

# GRENARDI

G R O U P

## *Investor presentation*

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March 2024





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The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a Distributor) should take into consideration the manufacturer's target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.



**GRENARDI**  
GROUP

# *Executive summary*

*Business overview*

*Financial highlights*

*Transaction overview*





# Key highlights

Grenardi Group is the fastest growing jewellery retailer in the Baltics with leading market positions in Latvia, rapidly increasing market share in Estonia and Lithuania



**82**  
stores



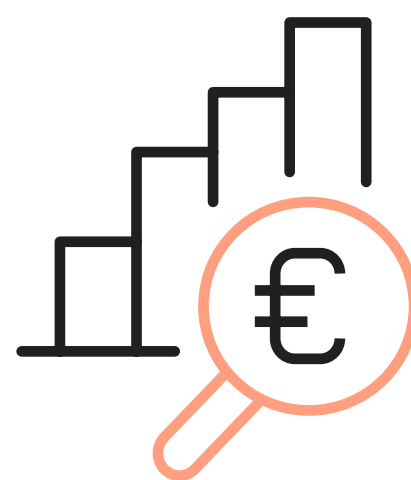
**34**  
cities



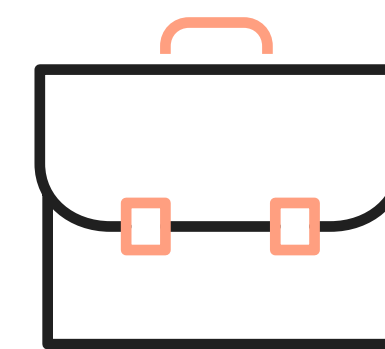
**> 120K**  
loyal customers



**€18m**  
revenue  
in 2023



**40%**  
revenue growth  
Y2023 VS Y2022



**€15.5m**  
highly liquid  
inventory  
as of 31.12.2023



# Executive summary

## Business overview

- 20+ years experience in jewellery retail business
- Two jewellery retail chain brands – GIVEN & GRENARDI
- The leading jewellery retailer in the Baltics in both the affordable and luxury jewellery segment
- Strong supply chain and wide and exclusive assortment

## Large scale and wide customer reach

- 82 stores as of December 31, 2023 and strong online presence
- €18m consolidated revenue in 2023
- More than 120 thousand registered customers
- >290 employees

## Strong financial position 2023

- €2.9m EBITDA (+31% YoY) and 16% EBITDA margin
- 36% Equity ratio as at Dec 31, 2023
- 87% of inventory consisting of gold jewellery as at Dec 31, 2023

## Strong strategic investor support

- Strong strategic investors providing financing to support Grenardi Group's growth plans





