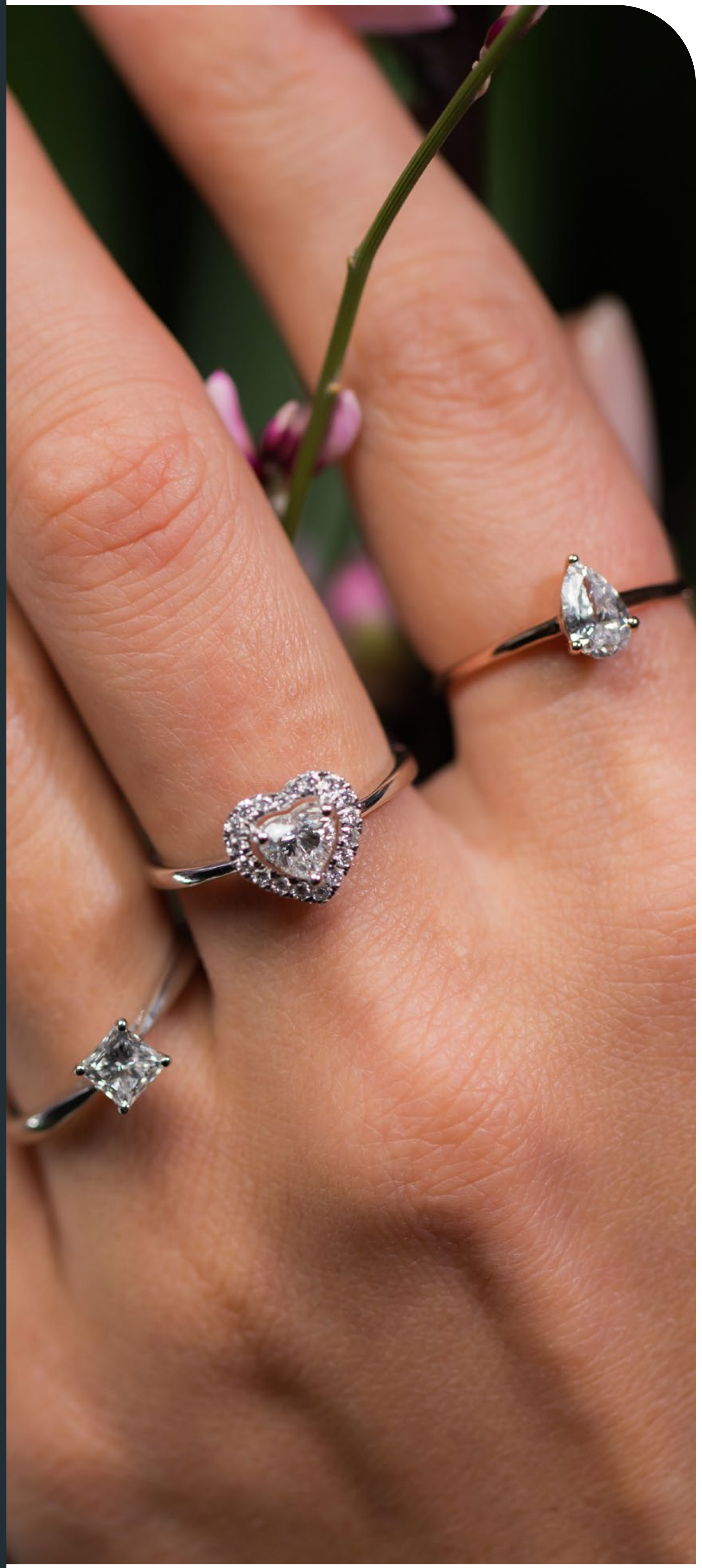
GIVEN

# AS GIVEN Jewellery Management report

Unaudited consolidated quarterly results

Q1 2023



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# General information about the Group

| | |
|---|---|
| Parent Company | GIVEN Jewellery, AS |
| Legal status of the Parent company | Joint stock company |
| Parent Company's registration number | 40203279291 |
| Registration place and date | Riga, December 11, 2020 |
| Main activity of the Group | Retail sale of jewellery and watches in specialized stores |
| Parent company's legal address | Latvia, Rīga, Lielirbes iela 17A - 11, LV-1046 |
| Subsidiaries | SIA GIVEN Latvia, Reg. No 40203166474 – 100%<br>OÜ Given Estonia, Reg. No 14505229 – 100%<br>UAB GIVEN Lithuania, Reg. No 305936789 – 100% |
| The Group | Within this report the Group means – AS GIVEN Jewellery and its subsidiaries |

# Q1 2023 Highlights

Retail turnover of GIVEN Group in Q1 2023 amounted to EUR 4.0 million (including VAT) and was **35% higher** than in the same period of 2022.

GIVEN **opened two new shops in Tartu** – the second largest city in Estonia. These shops are located in Tartu's top shopping centers Tasku and Kvartal.

