent of the Majority Noteholders of the aggregate principal amount of the outstanding Notes **of the respective Tranche** is required for the following decisions:
- (a) agreement with the Issuer to change the date, or the method of determining the date, for the payment of principal, interest or any other amount in respect of the relevant Tranche, to reduce or cancel the interest payable on any date in respect of the respective Tranche or to change the method of calculating the amount of interest or any other amount payable on any date in respect of the relevant Tranche;
  - (b) approval of any other matters of technical nature relevant solely to the respective Tranche.
- 13.29.16 The Issuer shall inform the Collateral Agent on the results of the and the status of the relevant decision adopted by Noteholders.

#### ***Procedure in Writing***

- 13.29.17 The Issuer may apply for a consent itself or through the intermediary of an authorised person (the "**Agent**").
- 13.29.18 If a decision of the Noteholders is intended to be passed by the Procedure in Writing, then a respective communication of the Procedure in Writing shall be provided to the Collateral Agent and the Noteholders in English and Latvian on the Issuer's website [www.grenardi.group](http://www.grenardi.group) and the Nasdaq Riga information system (any such notice shall be deemed to have been received by Noteholders when sent or published in the manner specified in this Clause). Communication to the Noteholders shall include:
- (a) each request for a decision by the Noteholders;
  - (b) a description of the reasons for each request;
  - (c) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
  - (d) information on where to receive a form for replying to the request (such form to include an option to vote "yes" or "no" for each request), as well as a form of a power of attorney;
  - (e) instructions how to execute and submit a form for replying to the request;
  - (f) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 10 (ten) Business Days from the communication pursuant this Clause) and a manner of a reply.
- 13.29.19 When the requisite consents have been received in a Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired.
- 13.29.20 If the Noteholder does not notify the Issuer or the Agent about its decision on the respective matter submitted for approval within the term specified in the application, a Noteholder shall be deemed as not having voted the respective decision.
- 13.29.21 The Issuer or the Agent shall count the received votes in Procedure in Writing and notify the Noteholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the voting forms by publishing a relevant announcement on the Issuer's webpage and on the Nasdaq Riga information system.
- 13.29.22 The Noteholders shall submit signed voting forms to the Issuer, the Agent or their respective custodian bank by a deadline set in the application of the consent (waiver). The consent (waiver) is deemed to be granted, if the Majority Noteholders (excluding the Notes owned by

the Issuer, direct and indirect shareholders of the Issuer and Related Parties) have voted for granting the consent (waiver).

***Noteholders' meeting***

- 13.29.23 If a decision of the Noteholders is intended to be passed at the Noteholders' Meeting, then a respective notice of the Noteholders' Meeting shall be provided to the Collateral Agent and the Noteholders in English and Latvian on the Issuer's website and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Collateral Agent and Noteholders when sent or published in the manner specified in this Clause) no later than 10 (ten) Business Days prior to the meeting. Furthermore, the notice shall specify the time, place and agenda of the meeting, as well as any action required on the part of the Collateral Agent and Noteholders that will attend the meeting. No matters other than those referred to in the notice may be resolved at the Noteholders' Meeting.
- 13.29.24 The Noteholders' Meeting shall be held in Riga, Latvia, and its chairperson shall be appointed by the Noteholders' Meeting based on the proposal from the Issuer. The Noteholders' Meeting shall be organised by the chairperson of the Noteholders' Meeting.
- 13.29.25 The Noteholders' Meeting shall be held in English. Representatives of the Issuer and persons authorised to act for the Issuer may attend and speak at the Noteholders' Meeting. The Collateral Agent shall have a right to participate in all Noteholders' Meetings.
- 13.29.26 Minutes of the Noteholders' Meeting shall be kept, recording the day and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions which were adopted. The minutes shall be signed by the keeper of the minutes, which shall be appointed by the Noteholders' Meeting. The minutes shall be attested by the chairman of the Noteholders' Meeting, if the chairperson is not the keeper of the minutes, as well as by one of the persons appointed by the Noteholders' Meeting to attest the minutes. The minutes from the relevant Noteholders' Meeting shall at the request of a Noteholder or the Collateral Agent be sent to it by the Issuer.



## 14 INFORMATION ABOUT THE COLLATERAL

If not provided otherwise in this Section of the Base Prospectus, words and expressions defined in the General Terms and Conditions above or elsewhere in the Base Prospectus have the same meanings in this Section of the Base Prospectus.

### **Nature and scope of the Collateral**

The due and timely payment, discharge and performance of the Notes by the Issuer shall be secured by collateral provided to the Noteholders by the following Group entities of the Issuer as of the Issue Date:

- (a) SIA GIVEN Latvia, registration no. 40203166474, legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia;
- (b) GIVEN Estonia OÜ, registration no. 14505229, legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, Estonia;
- (c) GIVEN Lithuania UAB, registration no. 305936789, legal address at: Krokuvos g. 53-3, LT-09306 Vilnius, Lithuania;
- (d) SIA Grenardi Latvia, registration no. 50003474971, legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia;
- (e) Grenardi Estonia OÜ, registration no. 11518421, legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, Estonia.

From time to time the Collateral Providers may change if all requirements set forth in Clause 13.13.4 are observed.

The Noteholders may enforce the Collateral at any time when all of the following conditions are satisfied: (i) the Noteholders representing at least 10 (ten) per-cent of the principal amount of all outstanding Notes have notified the Issuer about the occurrence of an Event of Default pursuant to Clause 13.24.1 of the General Terms and Conditions; and (ii) the Issuer has failed to prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes within a term specified in Clause 13.24.1 of the General Terms and Conditions or within a term specified in Clause 13.24.2 of the General Terms and Conditions has notified the Noteholders that it is unable to make payments in accordance with Clause 13.24.1 of the General Terms and Conditions; and (iii) the Noteholders have voted in favour of enforcement of the Collateral pursuant to Clause 13.13.6 of the General Terms and Conditions.

### **Information about the Collateral Providers**

The information on each Collateral Provider, including general and basic information, history, development and principal activities, management data, shareholding and other relevant information is provided in Section □ "Organisational structure and information about the Collateral Providers" of this Base Prospectus.