# Grenardi Group footprint in Baltics



# 82

Total number  
of stores  
in the Baltics

## 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)

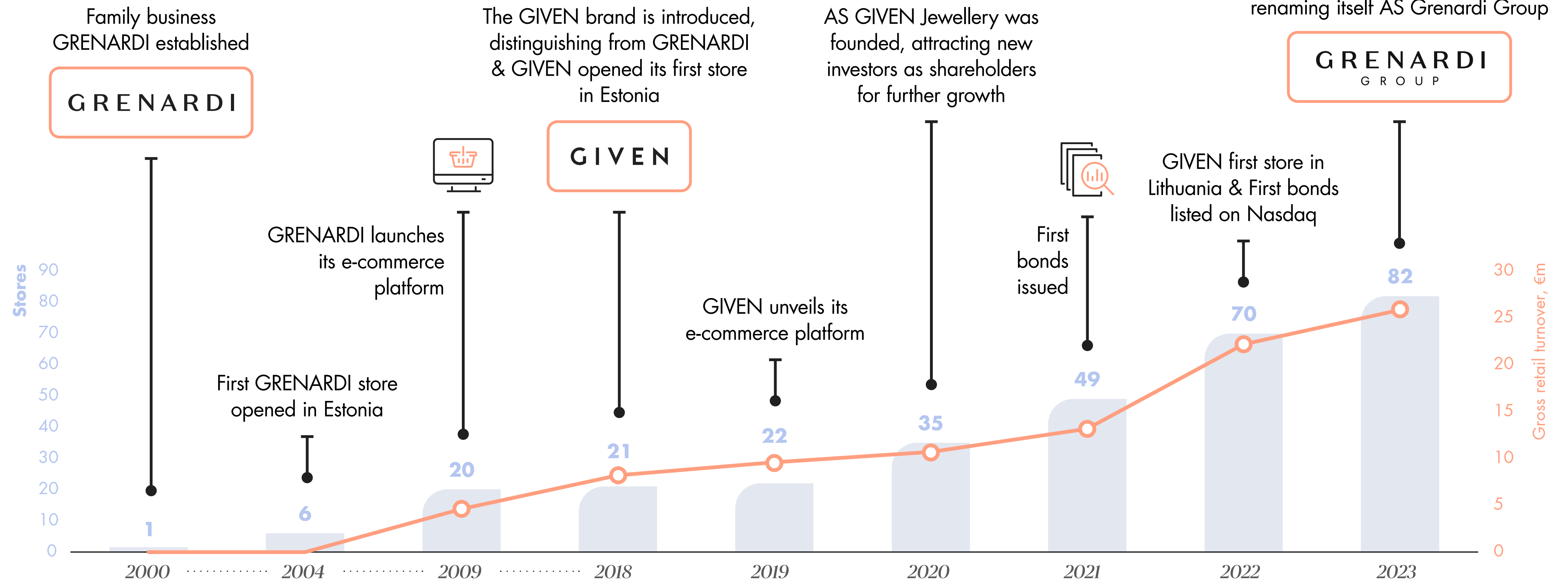
## LITHUANIA

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



# Story of Grenardi Group

AS GIVEN Jewellery acquired SIA Grenardi and its subsidiaries, starting the rebranding process by renaming itself AS Grenardi Group