**In Q1 2023 GIVEN has launched a unique collection – Moissanite** – a lab grown mineral, considered to be the brightest gemstone, that underlines Group's sustainability strategy.

In Q1 2023 GIVEN defined its **ESG philosophy and strategy.**

# GIVEN footprint in Baltics

66 +2*

Total number of shops in Baltics

* compared to Dec, 2022

## ESTONIA

12 shops

www.given.ee

## LATVIA

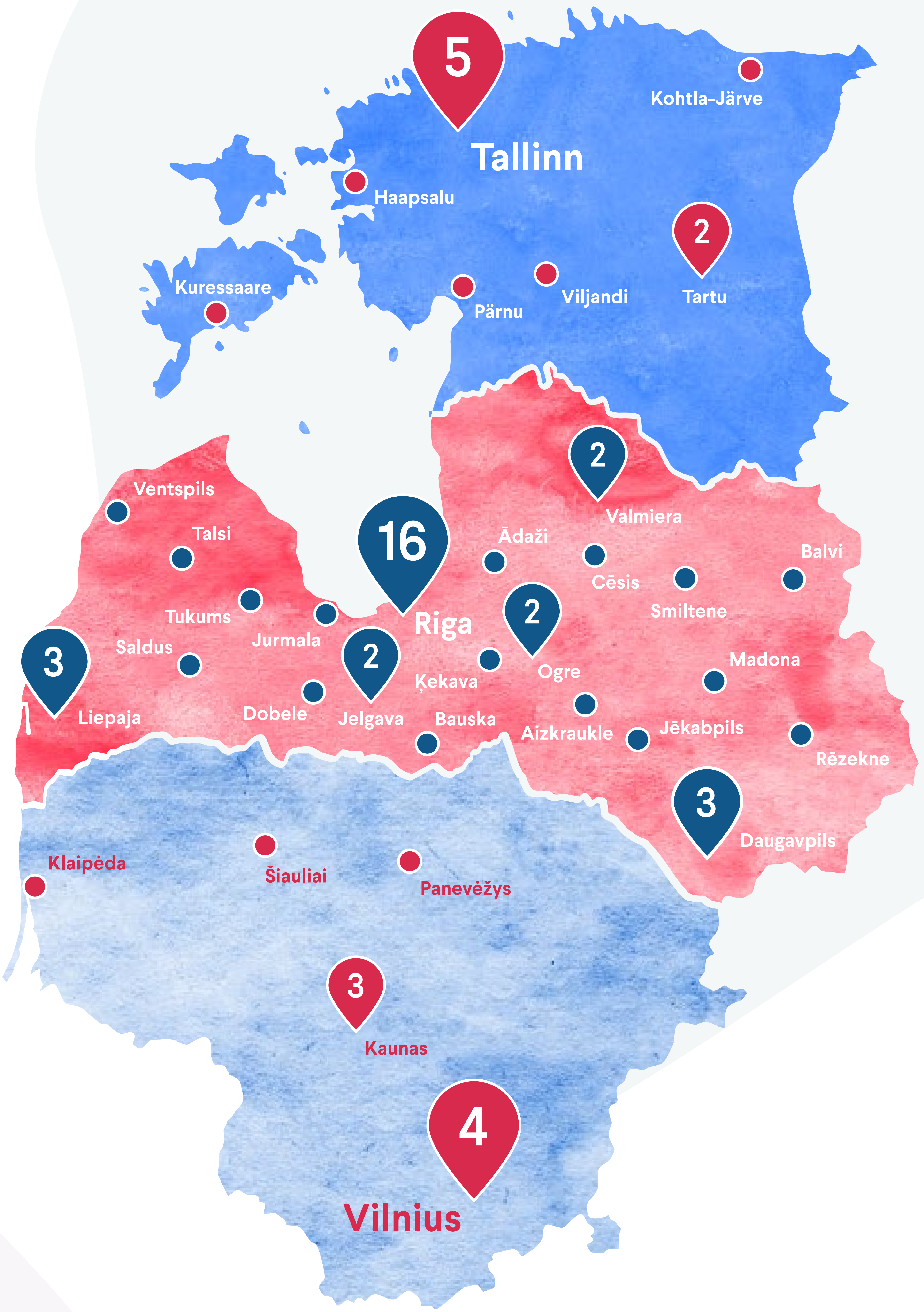
44 shops

www.given.lv

## LITHUANIA

10 shops

www.given.lt



# ESG philosophy and strategy

We strive to establish a sustainable business model and **become a leading responsible jewellery** retailer in the Baltics.

At every level of our organization, we are committed to achieving **social and environmental sustainability,** including throughout our value chain. This requires us to analyze our impact and footprint, as well as to take action to become more responsible.

We believe that being responsible means recognizing our responsibility to communities and to the environment during the production of products we sell. We **strive to ensure** that our **products are sourced and made in a responsible manner,** taking into account social and environmental aspects such as human rights.

