TRANSLATION FROM LATVIAN

SIA
OC VISION
and its Subsidiary
Consolidated financial statements
for the year 2023

Contents

Information about the Group

Name of the Parent company of the Group	OC VISION
Legal status of the Parent company of the Group	Limited liability company
Registration number, place and date of registration of the Parent company of the Group	40003105710, Riga, 8 December 1992
Address of the Parent company of the Group	Elijas Street 17-4, Riga, LV-1050, Latvia
Information on the Group's subsidiaries	Vision Express Baltija SIA (100%) Elijas Street 17-4, Riga, Latvia Vision Express UAB (100%) Gedimino Ave 3a, Vilnius, Lithuania Vision Express Baltija SIA subsidiary Optometrijas Serviss SIA (100%) Elijas Street 17- 4, Riga, Latvia Liquidation process initiated
Shareholders of the Parent company of the Group according to the data of the Register of Companies	Jānis Dzenis – 31,79% Toms Dzenis – 20,00% Pēteris Cikmačs – 28,21% Gatis Kokins – 20,00%
Names, surnames, and positions of the Members of the Management Board of the Parent company of the Group	Jānis Dzenis, Chairman of the Board Pēteris Cikmačs, Board Member Gatis Kokins, Board Member Toms Dzenis, Board Member
Reporting year	01.01.2023 – 31.12.2023
Auditors	KPMG Baltics SIA Roberta Hirša street 1 Riga, Latvia LV-1013 Latvia Licence No. 55

Consolidated management report

General information

The core business activity of the SIA OC VISION Group, which includes SIA OC VISION, SIA Vision Express Baltija, SIA Optometrijas Serviss, and UAB Vision Express, is the retail and wholesale of vision and hearing correction products and services. As at the date of signing the financial statements in April 2024, the Group operates a network of 78 optical stores in Latvia and Lithuania under four main retail brands: OptiO, Vizionette, Vision Express, and Lornete. In addition, the Group operates e-commerce platforms in the Baltic region under the Dr. Lensor, OptiO, Vizionette, and Vision Express brands. Group also engages in the wholesale of vision and hearing correction products and equipment, as well as the provision of related services to business customers under the OPPTICA trademark. “Vision Express” and related trademarks are used in the territories of Latvia and Lithuania under a license agreement with VISION EXPRESS UK LIMITED.

Goods are purchased both from foreign and local suppliers—primarily representatives of leading manufacturers and wholesalers. The purchased goods are received at the central warehouse in Riga and at the warehouse in Vilnius, from where they are distributed to retail optical stores and sold to wholesale customers. The Group’s warehouse in Riga also provides centralized logistics and procurement services to all Group entities. The Group’s purchasing volume enables access to a wide range of high-quality products and services from leading global manufacturers, which are then offered to the Group’s customers. The Group has established long-term professional partnerships with major producers of optical goods and equipment, including EssilorLuxottica, De Rigo, Safilo, Kering Eyewear, Alcon, Bausch and Lomb, Menicon, Seiko, LTL, Cooper Vision, Tomey, Huvitz, Keeler, ICare, and other leading manufacturers.

Group’s operations during the reporting year

During the reporting year, the Group carried out renovation, redesign, and construction projects for its optical stores, including the upgrade of vision and hearing examination technologies and the implementation of the latest solutions. The Group also continued to adapt its business model to the global economic environment affected by the pandemic and geopolitical factors, making significant investments in the implementation of digital solutions and in improving operational efficiency.
During the reporting year, the Group opened a Vision Express optical store in the Olimpia shopping centre in Riga, as well as two OptiO network stores in Sigulda and Saldus. The Group also renovated the Vizionette store in the Solo shopping centre in Daugavpils, the OptiO store in the Damme shopping centre in Riga, and the OptiO store in Āgenskalns. In Lithuania, the Group renovated the OptiO store in the Klaipėda Akropolis shopping centre, opened a new OptiO store in the Vilnius Akropolis shopping centre, renovated the OptiO store in the Saules Miestas shopping centre in Šiauliai, as well as the Vision Express stores in the Ozas shopping centre in Vilnius and the Mega shopping centre in Kaunas. During the reporting year, the Group launched hearing correction / audiometry services in Latvia, continuing the project initiated in 2022 in Lithuania. The vizionette.lv and optio.lv e-commerce platforms were launched during the reporting year, and the development of the new ERP system continued. In 2024, the optio.lt and visionexpress.lv e-commerce platforms were launched.

In 2023, the Group’s net turnover amounted to EUR 32,741,172, representing a 12% increase compared to 2022. The Company closed the financial year with a profit of EUR 68,486.

Further development

The Group’s immediate objective is to adapt its operating model to the changes brought about by the pandemic and geopolitical developments, and to increase its market share, thereby strengthening its leading position in the industry. The Group aims to enhance its operations across all areas by providing its customers and business partners with the latest and highest quality vision and hearing correction solutions, products, and services available to it as a leader in the Baltic vision and hearing correction sector. The Group plans to continue developing its business, including the implementation of a broader range of digital solutions that will offer added value to customers and improve the efficiency of internal processes.

In addition, the Group plans to pursue its further development in a targeted manner by expanding its optical store network—opening new locations in upcoming, strategically located shopping centres and prime A-class street locations—while also closing or relocating unprofitable stores. Development efforts will also focus on strengthening e-commerce platforms and brand positioning, as well as investing in technology, including the development of a new ERP system. Significant investments will also be directed toward the further development of the Group's private label brands.

The Group will continue to explore opportunities for accelerated regional expansion by increasing the presence of OptiO optical stores in various regions of Latvia and Lithuania, both through the opening of new stores and by considering the acquisition of regional industry participants.

In addition, the Group plans to expand the availability of hearing care specialists and services across Latvia and Lithuania and to further grow its e-commerce business, both by entering new geographical markets and by developing new product niches. The Group also plans to invest in and develop a new digital sales solution tailored for business clients.

During a period of geopolitical instability, the Group plans to pursue a balanced growth strategy, allocating a significant portion of its resources toward increasing operational efficiency and managing risks associated with the unpredictable geopolitical developments in Eastern Europe and globally as at the date of signing the financial statements.

Financial instruments

Group's most significant financial assets and liabilities are cash, trade receivables and payables, and borrowings from credit institutions and/or financial funds. The Group does not use derivative financial instruments to manage risks related to financial assets and liabilities. For further information, refer to Note 1 of the financial statements, section "Financial instruments and financial risks."