\* Total retail turnover and number of stores of the GIVEN and GRENARDI chains



**GRENARDI**  
GROUP

*Executive summary*

# *Business overview*

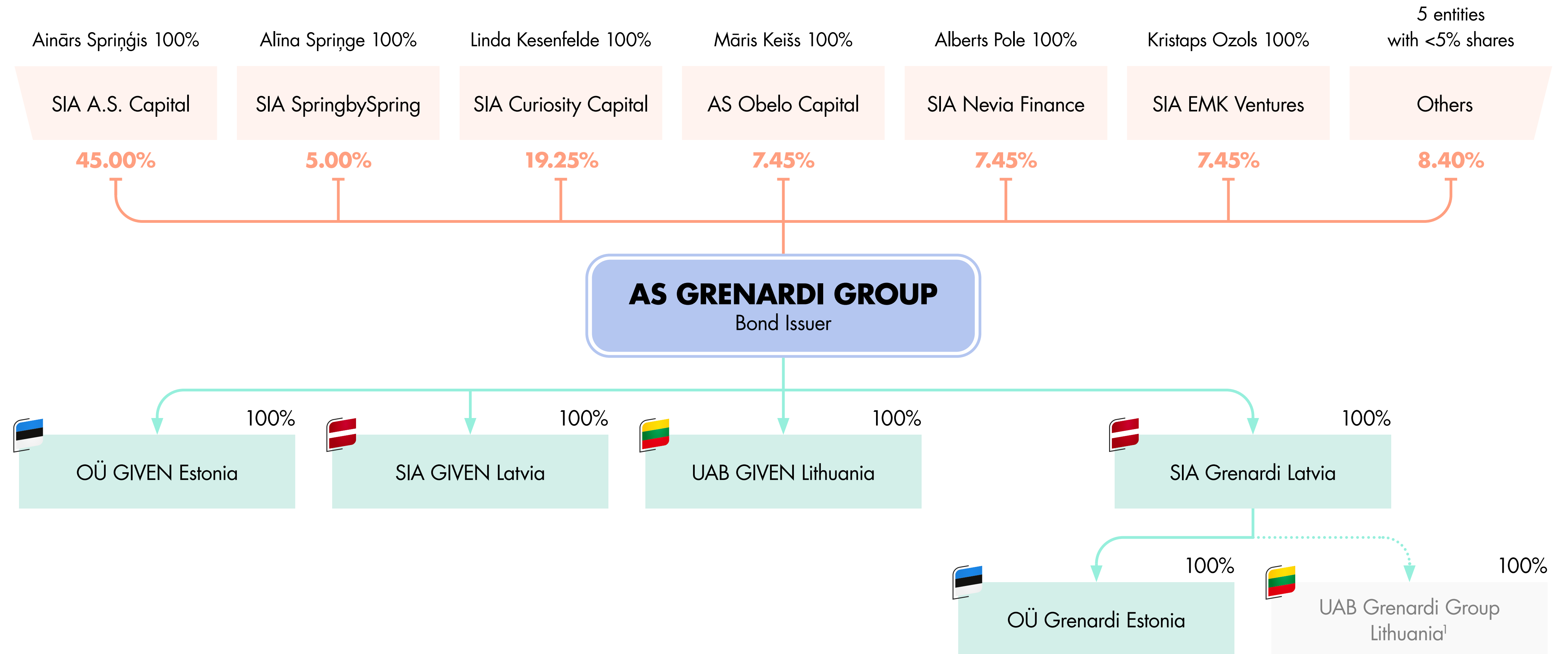
*Financial highlights*

*Transaction overview*





# Ownership structure



<sup>1</sup> SIA Grenardi owns UAB Grenardi Group Lithuania, an enterprise is in liquidation process.