To us **responsible jewellery** means jewellery that is sourced and made without harming people, communities, or the environment during the mining and production processes. We verify this through certifications of good practice and traceability of our products.

We **define a sustainable business** as a business model with minimal negative impact and the potential for a positive effect on the environment, community, society, and economy. We are actively working to establish policies, guidelines, targets, and strategies to take meaningful action and track our progress towards our sustainability goals.

As a market leader in the Baltics, we recognize our responsibility to drive sustainability in our industry. We **aim to empower and educate our clients, creating demand for more responsible jewellery** and a sustainable retail business model.

Our strategic activities align with the UN SDGs for Decent Work and Economic Growth, Responsible Consumption and Production, Climate Action, and Partnerships for the Goals.

# ESG philosophy and strategy

## – we aim to be a responsible jewellery retail chain frontrunner in the Baltics

### Circular durability

- Implement circularity princips, where possible
- Educate on sustainable maintenance
- Introduce alternative or lab grown materials

### Traceability & knowledge

- Responsible and transparent supply chain
- Traceable materials
- Strengthening & sharing the knowledge

### Empowering culture

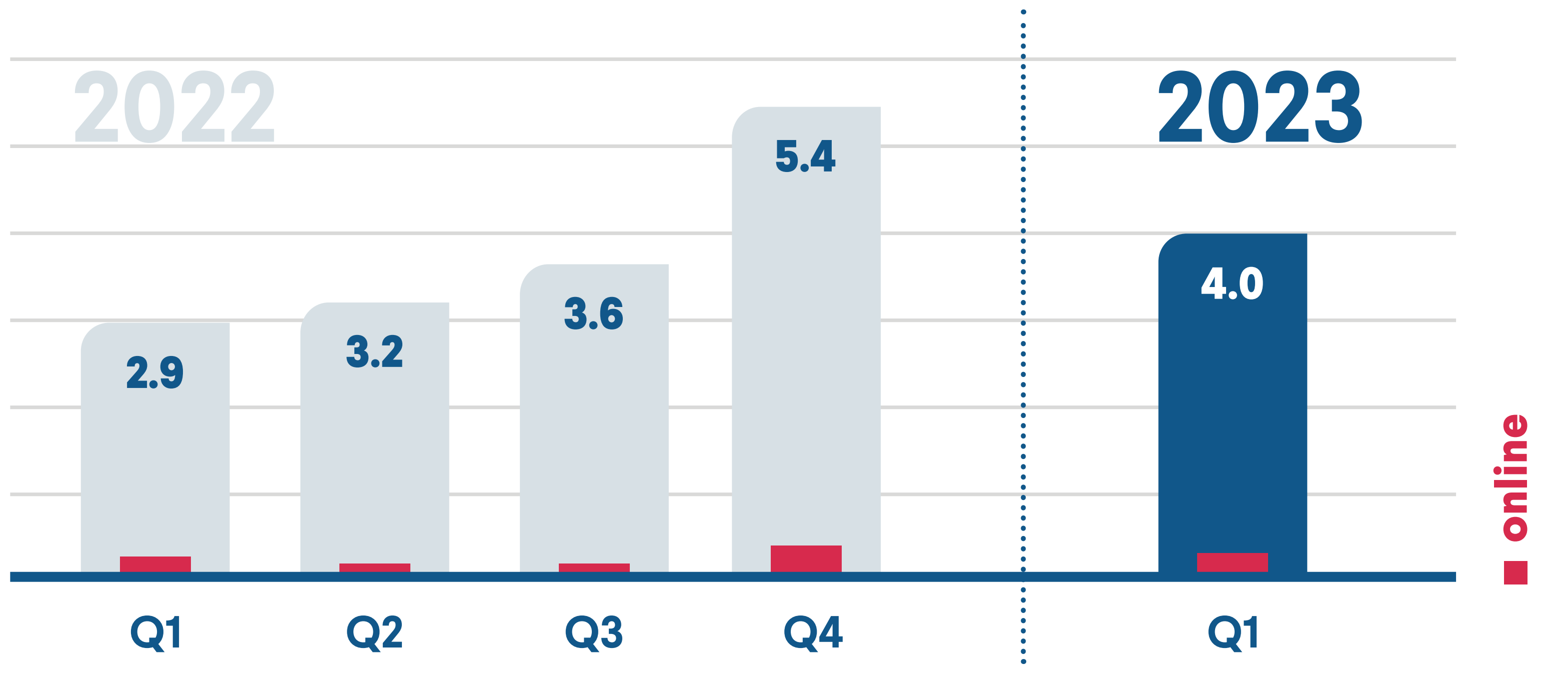
- Good & safe workplace
- Diversity, Equity and Inclusion
- Learning and development