## 15 GENERAL TERMS AND CONDITIONS OF THE OFFERING

### 15.1 General Structure of the Offering of Notes

- 15.1.1 The Programme consists of (i) a public offering ("**Retail Offering**") of the Notes to retail investors and institutional investors (each a "**Retail Investor**") in the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia; and (ii) private placement ("**Private Placement**") of the Notes to institutional investors ("**Institutional Investor**") in certain Member States of the European Economic Area ("**EEA**") and to other selected Investors in each case pursuant to an exemption under Article 1 of the Prospectus Regulation; and (iii) a public exchange offer ("**Exchange Offering**") addressed to the holders of the Existing Secured Notes ("**Existing Noteholder**") in relation to their exchange with the Notes as further described in the respective Final Terms and below. The Retail Offering, the Private Placement and the Exchange Offering together are referred to as the Offering. The Retail Investor, the Institutional Investor and the Existing Noteholder together are referred to as Investors.
- 15.1.2 The Noteholders shall be prohibited to resell, transfer or deliver the Notes to any person in a manner that would constitute a public offer of securities.
- 15.1.3 For the purposes of the Retail Offering, only such prospective Investors will be eligible to participate in the offering who at or by the time of placing their orders have opened securities accounts with entities of their choice, which are licensed to provide such services within the territory of the Republic of Latvia, of the Republic of Lithuania or of the Republic of Estonia and are members of Nasdaq Riga or have relevant arrangements with a member of Nasdaq Riga ("**Custodian**").
- 15.1.4 For the purposes of the Offering the Issuer may appoint sales agent ("**Sales Agent**"), to act as a Sales Agent in relation to the Offering of particular Tranche in Estonia and / or Lithuania. The Sales Agent may act as a distributor and offer the Notes of particular Tranche, including assist the Issuer with the relevant investor and marketing materials and approach the investor base concerning the Notes offered under these General Terms and Conditions and Final Terms of particular Tranche in Estonia and / or Lithuania. In any case, the particular Sales Agent information shall be indicated in the Final Terms of respective Tranche, if appointed.

### 15.2 Subscription for the Notes

- 15.2.1 The subscription period (the "**Subscription Period**") for each Tranche shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Subscription Period.
- 15.2.2 The Investors wishing to subscribe for and purchase the Notes shall submit their orders to acquire the Notes (the "**Subscription Orders**") at any time during the Subscription Period.
- 15.2.3 At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Notes in a securities account maintained in its name and opened with a Custodian of their choice.
- 15.2.4 Upon submission of the Subscription Order the Investor shall authorise the Nasdaq CSD, Nasdaq Riga and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of respective Investor's Subscription Order before, during and after the Subscription Period.
- 15.2.5 An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the applicable law) to submit the Subscription Order. An Investor shall ensure that all information contained in the Subscription Order is correct, complete and legible.
- 15.2.6 The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible or that has not been completed and submitted and/or has not been supported by the necessary additional documents, requested by the Issuer, during the Subscription Period and in accordance with all requirements set out in the General Terms and Conditions of the Notes.
- 15.2.7 All expenses associated with the acquisition and custody of the Notes shall be the responsibility of the Noteholder, in accordance with the price list of the credit institution or investment service provider through which the Noteholder purchases and holds the Notes. The Issuer is not obligated to compensate for any such expenses incurred by the Noteholder.
- 15.2.8 Any consequences of form of a Subscription Order for the Notes being incorrectly filled out will be borne by the Investor.

- 15.2.9 All Subscription Orders shall be binding and irrevocable commitments to acquire the allotted Notes, with the exceptions stated below. The Subscription Orders shall not be considered valid and shall not be processed in case the purchase amount indicated in the Subscription Orders is less than the Minimum Investment Amount or the Subscription Orders were received after the Subscription Period. The Issuer has no obligation to inform the Investors about the fact that their Subscription Orders are invalid.

### **15.3 Retail Offering**

- 15.3.1 In order to subscribe to the Notes, Retail Investor in the Republic of Latvia, the Republic of Estonia and the Republic of Lithuania must have a securities account with a Custodian. A Retail Investor wishing to subscribe for Notes should contact its Custodian and submit the Subscription Order using the Subscription Order forms and methods (e.g., physically, over the internet or by other means) made available by the financial institution. Subscription Orders by the Custodians shall be filed through the Nasdaq Riga Auction System.
- 15.3.2 The total amount of the Notes to be acquired and indicated in each Subscription Order shall be for at least the Minimum Investment Amount. The procedure of submission of the Subscription Orders shall be specified in the Final Terms if any additional information shall be provided.

### **15.4 Private Placement**

- 15.4.1 In respect of the Private Placement of the Notes Institutional Investors wishing to purchase the Notes may submit their Subscription Orders to the Arranger or the Sales Agent if appointed according to Final Terms, or their Custodian, which in turn shall submit the orders to the Arranger.
- 15.4.2 Institutional Investors shall submit their own Subscription Orders or Subscription Orders received from other Investors, if any, to the Arranger or the Sales Agent if appointed according to Final Terms.
- 15.4.3 Institutional Investors shall be entitled to place multiple Subscription Orders.
- 15.4.4 Institutional Investors shall contact the Arranger or the Sales Agent if appointed according to Final Terms, for information on detailed rules governing the placement of Subscription Orders, in particular the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an Investor.

### **15.5 Exchange Offering**

- 15.5.1 The exchange period (the "**Exchange Period**") for each Tranche, if any, shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Exchange Period. However, in any case, the Exchange Period cannot be longer than the Subscription Period of the respective Tranche of Notes.
- 15.5.2 By filing a respective corporate event notification to the Nasdaq CSD, within the Exchange Period of each Tranche the Issuer may offer to all Existing Noteholders to exchange the Existing Secured Notes with the Notes, as specified in the respective Final Terms. For the avoidance of doubt, in each Final Terms it will be further specified which of the Existing Secured Notes can be exchanged for the Notes.
- 15.5.3 The Exchange Period for exchange of the Existing Secured Notes with the Notes shall not be shorter than 10 (ten) Business Days.
- 15.5.4 The exchange ratio shall be one-to-ten and any number of the Existing Secured Notes may be used for the exchange.
- 15.5.5 Existing Noteholders wishing to exchange the Existing Secured Notes can submit their instructions with their Custodian in writing using the offer form provided by the Custodian stating the number of the Existing Secured Notes to be exchanged (the "**Exchange Instruction**").
- 15.5.6 The Custodian shall in turn inform the Nasdaq CSD on the total number of the Existing Secured Notes to be exchanged with the Notes of the respective Tranche and the Existing Noteholders who requested the exchange by the end of the Exchange Period.
- 15.5.7 The deadlines set by the Custodian or the Nasdaq CSD might also be earlier than the end of the Exchange Period.
- 15.5.8 Every Existing Noteholder participating in the Exchange Offer is entitled to a fee as compensation for the accrued interest on the Existing Secured Notes for the period from last interest payment date of the Existing Secured Notes until the Issue Date of the respective

Tranche of these Notes. The specific amount of fee shall be specified in the Final Terms of each respective Tranche. The fee is payable within 10 (ten) Business Days after the Issue Date and the record date for the fee of the respective Tranche. For tax purposes the fee is treated as interest payment.