# Management team



**Ģirts Rudzītis**  
Chief Executive Officer of the Group



**Līga Emma Gulbe**  
Head of Group's Procurement



**Marta Andersone**  
Chief Financial Officer



**Alīna Sprīnģe**  
Group's Creative Director, Board Member of  
SIA Grenardi Latvia and OÜ Grenardi Estonia

Board Members of AS Grenardi Group



**Natalja Reinoja**  
Chief Executive Officer of OÜ GIVEN Estonia  
and OÜ Grenardi Estonia



**Justina Buterlevičienė**  
Chief Executive Officer  
of UAB Given Lithuania



**Ligita Mora**  
Chief Marketing Officer

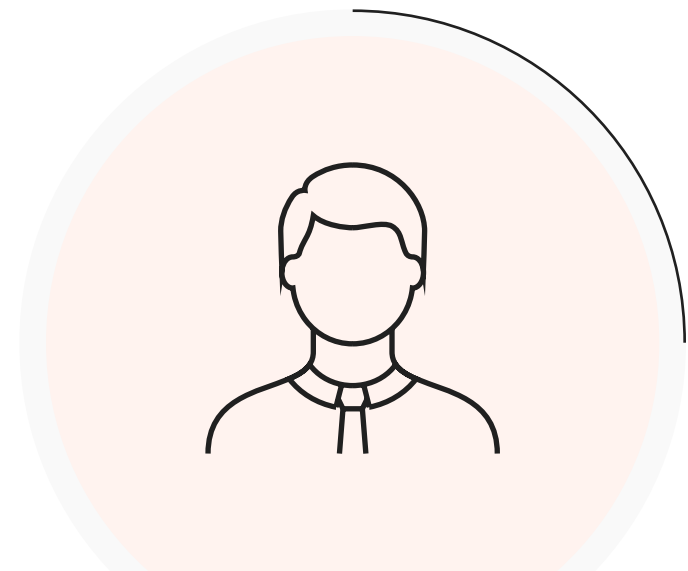


**Jānis Ezergailis**  
Head of Group's E-Commerce

Board Members of represented companies



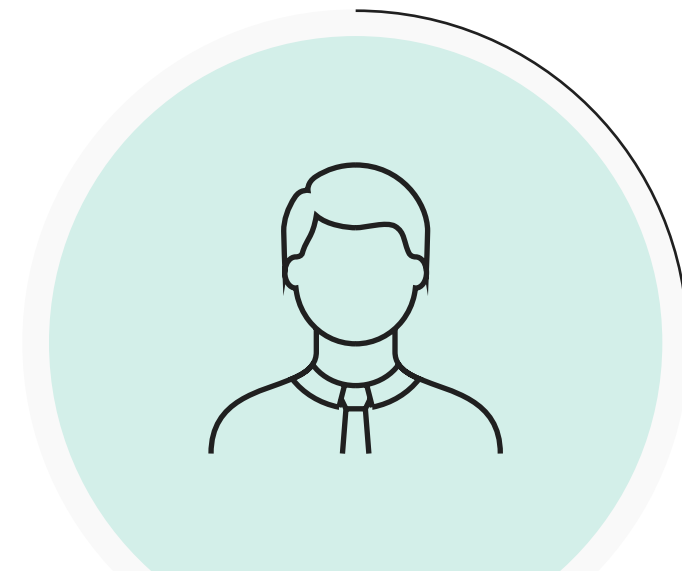
# Supervisory Board



*Ainārs Sprīngis*

Chairman of the Supervisory Board

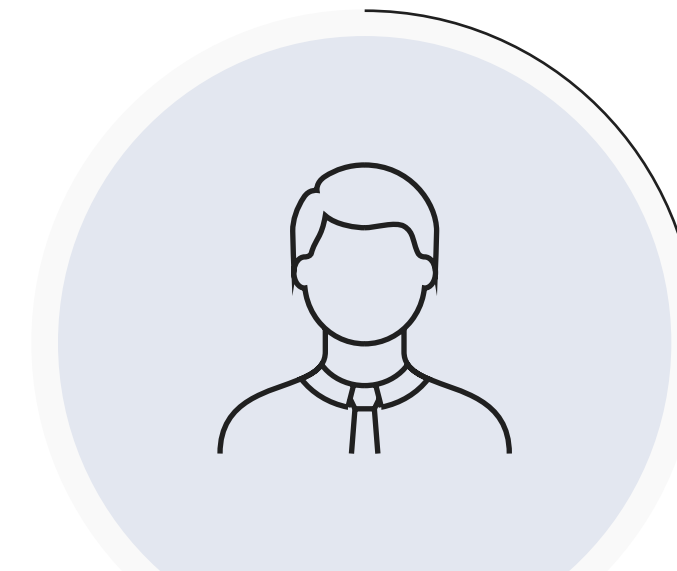
Ainārs Sprīngis – the founder and largest shareholder of Grenardi Group – successful entrepreneur and investor within the retail and technology industry. Established the largest retail chain of mobile phones & accessories in the Baltics – Trodeks & DUAL.



*Māris Keišs*

Supervisory Board Member

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



*Alberts Pole*

Supervisory Board Member

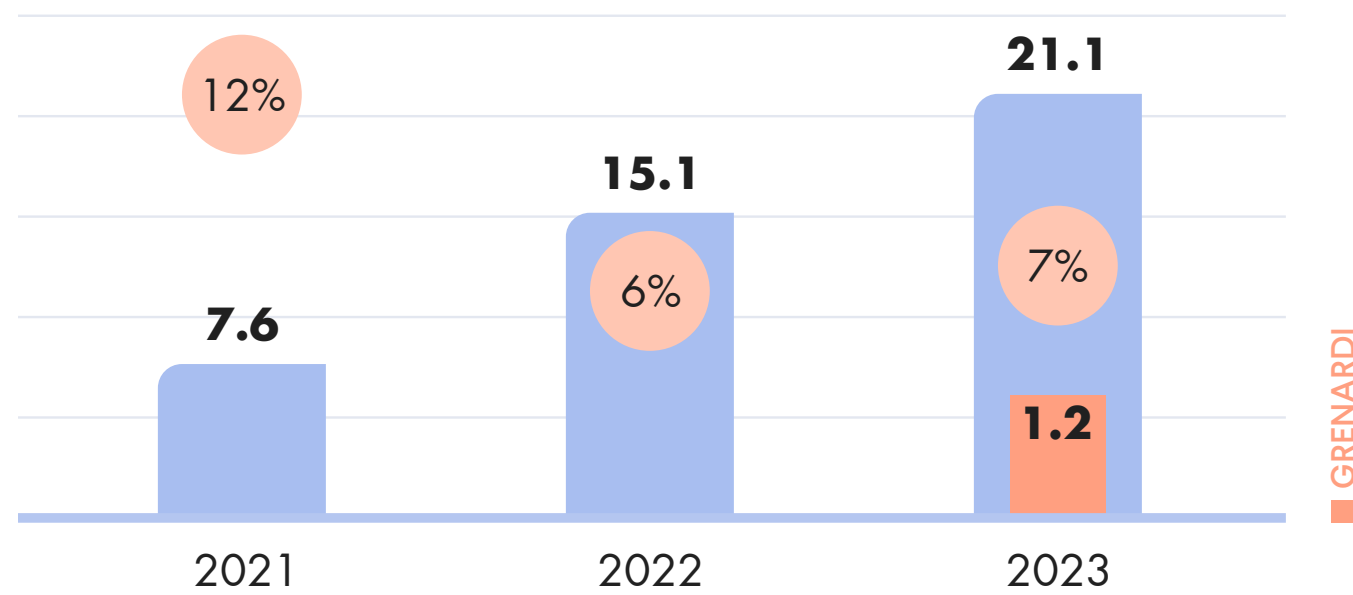
Alberts Pole has wide experience in the financial services industry as an entrepreneur and investor. Mr Pole is the co-founder of investment platform AS Mintos Marketplace and financial solutions company Eleving Group.