### Reduced footprint

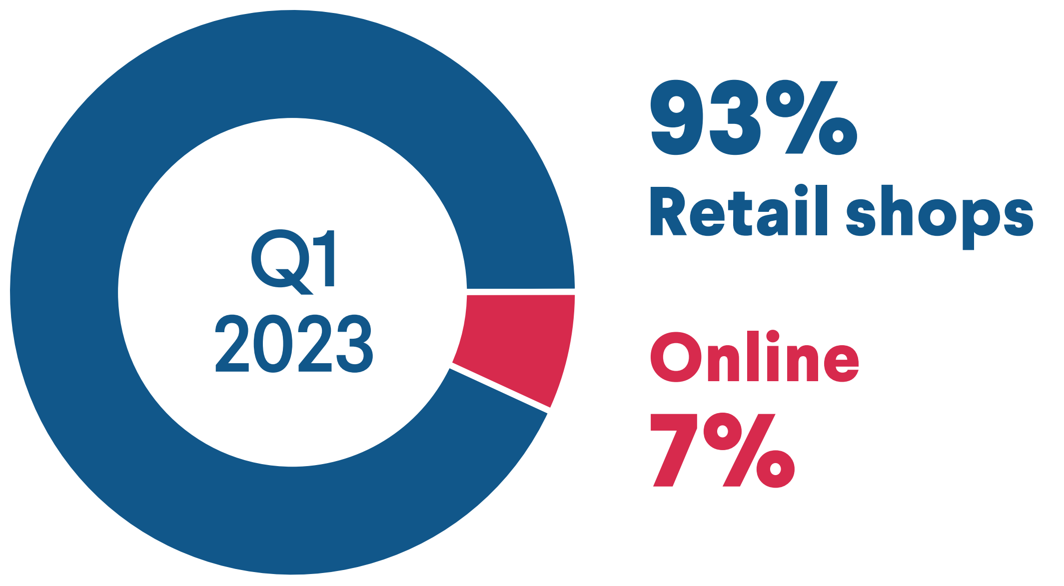
- Reduced emissions
- Improved energy efficiency
- Reusable & Durable packaging

# Key developments & business performance

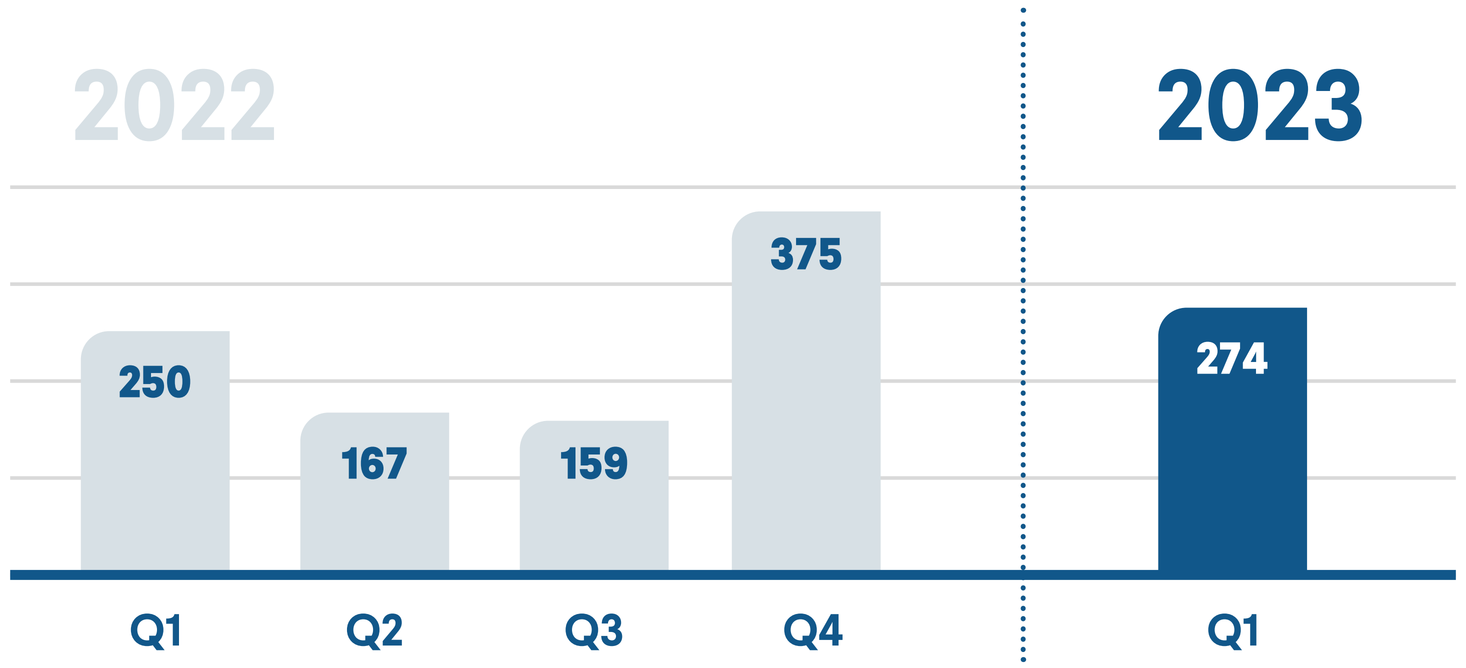
## Retail turnover by quarters (€M)



