

# GRENARDI

## GROUP

### AS Grenardi Group Management report

Unaudited consolidated quarterly results  
Q1 2024





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# General information about the Group

Parent Company	Grenardi Group 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, Dēļu iela 2, LV-1004
Subsidiaries	<p>SIA GIVEN Latvia Reg. No 40203166474 – 100%</p> <p>OÜ Given Estonia Reg. No 14505229 – 100%</p> <p>UAB GIVEN Lithuania Reg. No 305936789 – 100%</p> <p>SIA Grenardi Latvia Reg. No 50003474971 – 100%</p> <p>OÜ Grenardi Estonia Reg. No 11518421 – 100%</p>
The Group	Within this report the Group means – AS Grenardi Group and its subsidiaries



# Q1 2024 Highlights



Retail turnover of Grenardi Group in Q1 2024 amounted to EUR 5.9 million (including VAT) and was 48% higher than in the same period of 2023\*. The retail turnover of GIVEN chain amounted to EUR 4.4 million (including VAT) and was 10% higher than in the same period of 2023.



In April 2024, AS Grenardi Group successfully raised EUR 12 million in a public bond offering. The public offering of AS Grenardi Group bonds was taking place from March 25th until April 15th. The nominal value of one bond is 100 EUR with a fixed annual coupon rate of 10%. The bonds mature on April 16, 2027. Total demand for the bonds from more than 1 300 investors reached EUR 21 million, exceeding the first tranche of the EUR 12 million bond offering by 75%. Latvian investors contributed 85% of the total demand, Estonian investors for 12% and Lithuanian investors for 3%.



In Q1 2024 Grenardi Group opened 2 new stores in Lithuania. The new stores are located in Kaunas MEGA shopping mall and in Gedimino prospekt in Vilnius center.

\*GRENARDI chain data included from Dec 1, 2023.