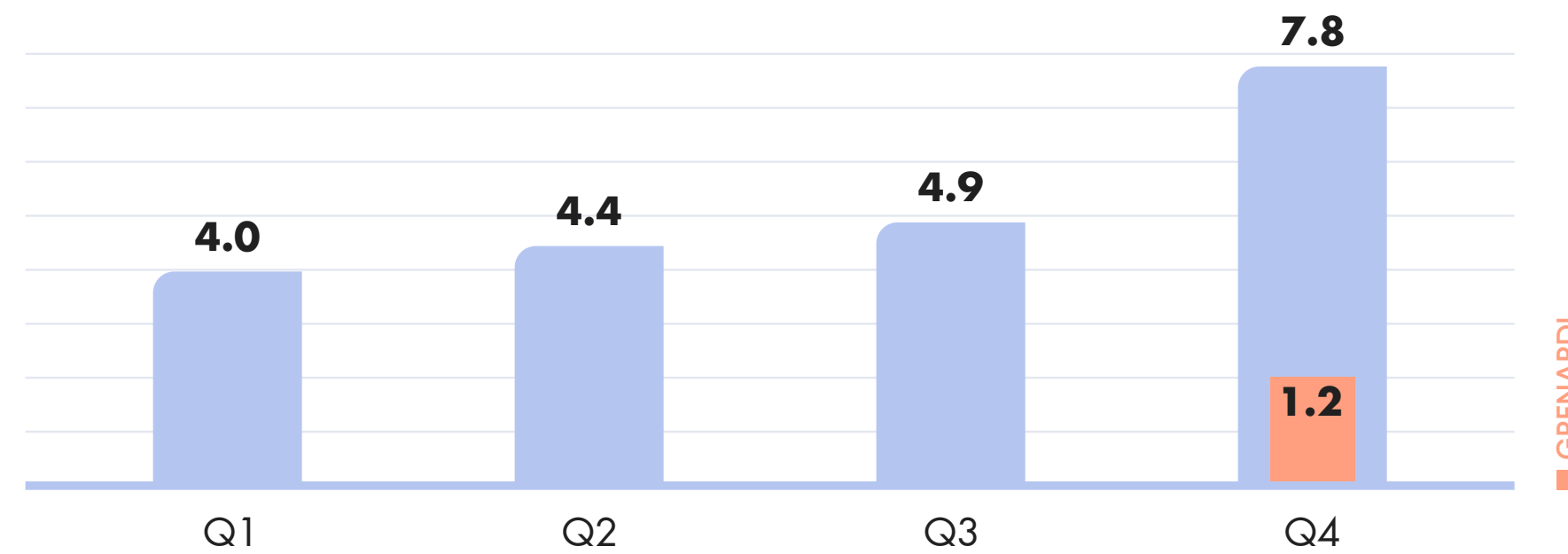


# Retail turnover overview<sup>1</sup>

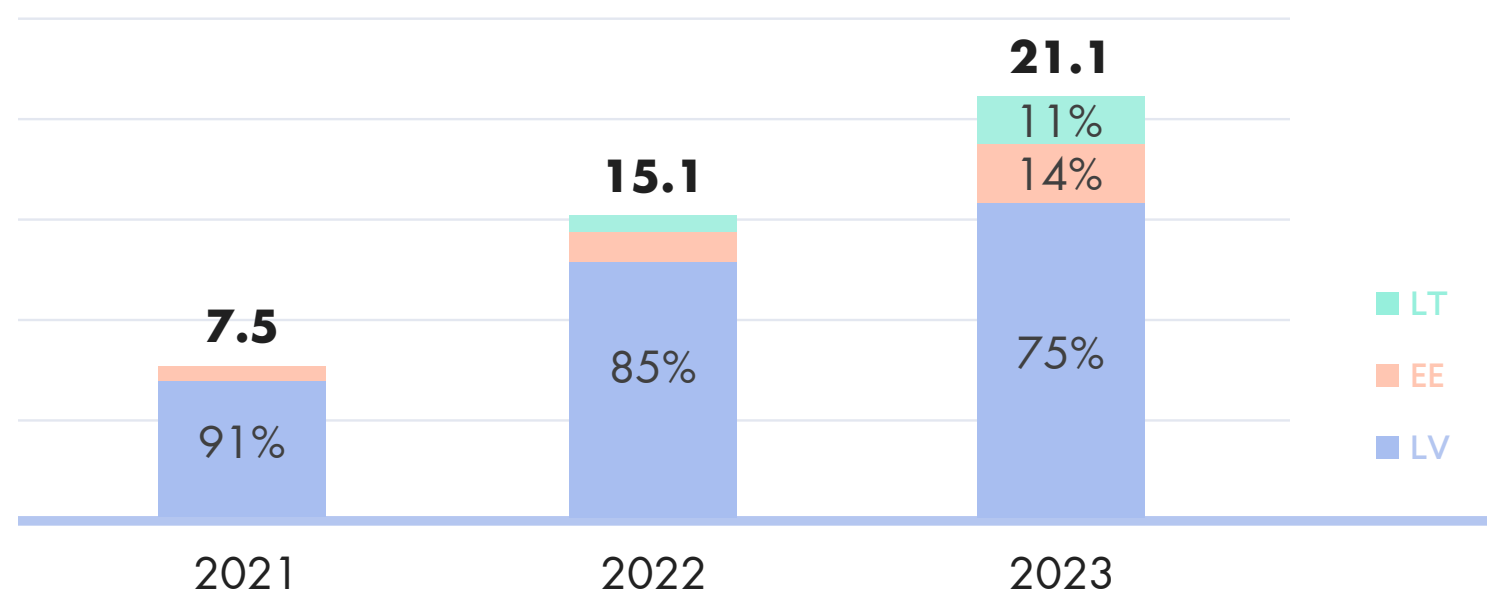
Retail turnover of the Group (€m) and share of e-commerce turnover (%)<sup>2</sup>