Events after the reporting period

For events after the balance sheet date, please refer also to Note 28 to the financial statements.

No events have occurred after the end of the reporting year that would materially affect the assessment of the Group's financial statements.

Proposal for the distribution of profit

The management of the Group proposes to postpone the decision on the distribution of the Group Company's profit.

Jānis Dzenis *Chairman of the Board*	Gatis Kokins *Member of the Management Board*
Toms Dzenis *Member of the Management Board*	Pēteris Cikmačs *Member of the Management Board*

30 April 2024

Consolidated statement of profit or loss for the year 2023

	Note	2023 EUR	2022 EUR
Net turnover	2	32 741 172	29 214 511
Cost of goods sold	3	(11 718 000)	(10 771 924)
Gross profit		**21 023 172**	**18 442 587**
Selling expenses	4	(16 314 453)	(14 189 299)
Administrative expenses	5	(4 240 836)	(3 593 728)
Other operating income	6	106 144	704 042
Other operating expenses	7	(53 024)	(55 711)
Interest income and similar income	8	14 562	100
Interest expenses and similar expenses	9	(466 967)	(474 875)
Profit before corporate income tax		**68 598**	**833 116**
Corporate income tax for the reporting year	10	(112)	(214)
Profit/ (loss) for the reporting year		**68 486**	**832 902**

The notes from page 11 to page 28 form an integral part of these financial statements.

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Member of the Management Board

Toms Dzenis
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Pēteris Cikmačs
Member of the Management Board

Jolanta Ziedone
Chief Accountant

30 April 2024

Consolidated balance sheet as at 31 December 2024

Assets	Note	2023 EUR	2022 EUR
Non-current assets			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		1 208 285	1 025 367
Advance payments for intangible assets		4 000	162 922
Total intangible assets	11	**1 212 285**	**1 188 289**
Property, plant and equipment			
Land, buildings and engineering structures		2 115 367	2 146 650
Non-current investments in leased property, plant and equipment		977 889	757 107
Technological equipment and machinery		1 002 607	972 795
Other property, plant and equipment and inventory		1 376 128	1 150 221
Advance payments for property, plant and equipment		8 674	23 285
Total property, plant and equipment	12	**5 480 665**	**5 050 058**
Non-current financial investments			
Long-term guarantee deposits for remises		446 049	421 733
Total non-current financial investments		**446 049**	**421 733**
Total non-current assets		**7 138 999**	**6 660 080**
Current assets			
Inventories			
Raw materials and consumables		250 868	263 677
Goods and goods for sale	13	5 912 909	5 691 903
Advance payments for goods		77 049	123 866
Total inventories		**6 240 826**	**6 079 446**
Receivables			
Trade receivables		265 843	522 421
Other receivables	14	99 642	82 015
Accrued income		161 947	159 780
Next period expenses	15	103 934	88 977
Total receivables		**631 366**	**853 193**
Cash and cash equivalents	16	**1 690 336**	**2 277 164**
Total current assets		**8 562 528**	**9 209 803**
Total assets		**15 701 527**	**15 869 883**

The notes from page 11 to page 28 form an integral part of these financial statements.

Consolidated balance sheet as at 31 December 2024

Equity and Liabilities	**Note**	**2023 EUR**	**2022 EUR**
Equity			
Share capital	17	220 539	220 539
Revaluation reserve of non-current assets	17	2 465 398	2 420 849
Currency translation reserve	17	14 300	14 337
Other reserves		6	6
Retained earnings:			
Retained Earnings from previous years		973 577	140 675
Profit for the reporting year		68 486	832 902
Total equity		**3 742 306**	**3 629 308**
Non-current liabilities			
Other borrowings	19	7 078 148	7 000 000
Payables to shareholders	20	-	65 000
Tax and social security contributions	21	24 925	67 633
Total non-current liabilities		**7 103 073**	**7 132 633**
Current liabilities			
Borrowings from credit institutions	18	-	120 000
Other borrowings	19	19 045	-
Advances from customers		614 862	455 159
Payables to suppliers and contractors		2 097 737	2 379 675
Accrued liabilities	22	931 174	885 436
Tax and social security contributions	21	680 996	739 634
Other creditors		373 052	323 756
Payables to shareholders	20	139 282	204 282
Total Current Liabilities		**4 856 148**	**5 107 942**
Total Liabilities		**11 959 221**	**12 240 575**
Total Equity and Liabilities		**15 701 527**	**15 869 883**

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30 April 2024

Consolidated statement of cash flows

	Note	2023 EUR	2022 EUR
Cash flow from operating activities			
1. Profit/ (loss) before extraordinary items and income tax		68 598	833 116
Adjustments:			
Depreciation of property, plant and equipment	12	939 908	824 382
Impairment of property, plant and equipment		(24 376)	-
Result from disposal of property, plant and equipment	6,7	(21 851)	6 382
Amortisation of intangible assets	11	112 638	81 983
Interest income	8	(14 562)	-
Interest expenses	9	466 967	474 875
2. Profit before adjustments for changes in current assets and current liabilities		1 527 322	2 220 738
Adjustments:			
Increase/decrease in receivables		197 513	(324 396)
Increase/decrease in balances of inventories		(161 380)	(712 162)
Increase/decrease in balances of payables		(134 136)	750 033
3. Gross cash flow from operating activities		1 429 319	1 934 213
4. Interest expenses		(466 967)	(474 875)
5. Corporate income tax expenses		(276)	(13 017)
Net cash flow from operating activities		**962 076**	**1 446 321**
Cash flow from investing activities			
Acquisition of property, plant and equipment and intangible assets	11,12	(1 361 787)	(1 208 884)
Proceeds from disposal of property, plant and equipment		67 564	57 554
Interest received		14 562	-
Net cash flow from investing activities		**(1 279 661)**	**(1 151 330)**
Cash flow from financing activities			
Repayment of borrowings		(120 000)	(480 000)
Payments for the redemption of leased assets		(19 243)	(16 511)
Cession payments made	20	(130 000)	(130 000)
Net cash flow from financing activities		**(269 243)**	**(626 511)**
Net increase in cash and cash equivalents		**(586 828)**	**(331 520)**
Cash and cash equivalents at the beginning of the period		**2 277 164**	**2 608 684**
Cash and cash equivalents at the end of the period	16	**1 690 336**	**2 277 164**