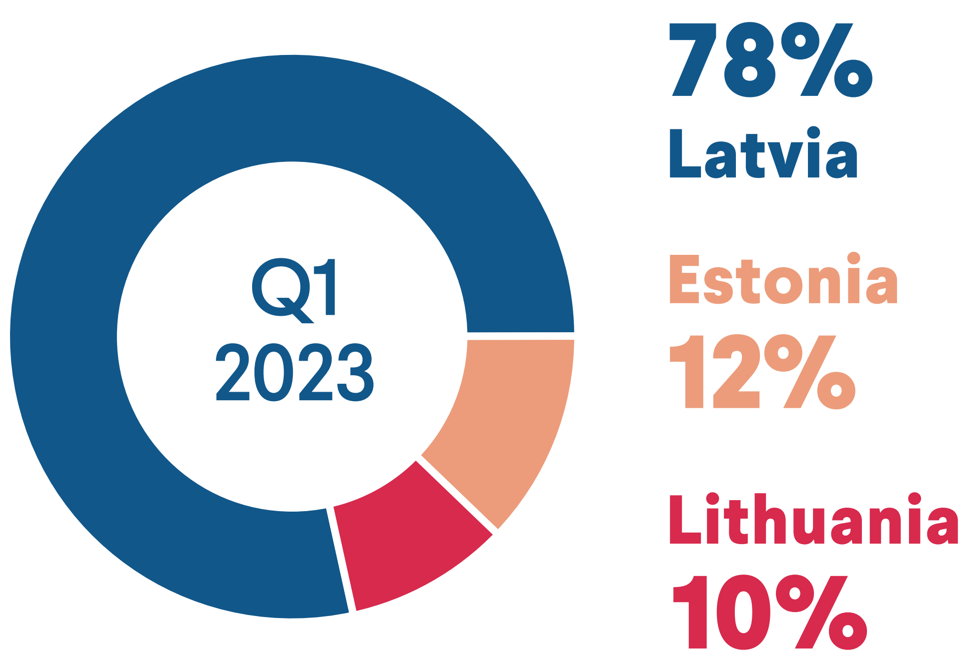

## Retail turnover by sales channels




## Online turnover (€M)




## Retail turnover by countries

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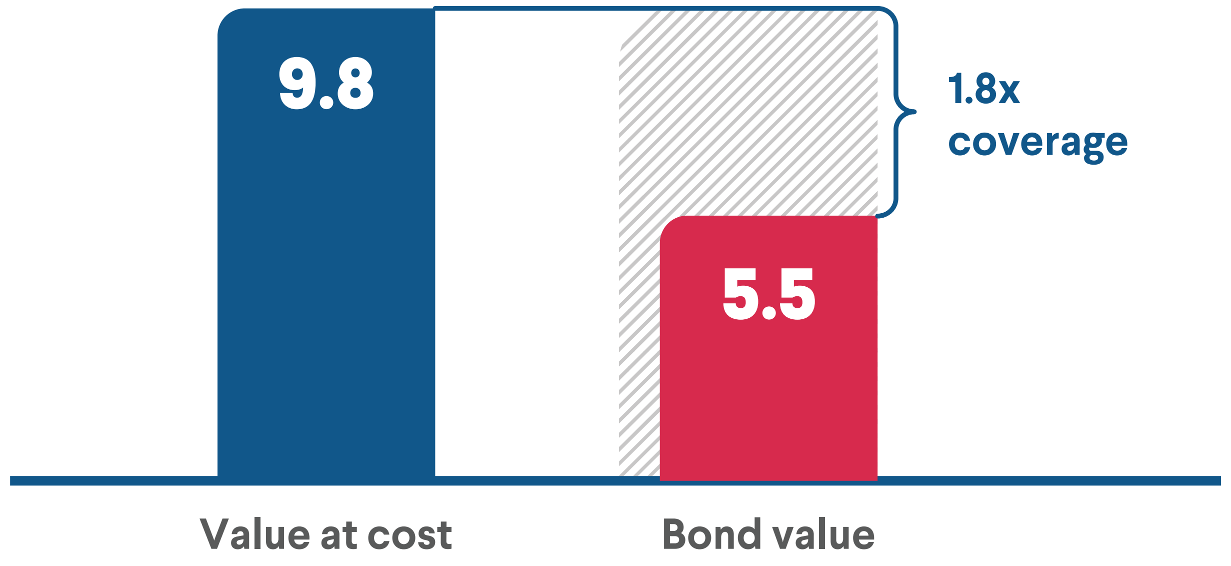
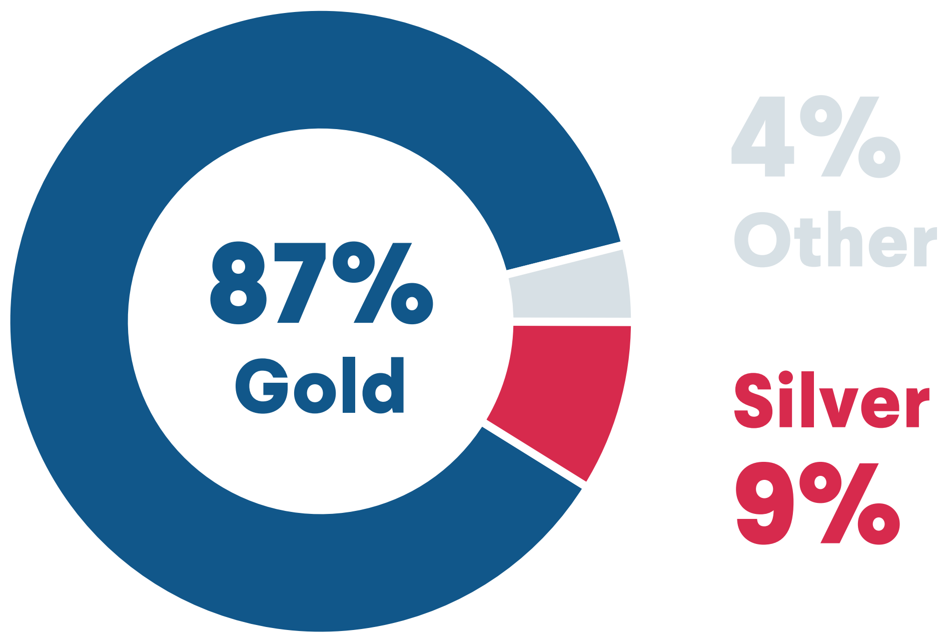
# Inventory overview