- 15.5.9 The Arranger assumes no warranty or liability regarding the receipt of Exchange Instructions placed before the end of the Exchange Period.
- 15.5.10 By submitting an Exchange Instruction for the exchange of the respective Existing Secured Notes with the Notes, each Existing Noteholder shall authorise and instruct the Custodian to immediately block the total number of the respective Existing Secured Notes to be exchanged with the Notes on the Investor's securities account until the settlement for the transaction is completed or until the respective Existing Secured Notes are released.
- 15.5.11 The number of the Existing Secured Notes on the Existing Noteholder's securities account to be blocked shall be ten times less, meaning that for one Existing Secured Note the Existing Noteholder will receive ten Notes. An Existing Noteholder may submit an Exchange Instruction only when there is a sufficient number of the respective Existing Secured Notes on the Existing Noteholder's securities account. If the number of the respective Existing Secured Notes which are blocked is insufficient, the Exchange Instruction shall be deemed valid only in respect to the amount of a sufficient number of the respective Existing Secured Notes that are on the Existing Noteholder's securities account. For the sake of clarity, the Existing Noteholder will have the option to exchange one Existing Secured Note for 10 (ten) Notes. If the Existing Noteholder holds more than one Existing Secured Note, it may exchange only a certain amount of Existing Secured Notes and not exchange others. However, the Existing Noteholder will not be able to exchange one Existing Secured Note for fewer than 10 Notes and receive the surplus as a cash payment.

## **15.6 Withdrawal of the Subscription Orders**

- 15.6.1 An Investor may withdraw a Subscription Order for the Notes of the respective Tranche by submitting a written statement to the credit institution or investment brokerage firm where the subscription was made at any time until the end of the Subscription Period of the respective Tranche.
- 15.6.2 Additionally, as set forth in Article 23 of the Prospectus Regulation, an Investor may withdraw a Subscription Order for the Notes of the respective Tranche by submitting a written statement to the Custodian where the subscription was made at any time until the end of the Subscription Period of the respective Tranche if any supplement or amendment to the Base Prospectus is made public concerning an event or circumstances occurring before the allocation of the Notes, of which the Issuer became aware prior to allocation of the Notes, within 2 (two) Business Days as from the date of the publication of the supplement or amendment to the Base Prospectus.
- 15.6.3 An Investor shall be liable for payment of all fees and costs charged by a credit institution or an investment brokerage firm used by the Investor for the Subscription of the Notes in connection with the withdrawal or amendment of the Subscription Order.
- 15.6.4 Following withdrawal of a Subscription Order, the repayments shall be made (or blocked funds shall be released) in accordance with the Subscription Order within 3 (three) Business Days following submission of a statement regarding withdrawal of the Subscription Order.

## **15.7 No Assignment or Transfer**

The rights arising out of this Base Prospectus in relation to the subscription for the Notes (including, without limitation, pre-emption rights, rights arising from any Subscription Orders or any acceptance thereof) are not assignable, tradable or transferable in any way and any assigned or transferred rights will not be recognised by the Issuer and will not be binding on the Issuer.

There are no pre-emption rights associated with the Notes. Therefore, no procedure for the exercise of any right of pre-emption has been adopted or produced for the purposes of the Offering. In addition, subscription rights are non-negotiable and non-tradeable, thus no procedures have been adopted or specific treatment provided thereof.

## **15.8 Payment for the Notes**

- 15.8.1 By submitting a Subscription Order, each Retail Investor shall authorise and instruct the Custodian operating the Retail Investor's cash account connected to the Retail Investor's

securities account to immediately block the whole subscription amount on the Retail Investor's cash account until the payment for the allotted Notes is completed or until the funds are released in accordance with this Base Prospectus. The subscription amount to be blocked will be equal to the Offer Price multiplied by the amount of the Notes, the respective Retail Investor wishes to subscribe for. A Retail Investor may submit a Subscription Order only when there are sufficient funds on the cash account connected to the securities account. If the blocked funds are insufficient, the Subscription Order will be deemed null and void to the extent funds are insufficient.

- 15.8.2 The Retail Investors who have not been allotted any Notes or whose Subscriptions have been reduced will receive reimbursements of the payment made upon placing the Subscription Order (or the blocked funds will be released) in accordance with instructions provided by each such Retail Investor, as required under the procedures applicable in the investment firm or credit institution with which the Subscription Order was placed. The reimbursement will take place (or the blocked funds will be released) within 10 (ten) Business Days as from the end of the Subscription Period or from the date of the publication of the supplement to this Base Prospectus on the cancellation of the Offering. The payments shall be returned (or the blocked funds will be released) without any reimbursement for costs incurred by the Retail Investors in the course of subscribing for the Notes and shall be net of all transfer expenses and without interest.
- 15.8.3 In respect of Private Placement of the Notes the Institutional Investor shall consent to the obligation to ensure the subscription amount on the settlement date on the Delivery Versus Payment terms in accordance with Nasdaq CSD rules.
- 15.8.4 Payments for the Notes are interest free.

## **15.9 Allotment**

- 15.9.1 On the next Business Day following the end of the Exchange Offer Period and Subscription Period the Issuer will decide whether to proceed with the Offering of the Notes of a Tranche or cancel the Offering of the respective Tranche.
- 15.9.2 In case the Offering of the Notes of a Tranche is cancelled, the Issuer will publish an announcement on its website as well as submit this information to the Bank of Latvia.
- 15.9.3 In case the Issuer decides to proceed with the Offering of the Notes of a Tranche the following actions shall be taken on the next 3 Business Days following the Subscription Period or about that date.

### ***Allotment of the Notes to the Investors***

- 15.9.4 The Issuer will establish the exact number of the Notes to be allotted to the Existing Noteholders who have participated in the Exchange Offer, by submitting their Exchange Instructions. All Existing Noteholders who have elected to participate in the Exchange Offer shall be allotted the Notes fully, observing the exchange ratio.
- 15.9.5 Investors submitting their Subscription Orders within first 2 (two) weeks of Subscription Period to ensure the participation in the loyalty programme as described in Section 8 "Loyalty Programme" of this Base Prospectus will be allocated at least the following amount of Notes (the exact procedure will be further specified in Final Terms of the Respective Tranche):
- (a) Investors subscribing from 5 (five) to 100 (one hundred) Notes inclusive will be allocated at least 5 (five) Notes.

For the avoidance of doubt, the Issuer in the Final Terms will also indicate whether loyalty programme is applicable to that respective Tranche. If the respective Tranche will not be eligible for the loyalty programme, then the afore-mentioned allocation principles will not be applied. For loyalty program participation purposes, the Investor may be required to provide information (for instance, confirmation from securities account of Notes held), confirming its holding of the Notes.

- 15.9.6 The Issuer will establish the exact amount of the Notes to be allotted with respect to each Subscription Order.
- 15.9.7 As a general principle, if the total number of the Notes subscribed for (including the Notes exchanged during the Exchange Offer) is equal to or less than the number of the Notes and the Issuer decides to proceed with the Offering of the respective Tranche of Notes, the Notes will be allotted based on the Subscription Orders placed.

- 15.9.8 In case the total number of the Notes subscribed for is higher than the number of the Notes and the Issuer decides to proceed with the Offering, the Notes may be allocated to them in an entirely discretionary manner of the Issuer.
- 15.9.9 If any additional provisions would be applied to the allocation of the separate Tranche Notes, these will be specified in the Final Terms for the Offering of the relevant Tranche.
- 15.9.10 The division of Notes between the retail and institutional investors has not been predetermined. The Issuer will determine the exact allocation at its sole discretion.
- 15.9.11 Under the same circumstances, all Investors shall be treated equally, whereas depending on the number of Investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Notes allocated to one investor, which will apply equally to both – the Retail Investors and the Institutional Investors. If such approach is chosen, it will be further specified in the respective Final Terms.
- 15.9.12 The allocation shall be aimed to create a solid and reliable Investor base for the Issuer.
- 15.9.13 The Issuer shall be entitled to prefer its Existing Noteholders to other Investors.
- 15.9.14 Possible multiple Subscription Undertakings submitted by an Investor shall be merged for the purpose of allocation.