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30 April 2024

Consolidated statement of cash flows

	Share capital	Revaluation reserve of non-current assets	Currency translation reserve	Other reserves	Retained earnings / (accumulated losses) from previous years	Profit for the reporting year	Total equity
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
31.12.2021.	**220 539**	**2 076 730**	**14 337**	**6**	**(367 616)**	**508 291**	**2 452 287**
Profit for 2021 transferred to retained earnings from previous years	-	-	-	-	508 291	(508 291)	-
Revaluation result of property, plant and equipment	-	344 119	-	-	-	-	344 119
Profit for the reporting year	-	-	-	-	-	832 902	832 902
31.12.2022.	**220 539**	**2 420 849**	**14 337**	**6**	**140 675**	**832 902**	**3 629 308**
Profit for 2022 transferred to retained earnings from previous years	-	-	-	-	832 902	(832 902)	-
Revaluation result of property, plant and equipment	-	44 549	-	-	-	-	44 549
Reduction of reserves	-	-	(37)	-	-	-	(37)
Profit for the reporting year	-	-	-	-	-	68 486	68 486
31.12.2023.	**220 539**	**2 465 398**	**14 300**	6	**973 577**	**68 486**	**3 742 306**

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30 April 2024

Notes to the Consolidated Financial Statements

(1) General information and accounting and measurement policies- general principle

Information about the Parent Company of the Group

The Company's legal status is a limited liability company. The legal and registered office address is Elijas Street 17-4, Riga, LV-1050. The Company's core activity is the retail and wholesale of optical goods (NACE 47.74, Rev. 2.0). As at 31 December 2023, the Company is 100% owned by individual residents of Latvia (2022: 100%).

Basis of preparation of the financial statements

The consolidated financial statements (hereinafter "financial statements") have been prepared in accordance with the Law on Accounting and the Law on the Annual Financial Statements and Consolidated Annual Financial Statements (the "Law").

The consolidated statement of profit or loss has been prepared using the function of expense method. The consolidated cash flow statement has been prepared using the indirect method.

The financial statements are prepared based on historical cost, except for the item "Land, buildings, and civil engineering structures," which is measured using the revaluation method.

The Group qualifies as a medium-sized group and applies the disclosure exemptions permitted under the Law in the notes to the financial statements.

Basis of Consolidation

Subsidiaries

The consolidation includes the Parent Company, OC VISION SIA, and the Group's subsidiaries in which the Parent Company directly or indirectly holds more than half of the voting rights, or otherwise has the ability to control their financial and operating policies. Control is deemed to exist when the Group has direct or indirect power over a company's financial and operational policies with the objective of deriving benefits from its activities. The acquisition of subsidiaries is accounted for in the consolidated financial statements using the acquisition method. Subsidiaries are consolidated from the date on which control is obtained by the Group and are excluded from consolidation from the date control ceases.

Entities included in the consolidation	Information about the Entity	Core activity of the Entity
Parent company of the Group	OC VISION SIA *Elijas Street17-4, Riga, Latvia*	Retail and wholesale of optical goods
Subsidiaries of OC VISION SIA	Vision Express Baltija SIA (100%) Elijas Street 17-4, Riga, Latvia	Retail of optical goods
	Vision Express UAB (100%) Gedimino Ave 3a, Vilnius, Lithuania	Retail of optical goods
Subsidiary of Vision Express Baltija SIA	Optometrijas Serviss SIA (100%) Elijas Street 17-4, Riga, Latvia	

Notes to the Consolidated Financial Statements

Eliminated transactions in consolidation

In the preparation of these consolidated financial statements, intercompany balances and unrealised profits from transactions between Group companies are eliminated in consolidation. Unrealised losses are eliminated in the same manner as unrealised profits, but only to the extent that there is no evidence of impairment.

Applied accounting priciples

The items in the financial statements have been measured in accordance with the following accounting principles:

a) It is assumed that the Group companies will continue as going concerns.
b) The same measurement methods have been applied as in the previous year.
c) Measurement has been performed with due prudence:
▪ only profits earned by the balance sheet date are included in the report;
▪ all foreseeable risks and losses arising in the reporting year or in prior years have been taken into account, including those identified between the balance sheet date and the date of preparation of the annual report;
▪ all impairment losses and depreciation amounts have been calculated and recognised, regardless of whether the reporting year ends in profit or loss.
d) Revenues and expenses related to the reporting year are recognised regardless of the date of payment or the date of invoice receipt or issue. Expenses are matched with the revenues of the reporting period.
e) The components of assets and liabilities have been measured separately.
f) The opening balance of the reporting year corresponds to the closing balance of the previous year, except for certain immaterial reclassifications between balance sheet and profit or loss items.
g) All items that materially affect the users' understanding of the annual report or their decision-making are disclosed. Insignificant items are aggregated, and details are provided in the notes.
h) Business transactions are presented in the annual report based on their economic substance and essence rather than their legal form.

Related parties

Related parties are legal entities and individuals related to the Group companies in accordance with the criteria outlined below:

a) An individual or a close member of that individual's family is considered related to the reporting entity if:

i. the individual has control or joint control over the reporting entity;

ii. the individual has significant influence over the reporting entity; or

iii. the individual is a member of key management personnel of the reporting entity or its parent.

b) An entity is related to a Group company if it meets any of the following conditions:

i. the entity and the Group company are members of the same group (which means that a parent, subsidiary, and fellow subsidiaries are related to each other);

ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a group entity that the other entity belongs to);

iii. both entities are joint ventures of the same third party;

iv. one entity is a joint venture of a third party and the other entity is an associate of the same third party;

v. the entity is a post-employment benefit plan for the employees of the reporting entity or an entity related to the reporting entity; if the reporting entity is itself such a plan, the sponsoring employers are also considered related parties;

vi. the entity is controlled or jointly controlled by a person identified in point (a);

vii. a person identified in point (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of its parent);

viii. the entity, or any member of the group of which it is a part, provides key management personnel services to the reporting entity or its parent.

Notes to the Consolidated Financial Statements

Related party transactions are the transfer of resources, services, or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Financial instruments and financial risks

A financial instrument is an agreement that simultaneously gives rise to a financial asset for one party and a financial liability or equity instrument for another party.

The Group's most significant financial instruments include financial assets such as trade and other receivables, and financial liabilities such as borrowings, payables to suppliers and contractors, and other creditors arising directly from its operating activities.

Financial risks related to financial instruments, financial risk management and management considerations

— Credit risk

Credit risk is the risk that the Group may incur financial losses if a counterparty fails to meet its contractual obligations. Credit risk is mainly associated with receivables from customers. The Group does not consider credit risk to be significant, as the majority of revenue comes from retail sales. Goods are sold on a deferred payment basis only in small amounts and to reliable business partners.