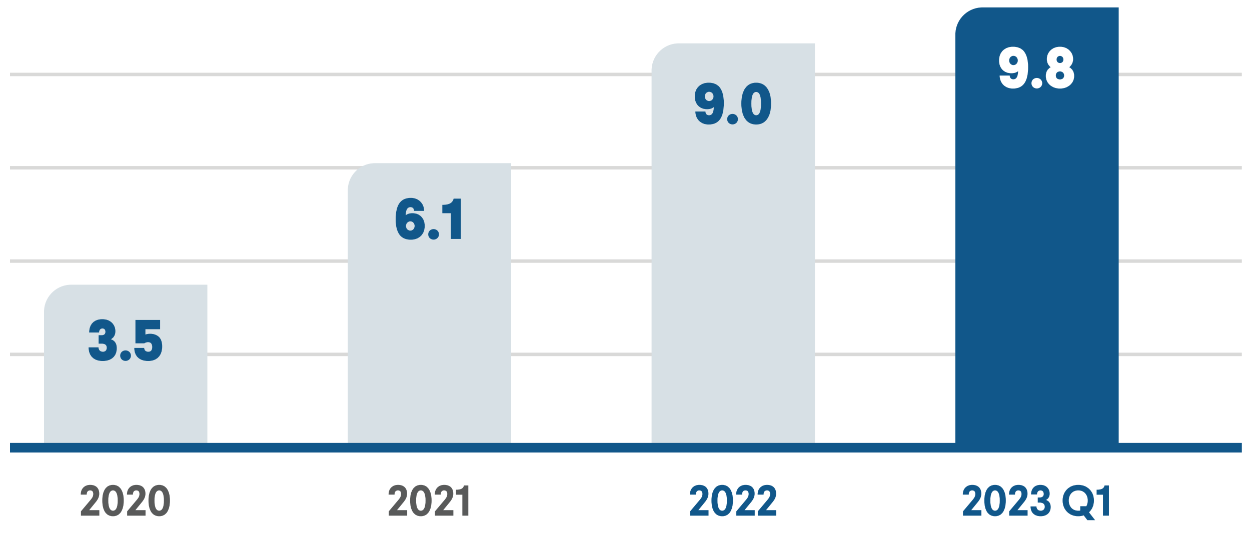
## The Group's inventory value (€M) as at March 31, 2023