# Grenardi Group footprint in Baltics



**84** <sup>+2\*</sup>

Total number of stores in Baltics

\* compared to Dec'23

## ESTONIA

13 GIVEN stores  
3 GRENARDI stores  
[www.given.ee](http://www.given.ee)  
[www.grenardi.ee](http://www.grenardi.ee)

## LATVIA

46 GIVEN stores  
4 GRENARDI stores  
[www.given.lv](http://www.given.lv)  
[www.grenardi.lv](http://www.grenardi.lv)

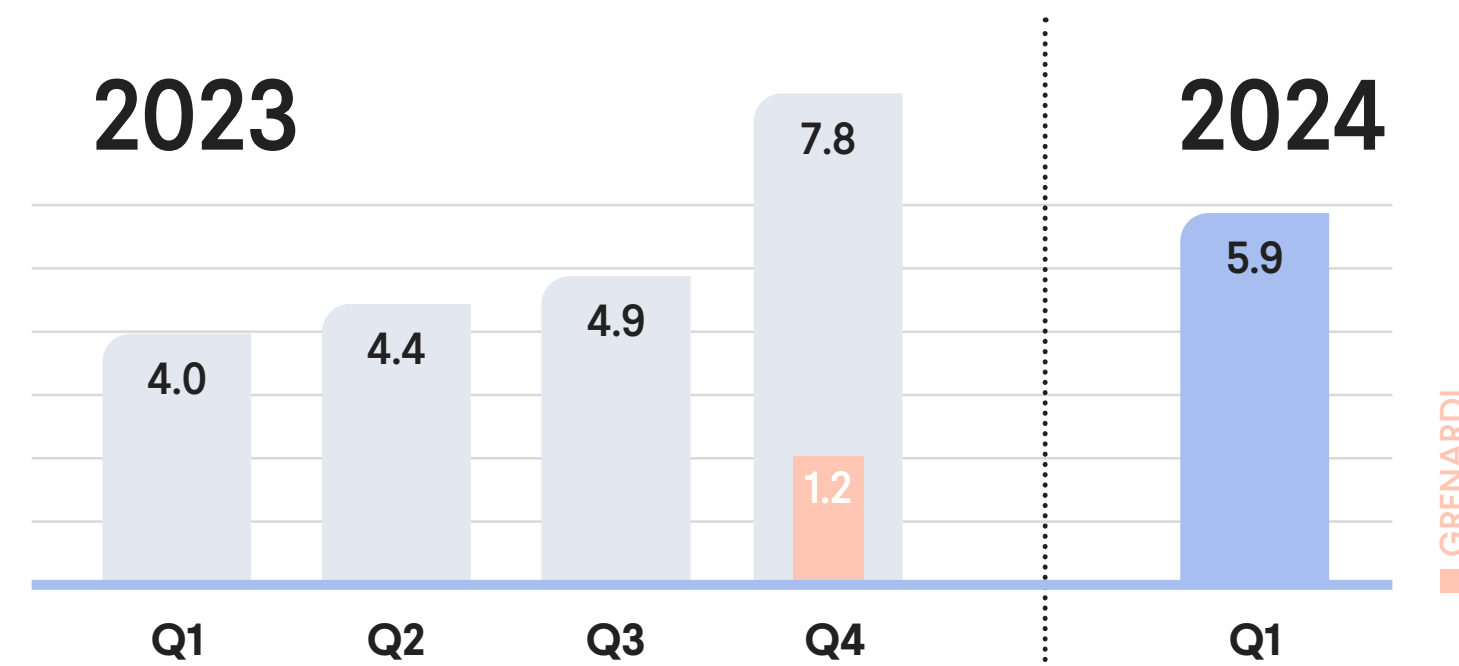
## LITHUANIA

18 GIVEN stores  
[www.given.lt](http://www.given.lt)

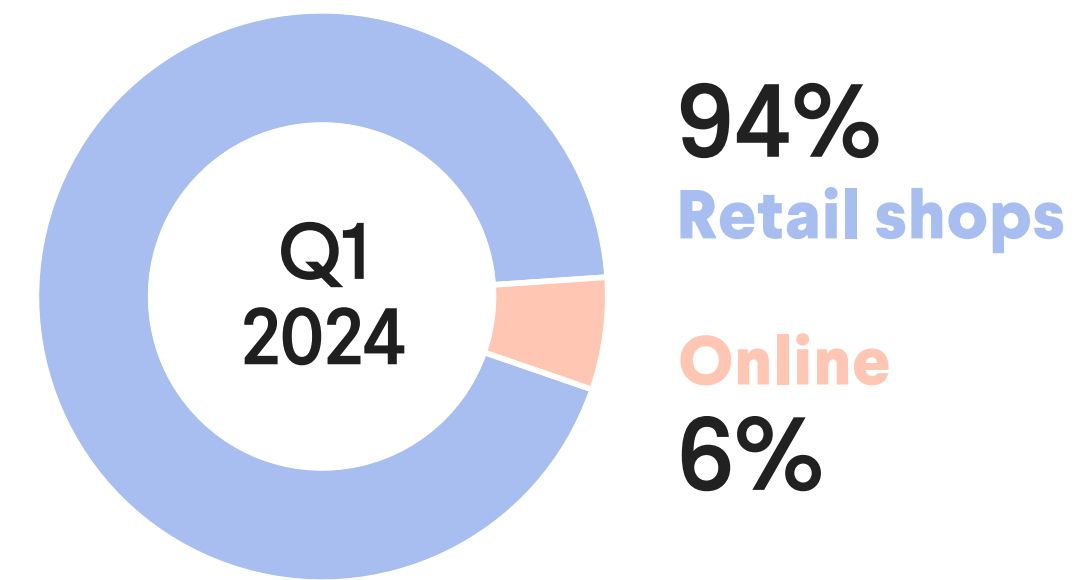


# Key developments & business performance

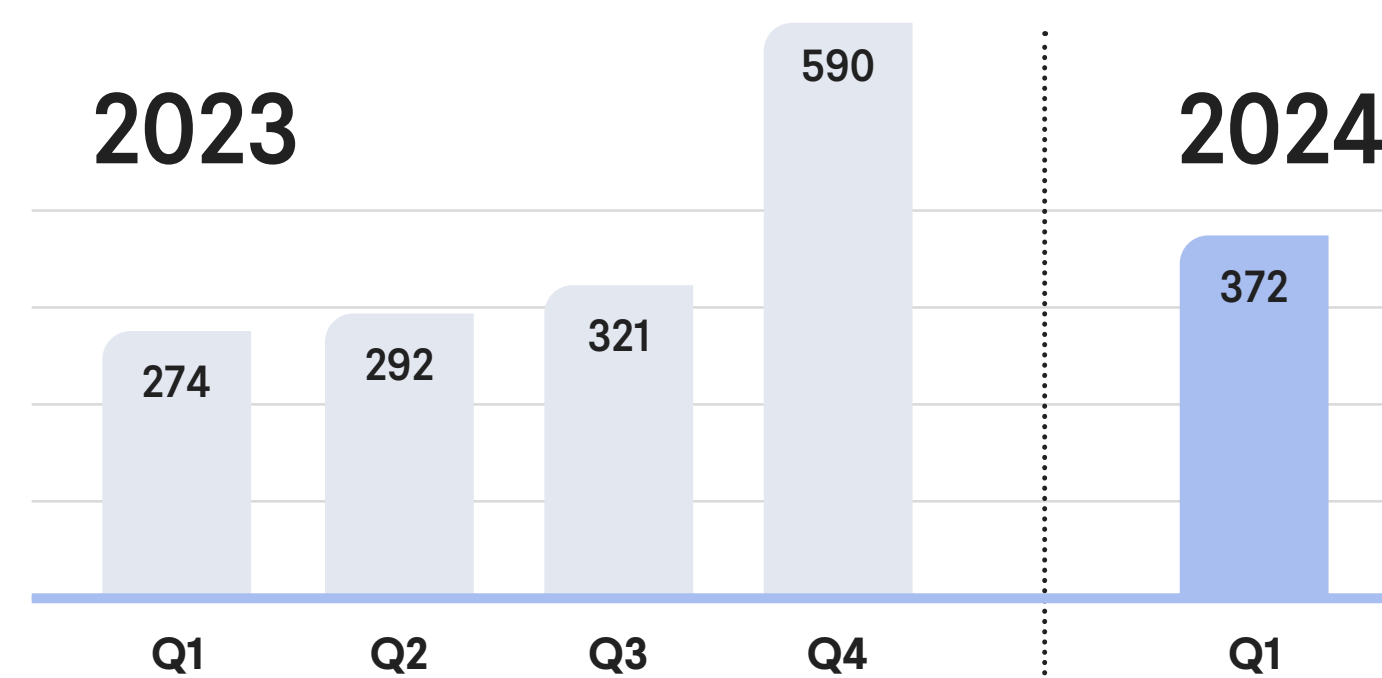
Retail turnover by quarters (€M)