### **Confirmations**

- 15.9.15 After completion of the allotment, the Investor shall receive a notification about partial or full satisfaction or rejection of the Subscription Order submitted by the Investor and the number of Notes allotted to the investor if any. A confirmation shall be provided by the Custodian where an Investor has submitted his/her/its Subscription Order, the Arranger or Sales Agent if appointed according to Final Terms.

### **Information about the Results of the Offering**

- 15.9.16 Information about the results of the Offering of each Tranche (amount of the Notes issued and an aggregate principal amount of the respective Tranche) shall be published on the Issuer's website [www.grenardi.group](http://www.grenardi.group) as well as at [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com). The exact date on which announcement will take place of the results of the Offering of particular Tranche, will be included in the Final Terms of the respective Tranche.

## **15.10 Cancellation, Suspension or Postponement of the Offering**

- 15.10.1 The Issuer may cancel the Offering of the Notes of any Tranche at any time prior to the Settlement Date without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the Subscription Period, or decide that the Offering of any of the Tranches will be postponed and that new dates of the Offering will be provided by the Issuer later.
- 15.10.2 In such an event, Subscriptions for the Notes that have been made will be disregarded, and any Subscription payments made will be returned (or the blocked funds will be released) without interest or any other compensation.
- 15.10.3 Any decision on cancellation, suspension, postponement or changes of the dates of the Offering will be published in a manner compliant with applicable regulations, as well as market practices in Latvia.

## **15.11 Settlement and Delivery**

- 15.11.1 The settlement of the Offering will be carried out by Nasdaq CSD. The Notes allocated to Retail Investors and Institutional Investors will be transferred to their securities accounts through the "delivery versus payment" method pursuant to the applicable rules of Nasdaq CSD simultaneously with the transfer of payment for such Notes. The title to the Notes will pass to the relevant Retail Investors and Institutional Investors when the Notes are transferred to their securities accounts. If Retail Investor or Institutional Investor has submitted several Subscription Orders through several securities accounts, the Notes allocated to such Retail Investor or Institutional Investor will be transferred to all such securities accounts proportionally to the number of the Notes indicated in the Subscription Orders submitted for each account, rounded up or down as necessary. The settlement will take place on the Issue Date. All paid up Notes shall be treated as issued.
- 15.11.2 For all the Existing Secured Notes to be exchanged with the Notes, the Nasdaq CSD will instruct the relevant Nasdaq CSD member to transfer the total number of the Notes to its clients, which in turn will transfer specific number of the Notes to each of the Investors.

- 15.11.3 On the Issue Date the Nasdaq CSD will delete a number of the Existing Secured Notes that were exchanged for the Notes from each of its members accounts.
- 15.11.4 Dealing with the Notes may begin when the Notes allocated to Investors are transferred to their securities account which will take place on the date indicated in the Final Terms of the respective Tranche.

### **15.12 Listing and Admission to Trading**

- 15.12.1 The Issuer shall submit an application to list and admit to trading each Tranche of the Notes on Nasdaq Riga Baltic Bond List.
- 15.12.2 The decision as to the listing and admission of Notes to trading on Nasdaq Riga shall be adopted by the Board of Nasdaq Riga. The Issuer shall take all the measures, established in Nasdaq rules, needed that the Notes would be admitted to trading on Nasdaq Riga as soon as practicably possible.
- 15.12.3 The Issuer expects that the Notes of the respective Tranche shall be admitted to trading on Nasdaq Riga within 3 (three) months as from placement thereof to the investors at the latest. Disregarding this, the Issuer will put its best endeavours so that these terms would be as short as practicable possible.
- 15.12.4 The Issuer shall also put its best efforts to ensure that the Notes remain listed on the Nasdaq Riga. The Issuer shall, following a listing or Admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Notes.
- 15.12.5 The Issuer will cover all costs, which are related to the Listing of the Notes on Nasdaq Riga.

### **15.13 Taxation**

*Tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Notes. The following is a general summary of certain tax consideration in the Republic of Latvia in relation to the Notes. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Notes, as well as does not take into account or discuss the tax implications of any country other than the Republic of Latvia. The information provided in this section shall not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Notes applicable to their particular circumstances.*

*This summary is based on the laws of Latvia as in force on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.*

Latvia has entered into a number of tax conventions on elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident prospective investor, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001.

#### **15.13.1 Taxation of the Noteholders individuals**

##### ***Resident individuals***

An individual will be considered as a resident of Latvia for taxation purposes:

- if the individual's declared place of residence is in the Republic of Latvia; or
- if the individual stays in the Republic of Latvia 183 days or more within any 12-month period, starting or ending in the taxation year; or
- if the individual is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia.

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income and interest equivalent income from the Notes for resident individuals will be subject to 20 per-cent withholding tax, deductible by the Issuer before the payment. The capital gains from the sale of the Notes will be subject to 20 per-cent tax, but the tax would be payable by the individual him/herself. Special rules apply if the transactions with the Notes are made through an investment account within the meaning of the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma*

*nodokli*). In such case taxation of income is deferred until the moment when the amount withdrawn from the investment account exceeds the contributed amount.

### **Non-resident individuals**

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income from the Notes being circulated publicly as well as income from the alienation of the publicly circulated Notes will not be subject to tax in Latvia.

#### **15.13.2 Taxation of the Noteholders entities**

##### **Resident entities**

An entity will be considered as a resident of Latvia for tax purposes if it is or should have been established and registered in the Republic of Latvia in accordance with the legislative acts of the Republic of Latvia. This also include permanent establishments of foreign entities in Latvia.

Interest (coupon) income and a capital gain from the Notes constitute a part of the beneficiary's - Latvian company's overall income. The Corporate Income Tax obligation is deferred to the moment of profit distribution (dividends, interim dividends) or deemed profit distribution (e.g., deemed dividends, non-business expenditure, bad debts provisions/write-off, loans to the related persons, transfer pricing adjustments, liquidation quota) of the beneficiary - Latvian company. The tax is assessed and paid based on the Corporate Income Tax Return filed for a taxation period (a month or year).

##### **Non-resident entities**

In accordance with the Corporate Income Tax Law of Latvia (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) the interest income and income from the alienation of the Notes for non-resident entities will not be taxable in Latvia.