— Foreign Currency Risk

This is the risk that the Group may incur unexpected losses due to fluctuations in foreign currency exchange rates. The Group's foreign currency risk, primarily arising from purchases in USD and GBP, is not considered material. To mitigate foreign currency risk, the Group's management regularly monitors the currency structure of its assets and liabilities to ensure balance.

— Interest Rate Risk

This is the risk that the Group may incur losses due to fluctuations in interest rates. The interest rates on existing loan agreements are fixed. Therefore, management does not consider interest rate risk to be significant.

— Liquidity Risk

This is the risk that the Group may not be able to meet its financial obligations on time. To mitigate liquidity risk, the Group's management analyses the maturity structure of its assets and liabilities and ensures liquidity by obtaining borrowings. In 2021, the Parent Company of the Group refinanced all liabilities and secured additional working capital by entering into a long-term loan agreement in the amount of EUR 7,000,000. As a result, management believes that liquidity risk is fully under control.
For further information, refer to Note 19 of the notes to the financial statements.

Use of derivative financial instruments
Derivative financial instruments are not used for financial risk hedging.

Fair value of financial assets and liabilities
The fair value of financial assets and liabilities represents the amount for which an asset could be exchanged or a liability settled in a transaction between knowledgeable, willing, and financially independent parties. In the opinion of the Group's management, the fair value of financial assets and liabilities does not significantly differ from the carrying amount reported in the balance sheet. The Group does not apply fair value measurement to financial instruments.

Reporting period

The reporting period is 12 months, from 1 January 2023 to 31 December 2023.

Cash, cash equivalents and transactions in foreign currencies

Cash and cash equivalents consist of cash on hand, balances in current bank accounts, and other short-term highly liquid investments with an original maturity of up to three months.

Notes to the Consolidated Financial Statements

The figures presented in these financial statements are expressed in the official currency of the Republic of Latvia – euro (EUR).

Transactions in foreign currencies are translated into euros using the European Central Bank's reference exchange rate in effect on the transaction date.

All non-monetary asset and liability items are recorded in euros at the European Central Bank reference exchange rate effective on the transaction date. All monetary asset and liability items are translated into euros at the European Central Bank reference exchange rate as at the end of the reporting year. Euro per one unit of foreign currency:

	31.12.2023	**31.12.2022**
USD	1.1050	1.0666
GBP	0.8691	0.8869

Gains or losses arising from foreign currency exchange rate fluctuations are recognised in the statement of profit or loss for the respective period.

Estimates and judgements

In preparing the financial statements, management makes judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and the related assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The most significant estimates relate to the following areas:

(i) Useful life and valuation of property, plant and equipment and intangible assets

In the balance sheet, intangible assets and property, plant and equipment except for buildings and structures are presented at acquisition cost less accumulated depreciation. Depreciation begins on the first day of the month following the month in which the asset is placed into service and ends on the first day of the month following its removal from the group of intangible assets or property, plant and equipment. Depreciation is calculated using the straight-line method over the estimated useful life of the respective asset.

Management estimates the useful life of individual items of property, plant and equipment and intangible assets based on the expected usage of the asset, historical experience with similar assets, and future plans. According to management's assessment, the estimated useful lives of certain property, plant and equipment and intangible assets are as follows:

Intangible Assets:	*Depreciation period*
Trademarks	20 years
Software and software licences	3-10 years
Property, Plant and Equipment:	
Buildings and structures	50 years
Equipment and machinery	7.5 years
Vehicles	5 years
Other property, plant and equipment	7.5 years
Computers and data storage devices	5 years

In 2016, the Group recognised the trademark 'Optio' at its assessed fair value at the time of reorganisation. During the acquisition of the current Parent Company of the Group, acquisition accounting was applied by OC Invest SIA (the Group's previous parent company, which was merged with the current Parent Company through reorganisation), and identifiable intangible assets- trademarks, were recognised. An external certified valuer was engaged to determine the fair value of the trademarks. The Group's management intends to subsequently measure the trademarks at the initially recognised fair value less accumulated amortisation and impairment, if any. The trademarks are amortised over a period of 20 years.

Non-current investments in leased assets are depreciated over the shorter of their useful life or the lease term.

The appropriateness of depreciation rates is reviewed at least at the end of each reporting year.

(ii) Valuation of buildings

The Group's consolidated balance sheet item "Land, Buildings and Structures" is presented using the revaluation method. This means that after initial recognition, buildings and structures are measured in accordance with the revaluation method- that is, buildings and structures whose fair value can be measured reliably are, after initial recognition, carried at a revalued amount equal to their fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses.

Revaluations are performed by professionally qualified valuers with sufficient regularity to ensure that the carrying amount does not differ materially from the amount that would be determined using fair value at the balance sheet date, but no less frequently than once every five years.

If a building or structure is revalued, then the entire category is revalued. As of the revaluation date, accumulated depreciation is deducted from the acquisition cost of the building or structure, or from another amount that replaces acquisition cost in the financial statements, and the carrying amount is increased or decreased to match the revalued amount.

If the carrying amount of this category of property, plant and equipment is increased as a result of revaluation, the increase, net of deferred tax effects, is recognised in equity under "Revaluation reserve of non-current assets." If the increase reverses a revaluation decrease for the same asset previously recognised in profit or loss, the increase is recognised in the statement of profit or loss for the reporting period.

If the carrying amount of an asset is decreased as a result of revaluation, the decrease is recognised in the statement of profit or loss for the reporting period. If the decrease does not exceed a previously recognised revaluation increase for the same asset under "Revaluation Reserve of Non-Current Assets," the decrease is deducted from that reserve.

Any increase included in the "Revaluation reserve of non-current Assets" is reduced by the full amount of the revaluation when the revalued asset is disposed of or retired, and the reduction is recognised in the statement of profit or loss at that time.

(iii) Determination of Net Realisable Value of Inventories

Inventories are measured at the lower of cost and net realisable value. Management must make estimates of inventory value in cases where it is identified that the recoverable amount of inventories is lower than their carrying amount. If the recoverable amount of inventories is lower than their carrying amount, the value of inventories is reduced to their net realisable value- that is, the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Valuation of trade receivables

Trade receivables are recognised in the balance sheet at amortised cost, net of impairment allowances. Impairment allowances are established when there is objective evidence that the Company will not be able to collect the full amount of receivables in accordance with the originally agreed payment terms. Receivables are measured in accordance with the prudence principle, and allowances are made based on management's individual assessment of the recoverability of each receivable. The amount of the impairment allowance represents the difference between the carrying amount of the receivables and their recoverable value and is recognised in the profit or loss statement.