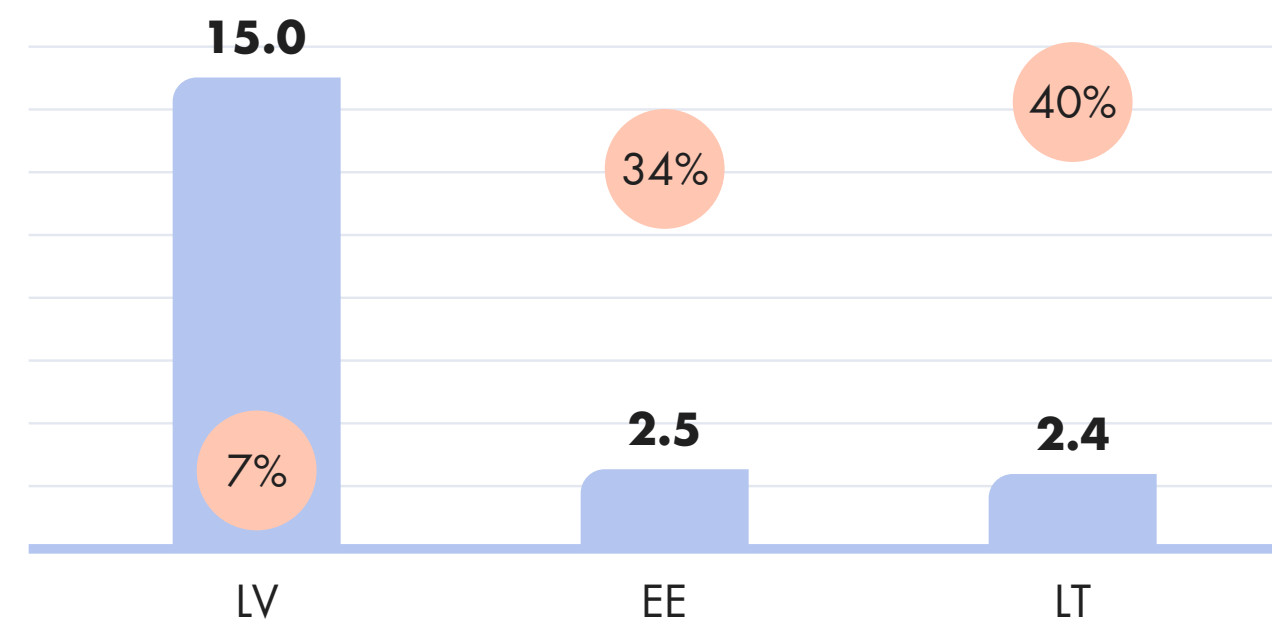
Retail turnover by quarters (€m), 2023<sup>2</sup>



The Group's total turnover (€m) and its distribution across geographic markets (%)