#### **15.13.3 Taxation of low-tax non-residents**

In general, payments (including interest payments) to non-residents located, registered or incorporated in a no-tax or low-tax country or territory as defined in the Regulations of the Cabinet of Ministers No.819 "Regulations on No-Tax or Low-Tax Countries and Territories", adopted on 17 December 2020; effective as of 1 January 2021 ("**Low-Tax Non-Latvian Residents**") are subject to withholding tax of 20 per-cent if the payer is a Latvian legal entity or 23 per-cent if the payer is a Latvian individual resident having obligation to withhold tax. However, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) payments by Latvian legal entities to Low-Tax Non-Latvian Residents for securities publicly circulated in the EU or EEA are exempt from withholding tax if made at the market price. The State Revenue Service of the Republic of Latvia in a legally non-binding explanation in the context of an issue of debt notes by another issuer has confirmed that, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*), there is no withholding tax also on the interest payments made by the Issuer to the holders of the notes publicly circulated in the EU or EEA who are Low-Tax Non-Latvian Residents, provided that the payments are made at the market price.



## 16 FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Base Prospectus

**IMPORTANT – EEA RETAIL INVESTORS:** The Notes have a fixed rate of interest and the redemption amount is fixed as described in the Base Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) has been prepared by the Issuer.

### Final Terms dated [●] AS Grenardi Group

### Issue of EUR [●] Tranche No. [●] of Notes due [●] under the Programme for the Issuance of Notes in total amount of up to EUR 17 000 000

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Notes set forth in the Base Prospectus dated [●] (the “Base Prospectus”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus has been published on the Issuer’s website [www.grenardi.group](http://www.grenardi.group).

A summary of the individual issue is annexed to these Final Terms.

- |                                |   |
|--------------------------------|---|
| 1. Issuer:                     | AS Grenardi Group   |
| 2. Currency:                   | EUR   |
| 3. Tranche number:             | [●]   |
| 4. ISIN:                       | [[●]] / [Temporary ISIN: [●].]  |
| 5. Aggregate principal amount: | EUR [●]   |
| 6. Number of Notes:            | [●]   |
| 7. Nominal amount of the Note: | EUR 100   |
| 8. Issue Date:                 | [●]   |
| 9. Annual Interest Rate:       | [●]   |
| 10. Interest Payment Dates:    | [●]   |
| 11. Maturity Date:             | [●]   |
| 12. Call Option Dates:         | The Issuer shall be entitled to full early redemption (call option) starting: <ul style="list-style-type: none"><li>(a) from [date] which is one year after the Issue Date by paying 102% (one hundred and two per cent) of the Nominal amount plus accrued and unpaid interest;</li><li>(b) from [date] which is two years after the Issue Date by paying 101% (one hundred and one per cent) of the Nominal amount plus accrued and unpaid interest;</li><li>(c) from [date] which is six months before Maturity Date by paying 100% (one hundred per cent) of the Nominal amount plus accrued and unpaid interest.</li></ul> |
| 13. Minimum Investment Amount: | [●]   |
| 14. Issue Price of the Note:   | [●]   |
| 15. Subscription Period:       | [●]   |

16. Procedure for submission of Subscription Orders: [•]
17. Exchange Period: [[•] / [Not applicable.]]
18. Exchange Ratio: [[•] / [Not applicable.]]
19. Accrued interest payable to Existing Noteholders per one Note: [•]
20. Procedure for submission of Exchange Instructions: [[•] / [Not applicable.]]
21. Procedure for allocation of the Notes and settlement: [•]
22. First Existing Secured Notes subject to exchange: Notes of AS Grenardi Group, registration number: 40203279291, (ISIN: LV0000860054 with maturity on 30 April 2023). / [Not applicable.]]
23. Estimated total expenses of the issue of the Notes: [•]
24. Estimated net amount of the proceeds from the Issue of the Notes: [•]
25. Name of the Arranger: Signet Bank AS, registration number: 40003043232, legal address: Antonijas iela 3, Riga, LV-1010, Latvia.
26. Name of the Sales Agent [[•] / [Not applicable.]]
27. Rating: The Notes to be issued have not been rated.
28. Information about the securities of the Issuer that are already admitted to trading: [[•] / [Not applicable.]]
29. Eligibility for participation in the investor loyalty programme: [Yes / No]

These Final Terms have been approved by the Management Board of the Issuer at its meeting on [*date*] [*month*] [*year*].

Riga, [*date*] [*month*] [*year*]

[•]

## 17 GLOSSARY

The following definitions will apply throughout this Base Prospectus unless the context requires otherwise. They are not intended as technical definitions and are provided purely for assistance in understating certain terms used in this Base Prospectus.

<b>Accounting Principles</b>	International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).
<b>Adjusted Equity</b>	The aggregate book value of the Group's total equity on a consolidated basis, increased by Subordinated Debt, according to the most recent Financial Report.
<b>AML</b>	Anti-money laundering.
<b>Arranger</b>	Signet Bank AS, registration no. 40003076407, legal address at: Antonijas iela 3, LV-1010, Riga, Latvia.
<b>Articles of Association</b>	Articles of Association of the Issuer effective as of the date of this Base Prospectus.
<b>Audited Financial Reports</b>	Consolidated audited financial statements of the Group pertaining to the two financial years ending on 31 December 2022 and 31 December 2021 prepared in accordance with Accounting Principles.
<b>Auditor</b>	In respect to the Issuer - any international and reputable auditor licensed to practice in the Republic of Latvia (PricewaterhouseCoopers SIA, Ernst & Young Baltic SIA, KPMG Baltics SIA, Deloitte Audits Latvia SIA, BDO Assurance SIA, Nexia Audit Service SIA, Baker Tilly Baltics AS, Grant Thornton Baltic Audit SIA). Currently the Issuer is audited by Grant Thornton Baltic Audit SIA (licence No. 183).
<b>B2B</b>	Business to business.
<b>Bank Guarantees</b>	Arrangement: <ol style="list-style-type: none"> <li>1) of the Issuer with Signet Bank AS to provide guarantees to the Subsidiaries SIA GIVEN Latvia, GIVEN Estonia OÜ, GIVEN Lithuania UAB in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA GIVEN Latvia to Signet Bank AS (<b>Bank Security</b>), and</li> <li>2) of SIA Grenardi Latvia with Luminor Bank AS to provide guarantees to the Subsidiaries SIA Grenardi Latvia and Grenardi Estonia OÜ in relation to the lease agreements (to the lessors of premises rented by the Group) that is secured with commercial pledges granted by SIA Grenardi Latvia to Luminor Bank AS, which will be reviewed, and the underlying commercial pledges will be removed until registration of the Collaterals under the Notes of this Base Prospectus; and</li> <li>3) relating to any other guarantees to be issued by another bank or credit institution for the lease agreements of the Group, provided that in any case such guarantee arrangement is not prohibited by Permitted Security.</li> </ol>
<b>Bank of Latvia</b>	The Bank of Latvia (in Latvian: <i>Latvijas Banka</i> ) with its registered office in Riga, Latvia. The Latvian financial supervision authority.
<b>Bank of Lithuania</b>	The Bank of Lithuania (in Lithuanian: <i>Lietuvos bankas</i> ) with its registered office in Vilnius, Lithuania. The Lithuanian financial supervision authority.
<b>Bank Security</b>	The Issuer's arrangement with Signet Bank AS to provide guarantees to the Subsidiaries SIA GIVEN Latvia, GIVEN Estonia OÜ, GIVEN Lithuania UAB in relation to the lease agreements (to the lessors of