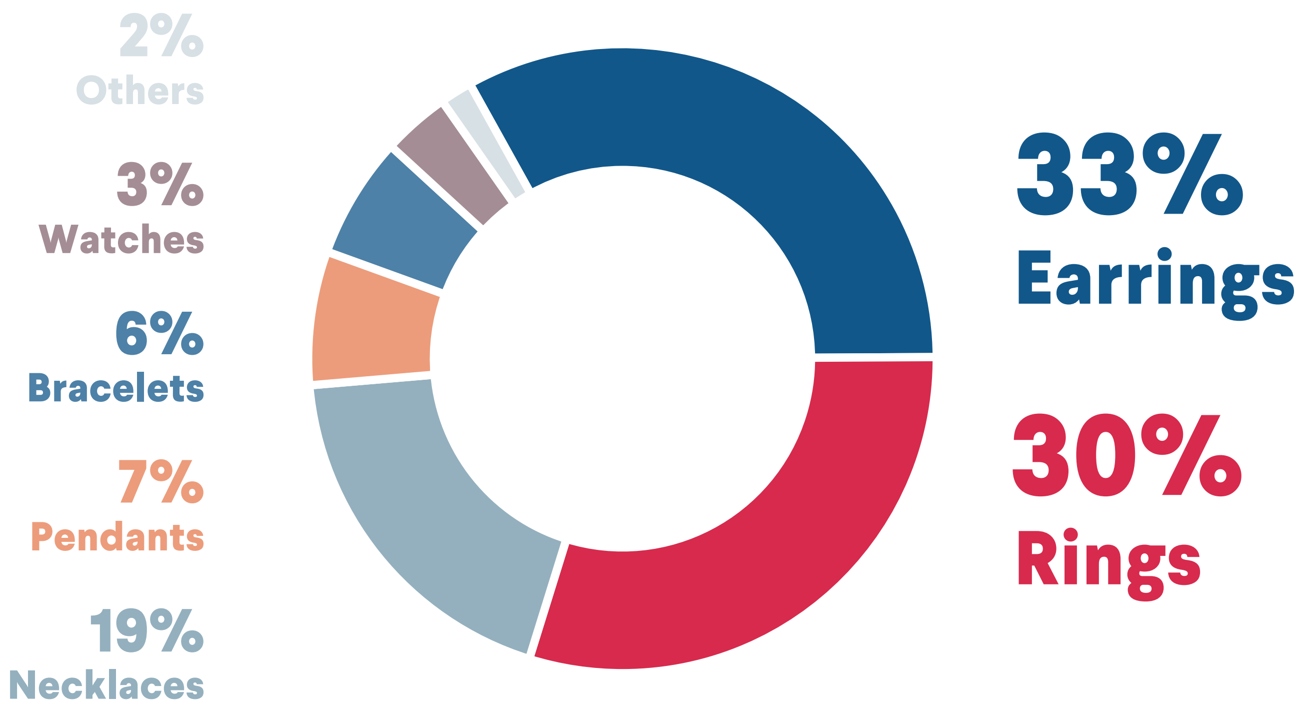

## Inventory by key metals as at March 31, 2023




## The Group's inventory (€M)




## Inventory by type of products as at March 31, 2023



# Finanical performance:
## Income Statement

| Income statement, €K | Q1 2023 [1] | Q1 2022 [1] | ∆QoQ (%) | 2022 [2] | 2021 [2] | ∆YoY (%) |
|---|---|---|---|---|---|---|
| Revenue | 3'518 | 2'529 | *39%* | 12'837 | 6'511 | *97%* |
| Cost of goods sold | 1'539 | 1'153 | *33%* | 5'435 | 2'997 | *81%* |
| **Gross profit [3]** | **1'979** | **1'375** | ***44%*** | **7'402** | **3'514** | ***111%*** |
| Selling expenses | 1'567 | 930 | *69%* | 5'198 | 2'601 | *100%* |
| Administrative expenses | 457 | 314 | *45%* | 1'533 | 654 | *134%* |
| Other operating income | 19 | 11 | *79%* | 51 | 588 | *-91%* |
| Other operating expenses | 8 | 17 | *-52%* | 91 | 45 | *104%* |
| **EBIT** | **-34** | **99** | ***-128%*** | **632** | **802** | ***-21%*** |
| Interest income | 0 | 0 | *465%* | 1 | 3 | *-58%* |
| Interest expense | 206 | 114 | *81%* | 669 | 328 | *104%* |
| Income tax | 0 | 0 | *0%* | -50 | 0 | *n/a* |
| **Profit for the period** | **-241** | **10** | ***-2'426%*** | **13** | **477** | ***-97%*** |
| **EBITDA (adjusted) [4, 5]** | **444** | **399** | ***11%*** | **2'193** | **1'132** | ***94%*** |

[1] Unaudited consolidted results in acoordance with IFRS.

[2] Audited consolidted results in acoordance with IFRS.

[3] Improvement of gross margin resulting from efficiencies in pricing policies and procurement terms.

[4] Strong EBITDA in Q1 2023 driven by record high quarterly revenue and solid gross margin.

[5] Adjusted EBITDA – EBITDA excluding Covid-19 grants for working capital.

# Finanical performance:
## Statement of Financial Position

| Statement of financial position, €K | 31.03.2023 [1] | 31.12.2022 | ∆% |
|---|---|---|---|
| Intangible assets | 806 | 795 | *1%* |
| Fixed assets | 1'975 | 1'972 | *0%* |
| Right-of-use assets | 3'736 | 3'952 | *-5%* |
| **Total non-current assets** | **6'518** | **6'719** | ***-3%*** |
| Inventory | 9'802 | 9'030 | *9%* |
| Advance payments for goods | 174 | 101 | *72%* |
| Debitors | 573 | 648 | *-12%* |
| Cash and cash equivalents | 675 | 1'479 | *-54%* |
| **Total current assets** | **11'224** | **11'257** | ***0%*** |
| **TOTAL ASSETS** | **17'741** | **17'976** | ***-1%*** |

[1] Unaudited consolidted results in acoordance with IFRS.