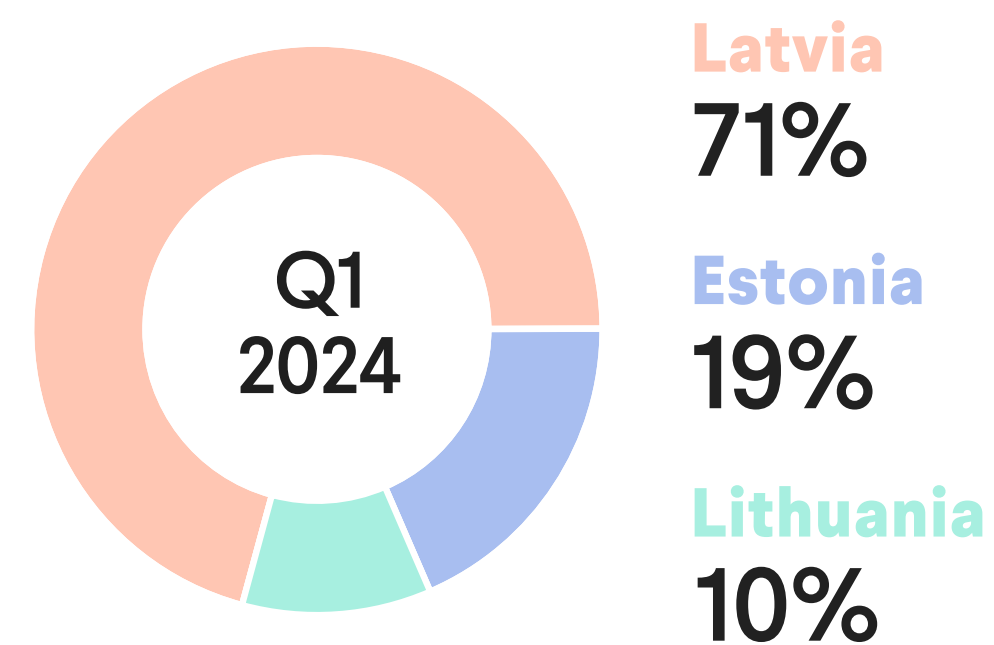
Retail turnover by sales channels



Online turnover (€K)