	<p>premises rented by the Group) that is secured with commercial pledges granted by SIA GIVEN Latvia to Signet Bank AS. The Bank Security is registered after the Existing Collaterals arising from the Existing Secured Notes, yet the intercreditor agreement concluded between Signet Bank AS and the existing Collateral Agent ranks the Bank Security <i>pari passu</i> to the Existing Collaterals. The Collaterals securing the Notes under this Base Prospectus would be ranked <i>pari passu</i> to the Bank Security and the Existing Collaterals.</p>
<b>Business Day(s)</b>	Business Day is a day when the Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.
<b>Capitalization Ratio</b>	Ratio of Adjusted Equity to consolidated assets of the Group calculated according to the most recent Financial Report.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents of the Group in accordance with the Accounting Principles.
<b>Change of Control</b>	<p>The occurrence of an event or series of events whereby, a person (natural person or legal entity) or group of persons acting in concert (directly or indirectly) acquires the influence (whether by way of ownership of shares, contractual arrangement or otherwise) to:</p> <ul style="list-style-type: none"> <li>(a) cast or control the casting of more than 50% (fifty per cent) of the maximum number of votes that might be cast at a General Meeting of the shareholders of the Issuer (including Subsidiaries) or</li> <li>(b) appoint or remove or control the appointment or removal of a majority of the management board or supervisory board members or other equivalent officers of the Issuer ((including Subsidiaries).</li> </ul> <p>For the sake of clarity, a Change of Control does not take place if:</p> <ul style="list-style-type: none"> <li>(a) change of control takes place between existing shareholders (including where any changes to the board or supervisory board members or other equivalent officers of the Issuer takes place); or</li> <li>(b) existing shareholders each individually lose control over the Issuer and no other person gains power to cast or control the casting of more than 50% (fifty per cent) of the maximum number of votes that might be cast at a General Meeting of the shareholders of the Issuer (including where any changes to the board or supervisory board members or other equivalent officers of the Issuer takes place); or</li> <li>(c) initial public offering of shares of the Issuer occurs, whereby shares of the Issuer are offered to the public for subscription and/or purchase and subsequently listed on any EU stock exchange, including but not limited to exchanges such as Nasdaq Riga and Nasdaq First North.</li> </ul>
<b>CIT</b>	Latvian Corporate Income Tax.
<b>Collateral</b>	Collateral is described in Clause 13.8 "Collateral of the Notes", which serves as security for the fulfilment of the Issuer's obligations to the Noteholders in accordance with the General Terms and Conditions.
<b>Collateral Agent</b>	A person holding the Collateral on behalf of the Noteholders and authorized to act with the Collaterals in favour of all the Noteholders in accordance with the General Terms and Conditions and the Collateral Agent Agreement, initially ZAB "VILGERTS" SIA, a law firm registered with the Latvian Bar Association and registered with the Commercial Register with registration no. 40203309933, legal address: Skanstes iela 7, k-1 LV-1013, Riga, Latvia.

<b>Collateral Agent Agreement</b>	The agreement entered into between the Issuer and the Collateral Agent which stipulates the rights and obligations of the Collateral Agent in relation to the establishment, maintenance, and enforcement of the Collateral, as defined in the General Terms and Conditions of the Notes, in the interests of the Noteholders, as well as the Collateral Agent's compensation. A copy of the Collateral Agent Agreement is available for inspection upon request to the Issuer.
<b>Collateral Agreement</b>	The commercial pledge agreement concluded or to be concluded on the provision of the Collateral referred to in Clause 13.8 "Collateral of the Notes" between the Collateral Agent and the relevant Collateral Provider and governed by Applicable Laws of the country of the Collateral Provider. Copies of the Collateral Agreements are available for inspection upon request from the Issuer.
<b>Collateral Providers</b>	Initially the following Group entities of the Issuer: <ul style="list-style-type: none"> <li>(a) SIA GIVEN Latvia, with registration No. 40203166474 and a legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia;</li> <li>(b) GIVEN Estonia OÜ, with registration No. 14505229 and with a legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, Estonia;</li> <li>(c) GIVEN Lithuania UAB, with registration No. 305936789 and with a legal address at: Krokuvos g. 53-3, LT-09306 Vilnius, Lithuania;</li> <li>(d) SIA Grenardi Latvia, with registration No. 50003474971 and with a legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia;</li> <li>(e) Grenardi Estonia OÜ, with registration No. 11518421 and with a legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, Estonia.</li> </ul> <p>From time to time Collateral Providers may change if all requirements set forth in Clause 13.13.4 are observed.</p>
<b>Commercial Law</b>	Commercial Law of Latvia, adopted on 13 April 2000.
<b>Commercial Pledge Register(s)</b>	In respect of commercial pledge granted by SIA GIVEN Latvia and SIA Grenardi Latvia - the commercial pledge register of the Enterprises Register of Latvia ( <i>Komerckīļu reģistrs</i> ), in respect of commercial pledge granted by GIVEN Estonia OÜ and Grenardi Estonia OÜ – the Commercial Pledge Register of Estonia ( <i>Kommertspandiregister</i> ), and in respect of commercial pledge granted by GIVEN Lithuania UAB – the Register of Contracts and Legal Restrictions of Lithuania ( <i>Sutarčių ir teisų suvaržymų registras</i> ).
<b>Commercial Register</b>	Commercial Register maintained by Register of Enterprises of Latvia.
<b>Issuer</b>	AS Grenardi Group, joint stock company incorporated in Latvia, registered in the Commercial Register with registration number 40203279291, having its legal address at Dēļu iela 2, Rīga, LV-1004, Latvia.
<b>COVID-19</b>	The respiratory disease caused by the SARS-CoV-2 virus.
<b>CPF</b>	Counter Proliferation Financing.
<b>Custodian</b>	A Nasdaq CSD participant directly or licensed credit institution or investment brokerage company that has a financial securities' custody account with Nasdaq CSD participant.
<b>Delegated Regulation</b>	Regulation (EU) 2019/980 of 14 March 2019 supplementing Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