Notes to the Consolidated Financial Statements

Provisions and accrued liabilities

Provisions are recognised when a past event has created a present obligation or loss and the amount can be reliably estimated. The likelihood of a loss is assessed by management through judgement. To determine the amount of the loss, management must select an appropriate calculation model and make specific assumptions related to the risk.

According to the Group's management, as at the balance sheet date, there are no past events that have resulted in a present obligation or loss requiring the recognition of provisions.

As at the end of the reporting period, accrued liabilities for unused vacation days have been calculated based on the number of unused vacation days as at 31 December and the average daily salary for the last six months of the reporting year.

Revenue recognition

Revenue from sales of goods
Revenue from the sale of goods is recognised in the statement of profit or loss when the risks and rewards of ownership have been transferred to the buyer.

Revenue is not recognised if, under the terms of the transaction, the Group retains significant risks associated with ownership of the goods and the goods may be returned.

Revenue from services provided
Revenue from the provision of services is recognised in the statement of profit or loss in the period in which the services are rendered.

Interest income
Interest income is recognised on a time-proportionate basis, taking into account the effective yield of the asset.

Non-current and current items

Non-current items include amounts that are receivable, payable, or to be written off more than one year after the end of the relevant reporting year. Amounts that are receivable, payable, or to be written off within one year are presented under current items.

Lease transactions
Finance Lease
In cases where an asset is acquired under finance lease terms and the associated risks and rewards are transferred to the Group, the leased asset and corresponding lease liability are recognised in the balance sheet at amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower.
To calculate the present value of minimum lease payments, the discount rate used is the interest rate implicit in the lease or, if that cannot be reliably determined, the lessee's incremental borrowing rate is applied.
Depreciation expenses for the leased asset and finance costs arising from the finance lease are recognised in the statement of profit or loss during the reporting period. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the leased asset is fully depreciated over the lease term or its useful life, whichever is shorter. Otherwise, the asset is depreciated over its useful life.

Operating lease
Payments under operating leases are recognised in the statement of profit or loss on a linear basis over the lease term.

Inventory accounting

Inventories are accounted for using the FIFO method. Inventory accounting is organised under the perpetual inventory system.

Corporate income tax

(a)Current tax

The tax rate is 20% of the taxable base, which is determined by dividing the taxable amount subject to corporate income tax by a coefficient of 0.8 and includes:

- distributed profits (declared dividends, payments equivalent to dividends, deemed dividends), and
- deemed distributed profits (e.g. non-business-related expenses and other specific cases defined by law).

(b) Deferred tax

In accordance with the Law on the Annual Financial Statements and Consolidated Financial Statements, the Company may, for justified reasons, elect to depart from the Law and voluntarily recognise deferred tax. In such cases, deferred tax must be recognised, measured, and disclosed in the financial statements in accordance with International Accounting Standards as adopted by the European Union.

According to the accounting policy of the Parent Company of the Group, this option to depart from the statutory requirement is not applied, and deferred tax is not recognised in the consolidated financial statements.

(2) Net turnover

Revenue represents the income earned during the year from the core activities of the Group companies – the sale of goods and the provision of services – excluding value added tax and net of discounts.

Type of activity

	2023 **EUR**	**2022** **EUR**
Retail of goods	25 837 939	22 722 425
Wholesale of goods	3 221 067	3 260 097
Services	3 682 166	3 231 989
	32 741 172	**29 214 511**

Net revenue by geographical markets:

	2023 **EUR**	**2022** **EUR**
Latvia	21 038 276	19 051 924
European Union	11 503 087	9 623 068
Other	199 809	539 519
	32 741 172	**29 214 511**

Notes to the Consolidated Financial Statements

(3) Cost of goods sold

This item includes the costs incurred to generate net revenue - the acquisition cost of goods and expenses related to the purchase of goods.

	2023 EUR	2022 EUR
Cost of goods sold	11 635 443	10 683 228
Material costs	82 557	88 696
	11 718 000	**10 771 924**

(4) Selling expenses

	2023 EUR	2022 EUR
Personnel costs	8 928 278	7 507 009
Premises lease	2 989 948	2 718 270
Advertising expenses	1 698 719	1 353 263
Depreciation and amortisation (notes 11 and 12)	1 052 546	906 365
Utilities expenses	789 040	784 445
Trademark royalty payments	196 717	146 000
Transportation expenses	177 328	190 172
Write-off of low-value inventory	131 028	170 524
Non-deductible input VAT	84 644	75 674
Change in provisions of slow-moving goods	(52 376)	20 000
Other expenses	318 581	317 577
	16 314 453	**14 189 299**

(5) Administrative expenses

	2023 EUR	2022 EUR
Personnel costs	2 887 016	2 340 056
Vehicle expenses, incl. leasing	225 185	230 447
Legal and business consulting services	194 672	182 319
Lease of premises	188 907	178 790
Bank fees and services	137 361	140 812
Business travel expenses	109 512	102 278
Utility expenses	97 327	99 251
Communication expenses	55 377	78 059
Office expenses	49 599	64 746
Representation expenses	41 306	12 513
Other expenses	254 574	164 457
	4 240 836	**3 593 728**

Notes to the Consolidated Financial Statements

(6) Other operating income

	2023 EUR	2022 EUR
Government support related to the COVID-19 crisis*)	-	608 967
Net result from disposal of property, plant and equipment**)	21 851	-
Gains from foreign exchange	-	3 256
Other Income ***)	84 293	91 819
	106 144	**704 042**

*) Government support received to compensate the decrease in working capital cash flow in accordance with Cabinet of Ministers Regulation No. 676 of 10 November 2020 “Regulations on Support for Companies Affected by the Covid-19 Crisis to Ensure Working Capital Flow and the Law on Overcoming the Consequences of the Spread of the Covid-19 Infection.”
**) Net result from disposals of property, plant and equipment during the reporting year consists of proceeds from sale amounting to EUR 67 564 and the net book value of disposed assets at the time of derecognition amounting to EUR 45 713.
***) This item includes income from revaluation of investment property recognised in profit or loss in the amount of EUR 24 376.