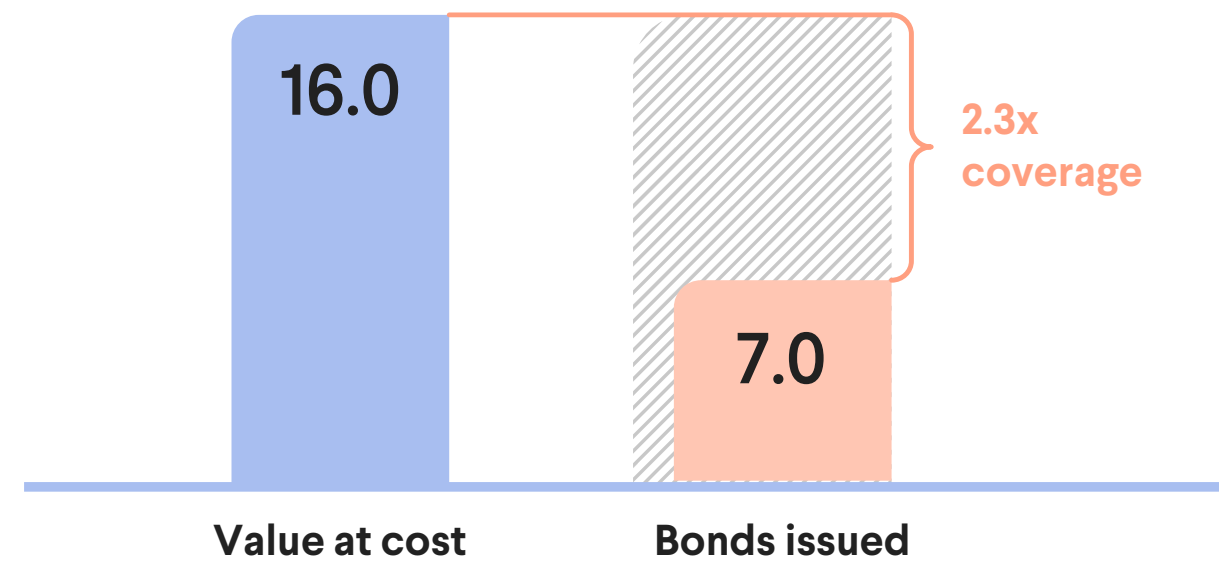
Retail turnover by countries



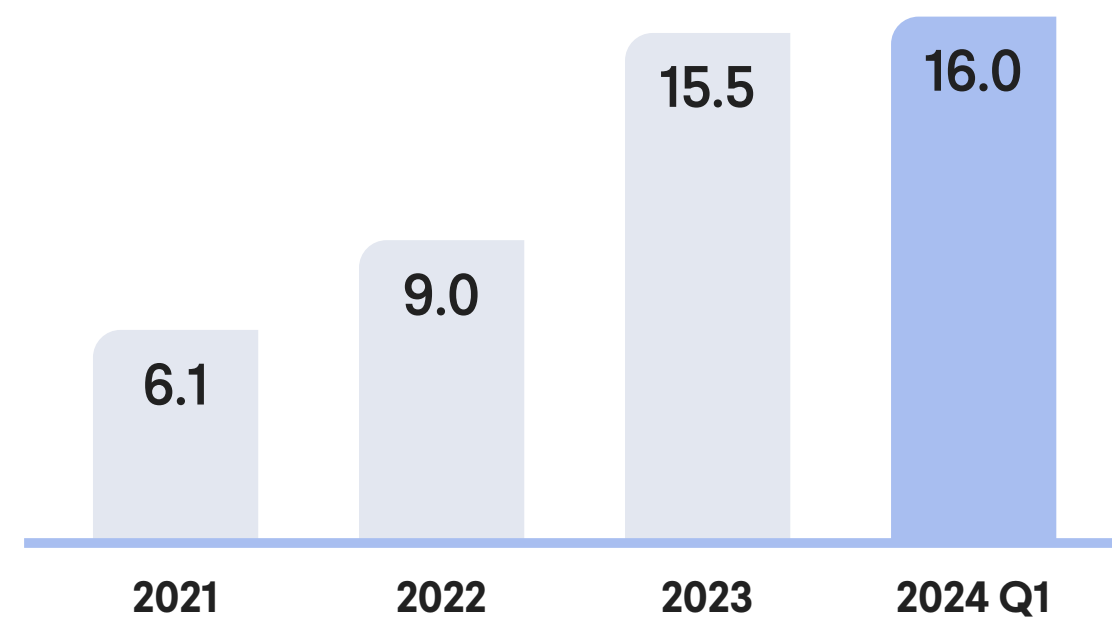
The retail turnover of the GRENARDI chain is included from December 1, 2023.

# Inventory overview

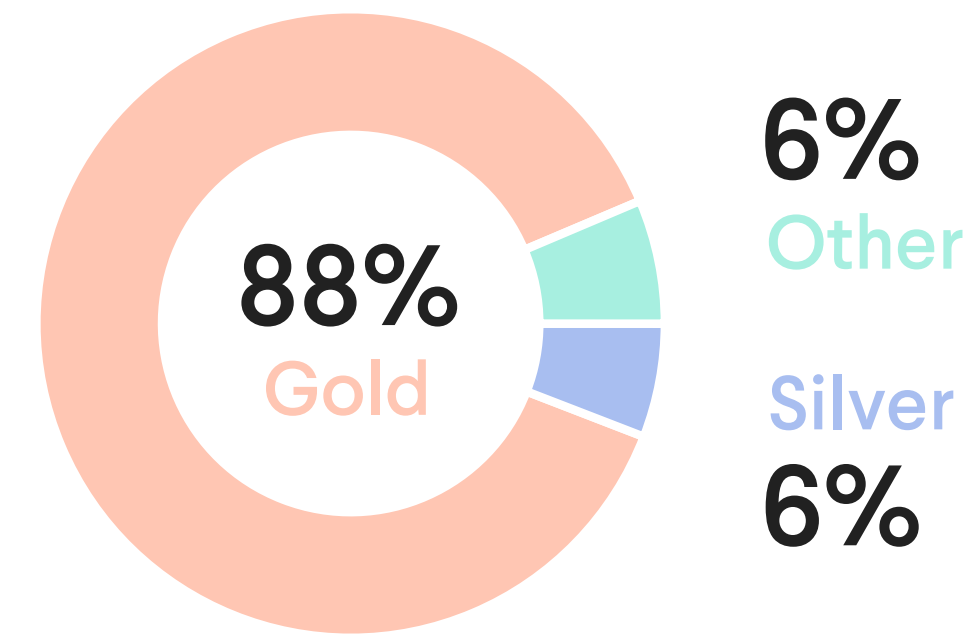
The Group's inventory value (€M)  
as at March 31, 2023