<b>Double Taxation Treaty</b>	General reference to any applicable tax treaty for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income that is concluded by Latvia, Estonia or Lithuania.
<b>EBITDA</b>	Consolidated net profit of the Group for the Relevant Period calculated according to the most recent Financial Reports: <ul style="list-style-type: none"> <li>(a) before deducting any amount of tax on profits, gains or income paid or payable by any Group company;</li> <li>(b) before deducting any Net Finance Charges;</li> <li>(c) before taking into account any exceptional items which are not in line with the ordinary course of business;</li> <li>(d) not including any accrued interest owing to any Group company;</li> <li>(e) before taking into account any gains or losses on any foreign exchange gains or losses; and</li> <li>(f) after adding back any amount attributable to the amortisation, depreciation or depletion of assets.</li> </ul>
<b>ERS</b>	The Estonian Register of Securities, operated by Nasdaq CSD SE Estonian Branch, address Maakri 19/1, 10145 Tallinn, Estonia.
<b>Estonia</b>	The Republic of Estonia.
<b>Estonian Financial Supervision Authority</b>	The Estonian Financial Supervision Authority, a financial supervision institution with autonomous competence and a separate budget which conducts supervision over credit institutions, insurance companies, insurance intermediaries, investment firms, management companies, investment and pension funds as well as the payment service providers, e-money institutions and the securities markets that have been authorised by the Financial Supervision Authority in the name of the state and which is independent in its activities and decisions.
<b>EU</b>	The European Union.
<b>EUR</b>	Euro, the official currency of eurozone countries, including Latvia, Estonia, and Lithuania.
<b>Eurozone</b>	The economic and monetary union of the European Union member states, which have adopted euro as their single official currency.
<b>Existing Collaterals</b>	Collaterals (commercial pledge on all assets), which serve as a security for the fulfilment of the Issuer's obligations towards the noteholders under the Existing Secured Notes, granted by: <ol style="list-style-type: none"> <li>1) Subsidiary SIA GIVEN Latvia;</li> <li>2) Subsidiary GIVEN Estonia OÜ;</li> <li>3) Subsidiary GIVEN Lithuania UAB.</li> </ol>
<b>Existing Guarantees</b>	Corporate guarantees issued by SIA GIVEN Latvia, registration no. 40203166474, GIVEN Estonia OÜ, registration no. 14505229 and GIVEN Lithuania UAB, registration no. 305936789, to the noteholders of the Existing Secured Notes.
<b>Existing Noteholders</b>	Noteholders of the following notes (as applicable): <ol style="list-style-type: none"> <li>1) Secured debt securities with ISIN LV0000860054 due on 30 April 2024 with an outstanding amount of EUR 3 000 000;</li> <li>2) Secured debt securities with ISIN LV0000860104 due on 31 July 2025 with an outstanding amount of EUR 4 000 000.</li> </ol>
<b>Existing Secured Notes</b>	<ol style="list-style-type: none"> <li>1) Secured debt securities with ISIN LV0000860054 due on 30 April 2024 with an outstanding amount of 3 000 000 (i.e., First Existing Secured Notes); and</li> <li>2) Secured debt securities with ISIN LV0000860104 due on 31 July 2025 with an outstanding amount of EUR 4 000 000.</li> </ol>

<b>Existing Subordinated Notes</b>	Subordinated debt securities with ISIN LV0000870103 with maximum amount of EUR 5 000 000.
<b>Fair Market Value</b>	With respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving any distress of either party, determined in good faith by the management board of the Group.
<b>Final Terms</b>	Document were specific terms of Notes of the respective Tranche are included, please refer to Section 16 " <i>Form of Final Terms</i> ".
<b>Financial Indebtedness</b>	<p>Any interest bearing financial indebtedness of the Group including:</p> <ul style="list-style-type: none"> <li>(a) monies borrowed and debt balances at banks or other financial institutions;</li> <li>(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including these Notes and Existing Secured Notes;</li> <li>(c) the amount of any liability in respect of any financial lease;</li> <li>(d) any monies borrowed from any shareholder of the Issuer;</li> <li>(e) any amount raised under any other transaction (including any forward purchase or sale agreement) having the commercial effect of a borrowing and treated as a borrowing under the Accounting Principles.</li> <li>(f) any derivative transaction based on mark-to-market value.</li> </ul> <p>For avoidance of doubt, this metric excludes current and non-current lease liabilities calculated according to IFRS 16.</p>
<b>Financial Reports</b>	The annual audited consolidated financial statements of the Group and the quarterly interim unaudited consolidated reports of the Group prepared in accordance with the Accounting Principles.
<b>First Existing Secured Notes</b>	Secured debt securities with ISIN LV0000860054 due on 30 April 2024 with an outstanding amount of EUR 3 000 000.
<b>General Meeting</b>	Meeting of the Issuer's shareholders, the highest governing body of the Issuer.
<b>Group</b>	The Issuer and its Subsidiaries.
<b>IAS</b>	International Accounting Standards.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Private Placement</b>	The non-public offering of the Notes in Latvia and in selected member states of the European Economic Area to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and other types of investors in reliance on certain exemptions available under the laws of each jurisdiction where the Offering is being made.
<b>Interest Coverage Ratio (ICR)</b>	The ratio of EBITDA to Net Finance Charges for the Relevant Period.
<b>Interim Financial Report</b>	Consolidated unreviewed interim financial statement of the Group for the 12-month period ended 31 December 2023 prepared in accordance with Accounting Principles.
<b>Inventory Coverage Ratio</b>	The ratio of Pledged Inventory plus consolidated Cash and Cash Equivalents of the Group divided by the Secured Liabilities, calculated at the end of each calendar quarter.
<b>Investor</b>	Retail investor, Institutional Investor and Existing Noteholder
<b>ISIN</b>	International Securities Identification Number.
<b>Issue Date</b>	The issue date of each Tranche.

<b>Latvia</b>	The Republic of Latvia.
<b>Latvian Association of Certified Auditors</b>	Association of Certified Auditors of the Republic of Latvia.
<b>Listing</b>	Listing of Notes on Nasdaq Riga Baltic Bond List.
<b>Lithuania</b>	The Republic of Lithuania.
<b>Majority Noteholders</b>	<p>Noteholders who collectively (excluding the Issuer, its direct and/or indirect Shareholders and the Related Parties holding any Notes) hold in aggregate the Notes with the Nominal representing at least 1/2 (one half) of the aggregate nominal of all outstanding Notes or the respective Tranche (as applicable) plus at least one additional Note (excluding the Issuer, its direct and/or indirect Shareholders and the Related Parties holding any Notes (if such Notes exist)).</p> <p>For the avoidance of doubt, Notes held by the Issuer, its direct and/or indirect Shareholders and the Related Parties shall not give them rights provided to the Majority Noteholders in accordance with this Base Prospectus.</p>
<b>Management Board</b>	The Management Board of the Issuer.
<b>Maturity Date</b>	The date when the Notes shall be repaid in full at their Nominal Value under the respective Tranche.
<b>Member States</b>	The Member States of the European Union.
<b>MIFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
<b>Nasdaq CSD</b>	Nasdaq CSD SE ( <i>Societas Europaea</i> ), the regional Baltic central securities depository (CSD), registration No. 40003242879, registered address Valņu iela 1, Rīga LV-1050, Latvia.
<b>Nasdaq Riga</b>	Nasdaq Riga AS, registration No. 40003167049, registered address at Valņu iela 1, Rīga, LV-1050.
<b>Net Finance Charges</b>	<p>All recurring debt related charges of the Group for the Relevant Period calculated according to the most recent Financial Reports:</p> <ul style="list-style-type: none"> <li>(a) including cash interest expense on Financial Indebtedness (after deducting any interest income relating to Cash and Cash equivalents); and</li> <li>(b) including cash interest expense on guarantees issued by a bank or other financial institution; and</li> <li>(c) excluding any payment-in-kind interest capitalized on loans from Related Parties and/or Subordinated Debt.</li> </ul>
<b>Notes</b>	Secured notes denominated in EUR with a fixed interest rate of the Issuer.
<b>OFAC</b>	The Office of Foreign Assets Control of the United States Department of the Treasury.
<b>Offer Price</b>	The price at which each Offer Share is to be issued or sold under the Offering.
<b>Offering</b>	The Retail Offering and the Institutional Offering jointly.
<b>Permitted Business</b>	Any businesses, services or activities that are the same as, or reasonably related, ancillary or complementary to, any of the businesses, services or activities in which the Group is engaged on the Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities, including outside the Baltic states.