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# Finanical performance:
## Statement of Financial Position

| Statement of financial position, €K | 31.03.2023 | 31.12.2022 | ∆% |
|---|---|---|---|
| Share capital and subordinated debt | 5'300 | 5'050 | *5%* |
| Retained earnings | 271 | 512 | *-47%* |
| **Total equity** | **5'572** | **5'562** | ***0%*** |
| Loans and Borrowings [3] | 5'391 | 5'100 | *6%* |
| Non-current lease liabilities | 2'562 | 2'769 | *-8%* |
| **Total non-current liabilities** | **7'953** | **7'869** | ***1%*** |
| Accounts payable | 1'862 | 1'735 | *7%* |
| Current lease liabilities | 1'367 | 1'369 | *0%* |
| Taxes & other payables | 990 | 1'440 | *-31%* |
| **Total short-term liabilities** | **4'219** | **4'545** | ***-7%*** |
| **TOTAL EQUITY & LIABILITIES** | **17'741** | **17'976** | ***-1%*** |

[3] Loans and Borrowings include secured bonds of nominal value € 5.5M.

# Finanical performance:
## Financial Metrics & Ratios

| | Q1 2023 * | Q1 2022 * | 12m 2022 | 12m 2021 |
|---|---|---|---|---|
| Same store sales growth, % [1] | **8%** | **23%** | 46% | 29% |
| Online sales as % of retail sales | **7%** | **6%** | 6% | 12% |
| Gross margin, % | **56%** | **54%** | 58% | 54% |
| EBITDA, €K | **444** | **399** | 2'193 | 1'650 |
| EBITDA (adjusted), €K [2] | **444** | **399** | 2'193 | 1'132 |
| EBITDA (adjusted) margin, % [2] | **13%** | **16%** | 17% | 17% |
| Interest coverage ratio [4] | **2.9** | **5.4** | 3.3 | 5.0 |
| Capitalization ratio, % [3, 6] | **31%** | **35%** | 31% | 36% |
| Inventory coverage ratio [5] | **1.8** | **1.8** | 1.9 | 2.0 |
| Current ratio, x | **2.7** | **3.0** | 2.5 | 2.7 |

* Reporting period 01.01.2023-31.03.2023

[1] Same store sales growth for 12M 2022 and Q1 2022 reflects the growth OÜ GIVEN Estonia as significant Covid-19 related restrictions were in place in H1 2021 in Latvia. Same store sales in Q1 2023 for Latvia 6%, Estonia 39%.

[2] EBITDA margin impacted by higher admin and selling expenses due to rapid expansion of operations in Lithuania and Estonia. Adjusted EBITDA – EBITDA excluding Covid-19 grants for working .

[3] Capitalization ratio equals adjusted Equity to consolidated assets of the Group calculated as at the end of the period. Adjusted equity means book value of the Group's equity and Subordinated debt.

[4] Interest coverage ratio equals (ICR) equals EBITDA to Net Finance Charges for the last twelve months.

[5] Inventory coverage ratio equals pledged inventory plus consolidated Cash and Cash Equivalents of the Group divided by the secured financial indebtedness.

[6] Capitalization ratio excluding effect from IFRS 16 adjustments 40% as at March 31, 2023.

# Risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, liquidity risk, credit risk and capital risk.

## Foreign currency risk

The Group's financial assets and liabilities, which are exposed to foreign currency risk, comprise cash and cash equivalents, trade receivables, trade payables, as well as current and non-current borrowings. The Group is mainly exposed to foreign currency risk of the US dollar (USD).

## Interest rate risk

Interest rate risk arises from changes in interest rates that affect the Group's net profit and future cash flows. The Group's policy is to ensure that the majority of its borrowings are at a fixed rate.

## Liquidity risk

Liquidity risk is related to the Group's ability to meet short-term and long-term liabilities in a timely manner. The Group manages its liquidity risk by arranging an adequate amount of capital in form of debt or equity, keeping adequate cash reserves, planning the repayment terms of trade receivables, and developing and analysing future cash flows.

## Credit risk

The Group is exposed to credit risk through its trade receivables, issued current loans, as well as cash and cash equivalents. Receivables of the Group consist mainly of receivables from clients and guarantee deposits. The Group manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is minimised. The credit risk on cash and cash equivalents is limited because the counterparties are banks and payment systems. To spread the credit risk, the Group deposits its cash reserves with different banks.

## Capital risk

The Group aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group. Capital risk is monitored via Capitalization Ratio, which is calculated as the Adjusted Equity to the Group's consolidated assets. The Group monitors equity capital on the basis of the capitalization ratio as defined in Bond prospectus.

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