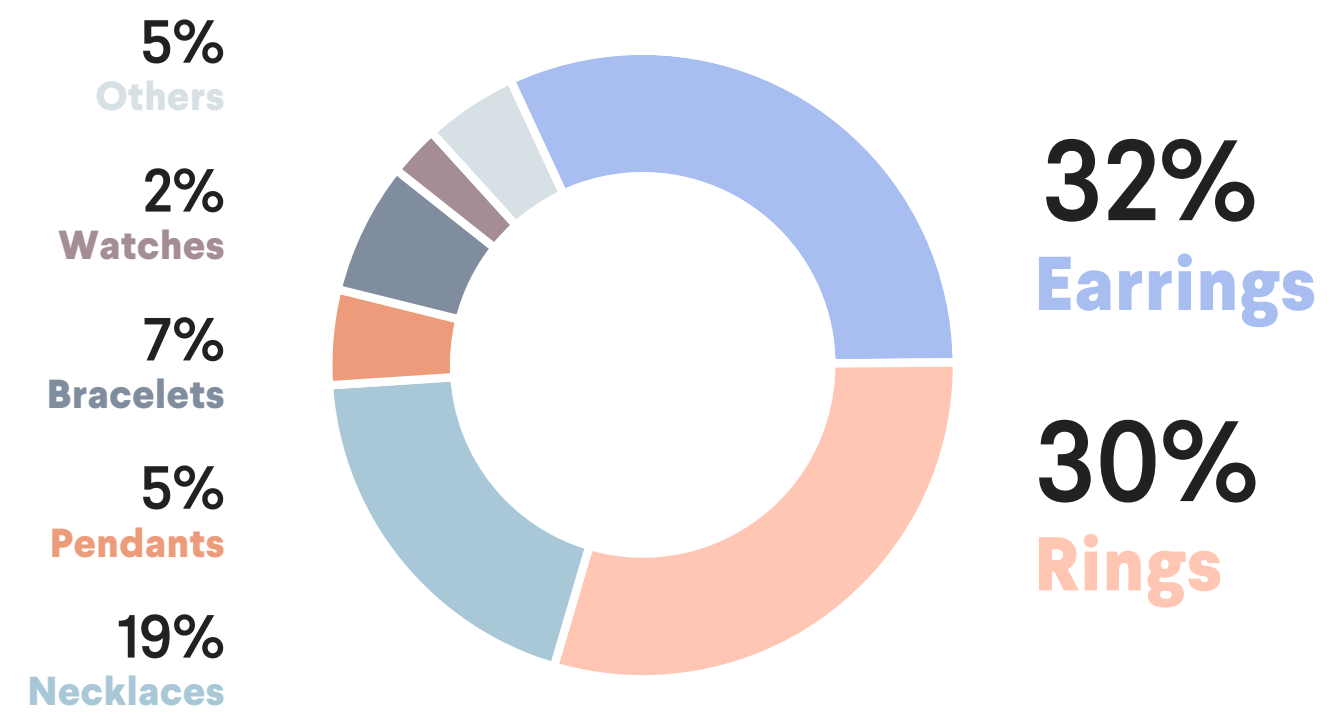
The Group's inventory (€M)