(7) Other operating expenses

	2023 EUR	2022 EUR
Net loss on disposal of property, plant and equipment and intangible assets*)	-	6 382
Real estate tax	12 267	13 547
Losses from foreign exchange	3 533	-
Other expenses**)	37 224	35 782
	53 024	**55 711**

*) Net result from the disposal of property, plant and equipment and intangible assets in 2022 consists of proceeds from sale amounting to EUR 57 554 and the net book value of the disposed assets at the time of derecognition amounting to EUR 63 936.
**) Item “Other expenses” in 2022 includes donations made by both the Group’s parent company and the Lithuanian subsidiary, totalling EUR 16 857.

(8) Other interest income and similar income

	2023 EUR	2022 EUR
Interest received from short-term deposits*)	14 562	-
Other interest income	-	100
	14 562	**100**

*) During the reporting year, the Parent company and its subsidiaries in Latvia entered into an agreement with Swedbank AS for an automatic overnight deposit arrangement. Under this agreement, the bank debits the available free cash balance in the account each day from 22:00 until 7:00 the following morning, and pays interest to the Group in return. The applicable interest rates are determined based on the rate specified in the bank’s price list on the respective debit date.

Notes to the Consolidated Financial Statements

(9) Other interest expenses

	2023 EUR	2022 EUR
Interest expenses to Limited Partnership AIF "Altum kapitāla fonds"	463 750	463 750
Interest expenses on vehicle leases	2 637	105
Interest expenses to the Development Finance Institution Altum	580	11 020
	466 967	**474 875**

(10) Corporate income tax for the reporting year

	2023 EUR	2022 EUR
Calculated tax in Latvia	112	214
Calculated tax in Lithuania	-	-
	112	**214**

During the reporting year, the Parent company and the Latvian subsidiary calculated corporate income tax in the amount of EUR 112 (2022: EUR 214) based on "Deemed distributed profit," applying a coefficient of 0.8 and a 20% tax rate. For further details, see Note 1 to the financial statements, section "Corporate Income Tax."

The subsidiary in Lithuania did not incur any corporate income tax during the reporting year or in 2022, as per the filed tax returns.

(11) Intangible assets

	Computer software and other	Trademarks*)	Advance payments for intangible assets	Total
	EUR	**EUR**	**EUR**	**EUR**
Initial carrying amount				
31.12.2022	**664 060**	**1 408 000**	**162 922**	**2 234 982**
Additions	132 634	-	4 000	**136 634**
Reclassified	162 922		(162 922)**	**-**
Disposals	(121)	-	-	**(121)**
31.12.2023	**959 495**	**1 408 000**	**4 000**	**2 371 495**
Accumulated amortisation				
31.12.2022	**624 293**	**422 400**	**-**	**1 046 693**
Amortisation for the year	42 233	70 405	-	**112 638**
Amortisation of disposed intangible assets	(121)	-	-	**(121)**
31.12.2023	**666 405**	**492 805**	**-**	**1 159 210**
Carrying amount as at 31.12.2022	**39 767**	**985 600**	**162 922**	**1 188 289**
Carrying amount as at 31.12.2023	**293 090**	**915 195**	**4 000**	**1 212 285**

Notes to the Consolidated Financial Statements

*) The OPTIO trademark was recognised in 2016 as a result of a reorganisation. Its fair value was determined based on the valuation performed by an independent certified appraiser. The appraiser assessed the fair value of the trademark using the relief-from-royalty method and the discounted cash flow method, applying a discount rate of 14.71%.

**) Acquisition of a visitor traffic tracking system, development of an e-commerce platform, development of a split payment system, and development of system integrations, synchronisation, accounting, analytics, and reporting functionalities.

(12) Statement of movements in property, plant and equipment

	Land, buildings and structures	Non-current investments in leased assets	Equipment and machinery	Other property, plant and equipment	Advance payments	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Initial carrying amount						
31.12.2022	**2 433 289**	**1 805 060**	**2 427 848**	**2 874 988**	**23 285**	**9 564 470**
Additions*	-	520 597	263 729	561 458	6 119	**1 351 903**
Accumulated depreciation prior to offset against initial carrying amount	(26 326)	-	-	-	-	**(26 326)**
Revaluation changes recognised in reserves	39 949	-	-	-	-	**39 949**
Disposals	-	(196 375)	(121 109)	(158 690)	-	**(476 174)**
Reclassified	-	7 574	-	13 156	(20 730)	**-**
31.12.2023	**2 446 912**	**2 136 856**	**2 570 468**	**3 290 912**	**8 674**	**10 453 822**
Accumulated depreciation and impairment						
31.12.2022	**286 639**	**1 047 953**	**1 455 053**	**1 724 767**	**-**	**4 514 412**
Depreciation for the year	95 608	295 464	228 970	319 866	-	**939 908**
Accumulated depreciation prior to application to initial carrying amount	(26 326)	-	-	-	-	**(26 326)**
Revaluation changes with an impact on (profit) or loss	(24 376)	-	-	-	-	**(24 376)**
Depreciation of disposed assets	-	(184 450)	(116 162)	(129 849)	-	**(430 461)**
31.12.2023	**331 545**	**1 158 967**	**1 567 861**	**1 914 784**	**-**	**4 973 157**
Carrying amount as at 31.12.2022	**2 146 650**	**757 107**	**972 795**	**1 150 221**	**23 285**	**5 050 058**
Carrying amount as at 31.12.2023	**2 115 367**	**977 889**	**1 002 607**	**1 376 128**	**8 674**	**5 480 665**

*) In the reporting year, the Group's acquisitions of property, plant and equipment included vehicles received under finance leases in the amount of EUR 116 436 (2022: EUR 0). For further details, see Note 19.
The item "Land, buildings, and structures" includes six real estate properties used for business operations — 5 located in Latvia and 1 in Lithuania.
As disclosed in Note 1, section "Valuation of Buildings and Structures," the Group measures buildings and structures using the revaluation model. Revaluations are performed by professionally qualified valuers on a regular basis to ensure that the carrying amount does not materially differ from fair value as at the balance sheet date, and at least once every five years.

In 2023, the revaluation of buildings and structures in Latvia was carried out by independent experts SIA RE EKSPERTS, and in 2022, by AS & Partners Firm, regulated by RICS, in Lithuania. These valuations were

Notes to the Consolidated Financial Statements

used to assess the real estate values in the balance sheet as at 30 June 2023 for Latvia and 31 December 2022 for Lithuania. The independent experts applied a combination of the market comparison and income approach methods.