<b>Permitted Security</b>	<p>The Issuer and the Collateral Providers are allowed to have the following security interests:</p> <ul style="list-style-type: none"> <li>(a) which are securing the Notes and Existing Secured Notes; and</li> <li>(b) Bank Security; and</li> <li>(c) collaterals granted in favour to Luminor Bank AS securing the Issuer's and Group's liabilities against Luminor Bank AS until registration of the Collaterals under the Notes of this Base Prospectus; and</li> <li>(d) collaterals granted by the Issuer or its subsidiaries in favour of a bank or other credit institution in relation to secured debt or lease arrangements that do not serve as Collaterals under these Notes; and</li> <li>(e) security over any assets that are serving as the Collaterals under these Notes that is ranking <i>pari passu</i> or junior to the Collaterals if the Financial covenant under clause 13.21.1(c) of this Base Prospectus is met after such transaction; and</li> <li>(f) any netting or set-off arrangement entered into by the Issuer or any Collateral Provider in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances; and</li> <li>(g) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by the Issuer or any Collateral Provider for the purpose of: (i) hedging any risk to which the Group is exposed in its ordinary course of its business; or (ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes on; excluding, in each case, any security under a credit support arrangement in relation to a hedging transaction; and</li> <li>(h) any security arising under the sale and leaseback of assets owned by the Issuer or any Collateral Provider; and</li> <li>(i) arising by operation of law or in the ordinary course of business; and</li> <li>(j) incurred as a result of the Issuer or a Collateral Provider acquiring another entity with existing encumbrances; and</li> <li>(k) any other security if such security does not impact Collaterals, enforceability, quality, or status thereof; and</li> <li>(l) any other security approved by the Majority Noteholders.</li> </ul>
<b>Pledged Inventory</b>	Current and future inventory of the Group in accordance with the Accounting Principles that is pledged in favour of the Noteholders and Existing Noteholders in accordance with the Collateral Agreements.
<b>Promissory Note</b>	An agreement between the Issuer and the Collateral Agent where the Issuer reassures it owes any sums due under the Base Prospectus to the Collateral Agent and which may be used, if necessary, for the purposes of registration and enforcement of the Collateral.
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public of admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Regulated Market</b>	The official bond list (the Baltic Bond List) of Nasdaq Riga, which is a regulated market for the purposes of the MIFID II.
<b>Related Parties</b>	Any person (natural person or legal entity) in relation to the Issuer or the Group defined as a "reporting entity" by the International Accounting Standards (IAS 24 - Related Party Disclosures).

<b>Relevant Period</b>	Each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar quarter.
<b>Sanctions</b>	Restrictive measures, namely, restrictions or prohibitions imposed pursuant to international public law, including restrictive measures adopted by the United Nations Security Council (UN), the European Union (EU), Office for Foreign Assets Control (OFAC) and by the Republic of Latvia.
<b>Section</b>	A Section of this Base Prospectus.
<b>Secured Financial Indebtedness</b>	Means the aggregate principal amount of all outstanding Financial Indebtedness of the Group (including these Notes) that is secured by security (including Collaterals) over the same assets of the Group and ranking <i>pari passu</i> with the security interests over the same assets provided to the Noteholders and Existing Noteholders, derived from the most recent Financial Report.
<b>Secured Liabilities</b>	Means the sum of the Group's Secured Financial Indebtedness and Bank Guarantees that are secured by security over the same assets of the Group and rank <i>pari passu</i> with security interests over the same assets provided to the Noteholders and Existing Noteholders, derived from the most recent Financial Report.
<b>Shareholder</b>	Natural or legal person(s) holding the Share(s) of the Issuer at any relevant point in time.
<b>Subordinated Debt</b>	Unsecured debt of the Group in the form of loans from shareholders and/or Existing Subordinated Notes. The debt is subordinated to other more senior debts or notes (including these Notes and Existing Secured Notes) with respect to claims on assets or earnings and is fully or partly repayable only if: <ul style="list-style-type: none"> <li>(a) the Group's existing and future financial and other covenants are met after the repayment; and/or</li> <li>(b) settlement of all obligations under the Existing Secured Notes and Notes are made.</li> </ul>
<b>Subscription Order</b>	Order to acquire the Notes submitted by the Investor to its Custodian or the Arranger.
<b>Subscription Period</b>	The subscription period for each Tranche as specified in the Final Terms.
<b>Subsidiaries</b>	At the date of this Base Prospectus the following entities are direct Subsidiaries (with 100% ownership) of the Issuer: <ol style="list-style-type: none"> <li>1. SIA GIVEN Latvia, registration no. 40203166474, legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia;</li> <li>2. GIVEN Estonia OÜ, registration no. 14505229, legal address at: Harju maakond, Tallinn, Lasnamäe linnaosa, Peterburi tee 46, 11415, Estonia;</li> <li>3. GIVEN Lithuania UAB, registration no. 305936789, legal address at: Krokuvos g. 53-3, LT-09306 Vilnius, Lithuania;</li> <li>4. SIA Grenardi Latvia, registration no. 50003474971, legal address at: Dēļu iela 2, Rīga, LV-1004, Latvia.</li> </ol>
<b>Summary</b>	The summary of this Base Prospectus.
<b>Supervisory Board</b>	The Supervisory Board of the Issuer.
<b>The Baltic States, the Baltics</b>	The Republic of Latvia, the Republic of Estonia, and the Republic of Lithuania as a whole.
<b>Tranche</b>	Notes may be issued in tranches.
<b>UN</b>	The United Nations.

**THE ISSUER**

**AS Grenardi Group**

(registration No. 40203279291, legal address: Dēju iela 2, Rīga, LV-1004, Latvia)

**G R E N A R D I**  
G R O U P

**ARRANGER**

**Signet Bank AS**

(registration No. 40003043232, legal address: Antonijas iela 3, Rīga, LV-1010, Latvia)

  
**SIGNET**  
BANK

**LEGAL COUNSEL TO THE ISSUER**

**ZAB Eversheds Sutherland Bitāns SIA**

(registration No. 40203329751, legal address: Lāčplēša iela 20A - 9, Rīga, LV-1011, Latvia)

**E V E R S H E D S**  
**S U T H E R L A N D**  
**B I T Ā N S**

THIS DOCUMENT IS SIGNED WITH SAFE ELECTRONIC SIGNATURES CONTAINING TIME STAMPS