Inventory by key metals  
as at March 31, 2024



Inventory by type of products  
as at March 31, 2024





# Consolidated Statement of Comprehensive Income

Income statement, €K	3m 2024 Unaudited	3m 2023 Unaudited	ΔQoQ (%)	12m 2023 Audited <sup>1</sup>	12m 2022 Audited	ΔYoY (%)
Revenue	4'978	3'518	41%	18'011	12'837	40%
Cost of goods sold	2'107	1'539	37%	7'698	5'435	42%
<b>Gross profit</b>	<b>2'871</b>	<b>1'979</b>	<b>45%</b>	<b>10'313</b>	<b>7'402</b>	<b>39%</b>
Selling expenses	2'450	1'567	56%	7'632	5'198	47%
Administrative expenses	767	457	68%	1'944	1'533	27%
Other operating income	15	19	-19%	107	51	108%
Other operating expenses	36	8	356%	83	91	-9%
<b>EBIT</b>	<b>-367</b>	<b>-34</b>	<b>980%</b>	<b>761</b>	<b>632</b>	<b>20%</b>
Interest income	2	1	53%	0	1	-83%
Interest expense	358	206	74%	1'104	669	65%
Income tax	0	0	0%	-94	-50	n/a
<b>Profit for the period</b>	<b>-724</b>	<b>-239</b>	<b>-67%</b>	<b>-249</b>	<b>13</b>	<b>-1'945%</b>
<b>EBITDA (adjusted)</b>	<b>438</b>	<b>444</b>	<b>-2%</b>	<b>2'862</b>	<b>2'193</b>	<b>30%</b>

<sup>1</sup> The results include acquired GRENARDI chain as at Dec 31, 2023





# Consolidated Statement of Financial Position

Statement of financial position, €K	31.03.2024 <sup>1</sup>	31.12.2023	Δ%
Intangible assets	7'671	7'665	0%
Fixed assets	2'716	2'794	-3%
Right-of-use assets	6'337	6'511	-3%
<b>Total non-current assets</b>	<b>16'724</b>	<b>16'970</b>	<b>-1%</b>
Inventory	16'076	15'511	4%
Advance payments for goods	284	161	77%
Debitors	939	1'331	-29%
Cash and cash equivalents	373	1'621	-77%
<b>Total current assets</b>	<b>17'672</b>	<b>18'624</b>	<b>-5%</b>
<b>TOTAL ASSETS</b>	<b>34'396</b>	<b>35'594</b>	<b>-3%</b>

<sup>1</sup> Unaudited consolidated results in accordance with IFRS.



# Consolidated Statement of Financial Position

Statement of financial position, €K	31.03.2024 <sup>1</sup>	31.12.2023	Δ%
Share capital	7'894	7'894	0%
Retained earnings	-461	263	-275%
<b>Total equity</b>	<b>7'433</b>	<b>8'158</b>	<b>-9%</b>
Subordinated debt <sup>4</sup>	4'862	4'544	7%
Loans and Borrowings <sup>2</sup>	5'726	3'946	45%
Non-current lease liabilities	4'419	4'577	-3%
<b>Total non-current liabilities</b>	<b>15'007</b>	<b>13'067</b>	<b>15%</b>
Loans and Borrowings <sup>2</sup>	3'555	3'165	12%
Accounts payable	2'816	3'388	-17%
Current lease liabilities	2'324	2'284	2%
Taxes & other payables <sup>3</sup>	3'261	5'532	-41%
<b>Total short-term liabilities</b>	<b>11'956</b>	<b>14'369</b>	<b>-17%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>34'396</b>	<b>35'594</b>	<b>-3%</b>

<sup>1</sup> Unaudited consolidated results in accordance with IFRS.

<sup>2</sup> Loans and Borrowings include secured bonds of nominal value € 7.0M

<sup>3</sup> Taxes & other payables include deferred payment for the acquisition of GRENARDI.

<sup>4</sup> Existing Subordinated Notes with ISIN LV0000870103 due on 31 May 2028 with maximum amount of € 5.0M



# Consolidated Statement of Changes in Equity

Statement of financial position, €K	Share capital	Share premium	Retained earnings or uncovered loses	Total equity
	EUR	EUR	EUR	EUR
<b>As at 31.12.2022</b>	<b>1 000</b>	<b>347</b>	<b>512</b>	<b>1 859</b>
Increase in share capital	6 200	-	-	6 200
Share issue premium	-	347	-	347
Increase/ decrease in retained profit	-	-	(249)	(249)
<b>As at 31.12.2023</b>	<b>7 200</b>	<b>694</b>	<b>263</b>	<b>8 158</b>
Increase in share capital	-	-	-	-
Share issue premium	-	-	-	-
Increase/ decrease in retained profit	-	-	(724)	(724)
<b>As at 31.03.2024</b>	<b>7 200</b>	<b>694</b>	<b>(461)</b>	<b>7 433</b>