The differences between the fair value of buildings and structures determined by the revaluation and their carrying amount prior to revaluation as at 30 June 2023 were recognised in the 2023 financial statements, with appropriate allocation between the revaluation reserve and the statement of profit or loss.
Group companies hold fully depreciated property, plant and equipment that remain in active use for core operations. The total acquisition cost of such assets at the end of the reporting year was EUR 2 647 658 (2022: EUR 2 528 107).

The carrying amount of buildings and structures as at 31 December 2023, if all property, plant and equipment were accounted for using the cost model, would have been EUR 306 207 (2022: EUR 318 451).

For information on pledged assets, refer to Notes 18 and 19 to the financial statements.

(13) Goods and goods for sale

	2023 EUR	2022 EUR
Goods for sale	5 815 080	5 527 809
Goods in transit	229 259	347 900
Allowances for slow-moving goods	(131 430)	(183 806)
	5 912 909	**5 691 903**

(14) Other receivables

	2023 EUR	2022 EUR
Other receivables	102 145	82 436
Allowances for other receivables	(19 984)	(19 984)
Tax overpayment (see Note 21)	17 481	19 563
	99 642	**82 015**

(15) Next period expenses

	2023 EUR	2022 EUR
Insurance	7 011	10 472
Marketing expenses	16 292	7 999
Rent expenses	63 120	55 964
Other next period expenses	17 511	14 542
	103 934	**88 977**

Notes to the Consolidated Financial Statements

(16) Cash

	2023 EUR	2022 EUR
Cash on Hand	81 513	53 294
Cash in Bank	1 564 515	2 157 597
Cash in Transit	44 308	66 273
	1 690 336	**2 277 164**

(17) Equity

a) Share capital

As at 31 December 2023, the share capital of the Parent Company of the Group amounts to EUR 220 539 (2022: EUR 220 539) and consists of 220 539 shares, each with a nominal value of EUR 1.

b) Revaluation reserve of non-current assets

	2023 EUR	2022 EUR
Revaluation reserve at the beginning of the period	**2 420 849**	**2 076 730**
Changes from revaluation of real estate	39 949	344 119
Adjustment to revaluation reserve from prior periods	4 600	-
Revaluation reserve at the end of the period	**2 465 398**	**2 420 849**

c) Currency revaluation reserve

The currency translation reserve arose from the currency translation of the financial statements of the Group company registered in Lithuania into the Group’s functional currency prior to the adoption of the euro in Lithuania.

d) Proposal for Parent Company profit distribution

The management of the Parent Company proposes to postpone the decision on the distribution of profit.

Notes to the Consolidated Financial Statements

(18) Borrowing from credit institutions

	31.12.2023	31.12.2022
Current	**EUR**	**EUR**
Borrowing from Development Finance Institution ALTUM	-	120 000
Total current borrowing from credit institutions	**-**	**120 000**

Loan from the Development Finance Institution "Altum" AS:

On 22 April 2020, as part of working capital management, the Parent Company entered into a loan agreement with the Development Finance Institution "Altum" AS for working capital in the amount of EUR 1,000,000 to mitigate the effects of COVID-19. The final repayment date was set for 25 March 2023, with gradual repayment commencing on 25 March 2021. As collateral, a second-ranking commercial pledge on the assets of the Group's Parent Company was provided, along with guarantees from SIA VISION EXPRESS BALTIJA and SIA OPTOMETRIJAS SERVISS.

During the reporting year, the Parent Company fully repaid the loan, and the guarantees provided in connection with this loan have been terminated.

(19) Other borrowings

	2023	2022
Non-current	**EUR**	**EUR**
Limited Partnership AIF "Altum kapitāla fonds"	7 000 000	7 000 000
Finance lease	78 148	-
	7 078 148	**7 000 000**
Current		
Finance lease	19 045	-
	19 045	**-**
Total other borrowings	**7 097 193**	**7 000 000**

Loan from Limited Partnership AIF "Altum kapitāla fonds"

Due to the negative impact of COVID-19 on business performance and the prevailing uncertainty regarding the future development of COVID-19 and related restrictions in Europe and globally — as well as the resulting need to transform business operations — on 29 March 2021, the Parent Company of the Group entered into a Loan Agreement with Limited Partnership AIF "Altum kapitāla fonds" in the amount of EUR 7 000 000. The purpose of the loan was to fully repay the Group's liabilities to AS Swedbank and BPM Mezzanine Fund SICAV-SIF, and to use the remaining balance of the loan to increase the working capital of the Parent Company and its subsidiaries.

The loan, together with all accrued interest and other payments specified in the transaction documents, is to be repaid in full on the "Loan Repayment Date." The "Loan Repayment Date" is the first business day following five years from the disbursement date (i.e. 27 April 2026).

The loan is secured by a commercial pledge over all assets of the Parent Company and its subsidiaries, as well as a mortgage over the real estate owned by the Parent Company and its subsidiaries.

The interest rate (%) is not publicly disclosed. A portion of the interest is payable quarterly, while another portion may be capitalised and repaid on the loan maturity date. However, the terms of the loan agreement provide the Company with the option to repay capitalisable interest without capitalising it, which the Group's parent company exercised during the reporting year and also in 2022.

Notes to the Consolidated Financial Statements

Finance lease liabilities

During the reporting year, the Group entered into 3 finance lease agreements with interest rates that are in line with market conditions. As at 31 December 2023, the breakdown of finance lease payments by maturity is as follows:

	Minimum Lease Payments at Present Value 2023 EUR	Future Interest Payments 2023 EUR	Minimum Lease Payments 2023 EUR	Minimum Lease Payments at Present Value 2022 EUR	Future Interest Payments 2022 EUR	Minimum Lease Payments 2022 EUR
Within one year	19 045	5 195	24 240	-	-	-
From 2 to 5 years	78 148	8 762	86 910	-	-	-
Total	**97 193**	**13 957**	**111 150**	**-**	**-**	**-**

The carrying amount of all property, plant and equipment under finance lease agreements as at 31 December 2023 was EUR 105 633 (2023: EUR 0).

(20) Unpaid cession payments and payables to shareholders

During the reporting year, cession payments in the amount of EUR 130 000 were made to shareholders (2022: EUR 130 000).

On 26 March 2021, the shareholders of the Parent Company entered into cession agreements under which they agreed to sell their claims against the Parent Company to its subsidiary, SIA Vision Express Baltija. The total amount of the claims transferred under the cession agreements was EUR 325 000, representing the unpaid portion of previously declared dividends due to shareholders at the time of the agreements.