# Consolidated Statement of Cash Flows

Statement of financial position, €K	31.03.2024	31.12.2023
Profit or loss before corporate income tax	-724	-343
Corrections:		
Corrections of decrease in value of fixed assets	833	2'038
Corrections of decrease in value of intangible assets	25	62
Profit or loss from fluctuations of foreign currency rates	-6	-36
Other revenue from interest and similar revenue	-1	-4
Corrections of reduction in value of long-term and short-term financial investments	0	83
Interest payments and similar costs	358	1'034
<b>Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors</b>	<b>485</b>	<b>2'834</b>
Corrections:		
Increase or decrease in balances receivables	633	-498
Increase or decrease in balances of inventories	-751	-1'895
Increase or decrease in balances of payables	-2'395	174
<b>Cash flow from operating activities</b>	<b>-2'029</b>	<b>615</b>
Expenses for interest payments	-358	-1'034
<b>Net cash flow from operating activities</b>	<b>-2'387</b>	<b>-419</b>



# Consolidated Statement of Cash Flows

Statement of financial position, €K	31.03.2024	31.12.2023
Acquisition of stocks or shares of related undertakings, associated undertakings, or other undertakings	0	-6'264
Long term financial investment	0	-16
Acquisition of fixed assets and intangible assets	-272	-720
Revenue from sale of fixed assets and intangible investments	0	6
Interest received	1	4
<b>Cash flows from investing activities</b>	<b>-271</b>	<b>-6'990</b>
Income from stock and debenture issue or investments of capital participatory shares	0	6'547
Loans received and bonds issued	2'370	2'498
Repayment of loans	-472	-166
Payment of principal portion of lease liabilities	-493	-1'363
<b>Cash flows from financing activities</b>	<b>1'405</b>	<b>7'516</b>
Result of fluctuations of foreign currency exchange rates	6	36
Net cash flow of the reporting year	-1'248	142
<b>Balance of cash and its equivalents at the beginning of the reporting year</b>	<b>1'621</b>	<b>1'479</b>
<b>BALANCE OF CASH AND ITS EQUIVALENTS AT THE END OF THE REPORTING YEAR</b>	<b>373</b>	<b>1'621</b>



# Financial Metrics & Ratios

	3m 2024*	3m 2023	12m 2023	12m 2022
Same store sales growth, % <sup>1</sup>	-1%	8%	12%	46%
Online sales as % of retail sales	6%	7%	7%	6%
Gross margin, %	58%	56%	57%	58%
EBITDA, €K	438	444	2'862	2'193
EBITDA (adjusted), €K <sup>2</sup>	438	444	2'862	2'193
EBITDA (adjusted) margin, % <sup>2</sup>	9%	13%	16%	17%

	31.03.2024	31.03.2023	31.12.2023	31.12.2022
Capitalization ratio, % <sup>3</sup>	36%	31%	36%	31%
Interest coverage ratio <sup>4</sup>	2.3	2.9	2.6	3.3
Inventory coverage ratio <sup>5</sup>	2.1	1.8	2.3	1.9
Current ratio	1.5	2.7	1.3	2.5

\* Reporting period 01.01.2024 - 31.03.2024

<sup>1</sup> Same store sales growth for 12m 2022 reflects the growth of OÜ GIVEN Estonia as significant Covid-19 related restrictions were in place in 2021 in Latvia. 12m 2023 same store sales include data only for the GIVEN chain.

<sup>2</sup> 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 capital.

Bond covenants:

<sup>3</sup> 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.

<sup>4</sup> Interest coverage ratio equals (ICR) equals EBITDA to Net Finance Charges for the last twelve months.

<sup>5</sup> Inventory coverage ratio equals pledged inventory plus consolidated Cash and Cash Equivalents of the Group divided by the secured financial indebtedness.





# 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

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

## Traceability & knowledge

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

## Empowering culture

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

## Reduced footprint

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



# 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.





**GRECARDI**  
GROUP

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[www.grenardi.group](http://www.grenardi.group)