In relation to these assignment agreements, as at 31 December 2023, the Group’s liability to the shareholders of the Parent company for the total assigned amount is EUR 65 000 (31.12.2022: EUR 195 000), and it is to be settled with the shareholders in accordance with the agreed payment schedule.

In addition, the Group’s non-current liabilities include obligations in the amount of EUR 74 282, assumed by SIA OC Invest (the former parent company of the Group) prior to its merger with the current parent company as part of a reorganisation. These obligations relate to the acquisition of shares in the parent company from its current individual shareholders.

In addition, current liabilities in the Group’s balance sheet include obligations in the amount of EUR 10 607 (2023: EUR 74 282) transferred from SIA OC Invest (the former Parent Company of the Group, merged into the current Parent Company through reorganisation) to the current shareholders of the Parent Company - private individuals - for the shares in the Parent Company that were acquired by SIA OC Invest prior to the reorganisation.

Notes to the Consolidated Financial Statements

(21) Taxes and social security contributions

	31.12.2023 EUR	31.12.2022 EUR
Latvia		
Value added tax	157 244	197 160
Corporate income tax	50	214
Social security contributions	186 767	224 529
Personal income tax	92 838	85 706
Risk duty	145	141
Import duty	(1 011)	(579)
	436 033	**507 171**
Lithuania		
Corporate income tax	(16 461)	(18 984)
Corporate income tax on Transactions with non-residents	-	1 437
Value added tax	111 027	99 638
Social security contributions	140 147	179 911
Personal income tax	11 781	11 117
Real estate tax	5 698	6 978
Natural Resources Tax	224	436
Import Duty	(9)	-
	252 407	**280 533**
	688 440	**787 704**

As taxes are calculated separately for each Group company, tax liabilities and assets of different Group entities are not offset, and are presented in the balance sheet as follows:

Including:

	31.12.2023 EUR	31.12.2022 EUR
Tax overpayment	(17 481)	(19 563)
Tax liability	705 921	807 267

Within the framework of state support programmes, the Group had received approval for deferred tax payment over a period of three years. During the reporting year, the Parent Company and its subsidiary in Latvia fully settled their tax obligations in accordance with the approved payment schedules, and as at 31 December 2023, all tax payments are to be made under the general procedure.

Meanwhile, the Group's subsidiary in Lithuania has recognised tax liabilities due from 2025 as non-current liabilities.

Tax overpayments are presented under "Other Receivables" (see Note 14).

Notes to the Consolidated Financial Statements

(22) Accrued liabilities

	2023 EUR	2022 EUR
Accrued liabilities for unreceived invoices	486 510	441 213
Accrued liabilities for unused vacation days	444 664	444 223
	931 174	**885 436**

(23) Average number of employees in the Group

	2023	2022
Board Members	4	4
Other Employees	577	562
TOTAL	581	566

(24) Information on remuneration of the Members of the Supervisory Board and Management Board

During the reporting year, the remuneration of the members of the Management Board amounted to EUR 100 692, and the mandatory state social security contributions totalled EUR 23 049 (2022: EUR 99 871, social security contributions of EUR 22 862).

(25) Personnel expenses

Expense type	2023 EUR	2022 EUR
Remuneration for work	10 120 195	8 462 983
Mandatory state social security contributions	1 511 905	1 262 181
Insurance and other personnel expenses	182 753	176 771
Changes in accrued vacation liabilities	441	(54 870)
	11 815 294	**9 847 065**

(26) Operating lease

The Group companies have entered into 23 operating lease agreements (for vehicle rentals). Under these agreements, the lease payment schedule are as follows:

Year 2024	48 633	EUR
Years 2025 - 2028	74 591	EUR

The Group companies have entered into 76 lease agreements for premises. According to these agreements, the tenant must notify the lessor of lease termination 1 to 6 months in advance.

Based on the lease agreements in effect as at 31 December 2023, the future lease payments are as follows:

Year 2024	2 828 188	EUR
Years 2025 – 2028	4 864 264	EUR
After year 2028	1 147 197	EUR

Notes to the Consolidated Financial Statements

(27) Information on off-balance sheet liabilities, pledged assets, issued guarantees and contingent liabilities

All property of the Group companies is pledged under loan agreements (see Notes 18 and 19). The Company has an agreement with AS Swedbank for the issuance of guarantees with a limit of EUR 450 thousand (31.12.2022: EUR 375 thousand). As at the reporting date, the bank has issued guarantees totalling EUR 307.7 thousand (31.12.2022: EUR 249 thousand). A commercial pledge agreement has been concluded to secure the guarantees issued by the bank.

(28) Subsequent events

Management believes that the Group will have sufficient financial resources to continue its operations for at least 12 months after the end of the reporting period and that there is no material uncertainty regarding the Group’s ability to continue as a going concern.

Management is not aware of any other events after the end of the reporting year that could materially affect the assessment of the Group’s annual financial statements.

Jānis Dzenis
Chairman of the Management Board

Gatis Kokins
Member of the Management Board

Toms Dzenis
Member of the Management Board

Pēteris Cikmačs
Member of the Management Board

Jolanta Ziedone
Chief Accountant

30 April 2024

THIS DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIMESTAMP

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Independent Auditors' Report

To the shareholders of OC Vision SIA

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of OC Vision SIA ("the Company") and its subsidiaries ("the Group") set out on pages 6 to 28 of the accompanying Consolidated Annual Report, which comprise:

— the consolidated balance sheet as at 31 December 2023,

— the consolidated profit and loss statement for the year ended 31 December 2023,

— the consolidated statement of changes in equity for the year ended 31 December 2023,

— the consolidated statement of cash flows for the year ended 31 December 2023,

— the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of OC Vision SIA and its subsidiaries as at 31 December 2023, and of its consolidated financial performance and cash flows for the year then ended in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code) and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the consolidated financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises:

— Information about the Group, as set out on page 3 of the accompanying Consolidated Annual Report,

— the Management report, as set out on pages to 4 to 5 of the accompanying Consolidated Annual report, Out opinion on the consolidated financial statements does not cover the other information included in the Consolidated Annual Report, and we do not express any form of assurance conclusion thereon, expect as described in Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information section of our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

— the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and

— the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the consolidated financial information of the Group or business units to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics SIA
Licence No. 55

Armine Movsisjana
Member of the Board
Sworn Auditor
Certificate No. 178
Riga, Latvia
30 April 2023

THIS DOCUMENT IS ELECTRONICALLY SIGNED WITH SAFE ELECTRONICAL SIGNATURE AND CONTAINS TIME STAMP.