GIVEN chain retail turnover (€m) and same store sales growth (%), 2023



<sup>1</sup> Retail turnover is turnover, including VAT, <sup>2</sup> Includes GRECARDI chain retail turnover for December 2023 only



# Given – Grenardi: differentiated market players

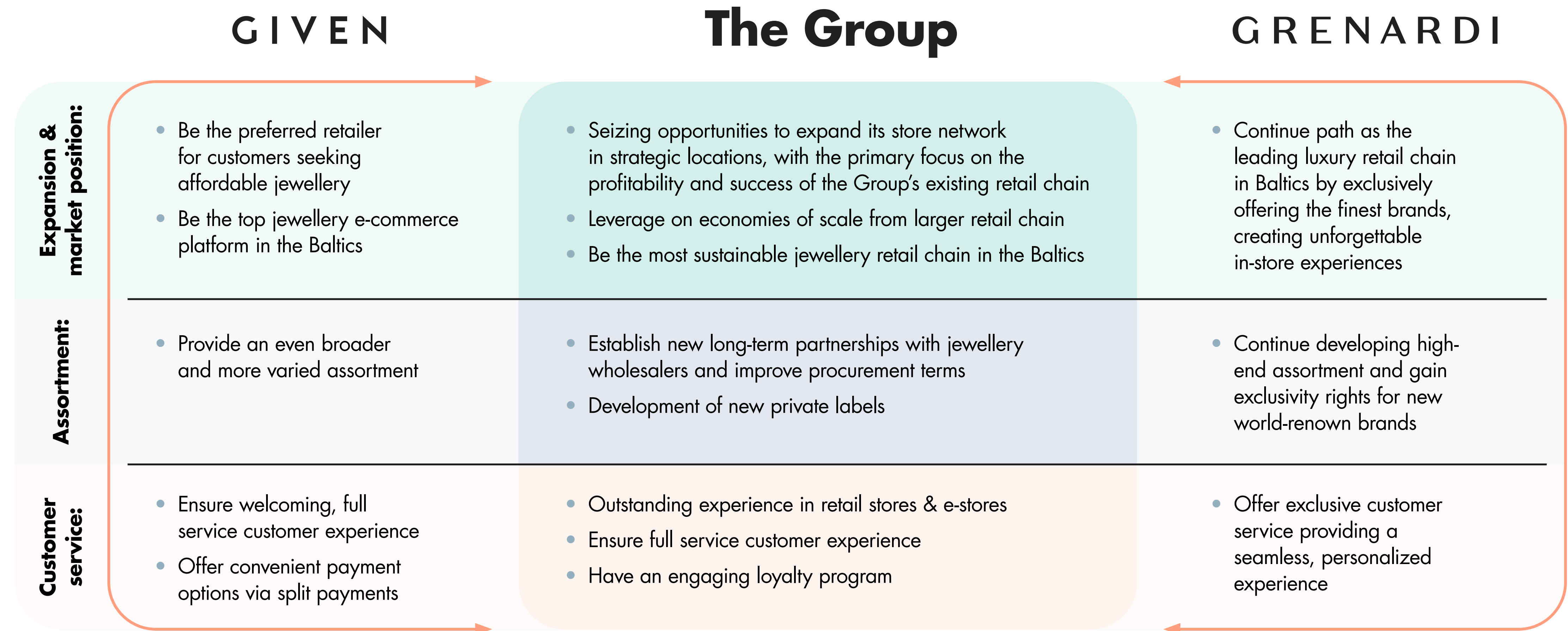


Stores*	75	7
Markets	Latvia, Estonia, Lithuania	Latvia, Estonia
Brand role	<i>“Making the valuable accessible”</i>	<i>“Celebrate the sense of entitlement”</i>
Assortment guidelines	Crafting everyday elegance: Affordable and Accesible jewellery for all	Prestigious and Globally Recognized Luxury Brands
Visual communication	<b>Modern, joyful, accessible</b>	<b>Clean, elegant, and contemporary aesthetic</b>

\* Number of stores as at December 31, 2023



# Grenardi Group's vision & strategy





# Given & Grenardi customer profiles

Average purchase value

Frequency of purchases

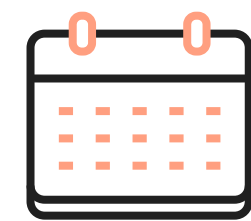
2023 Retail turnover by key categories

Transactions by amount, 2023

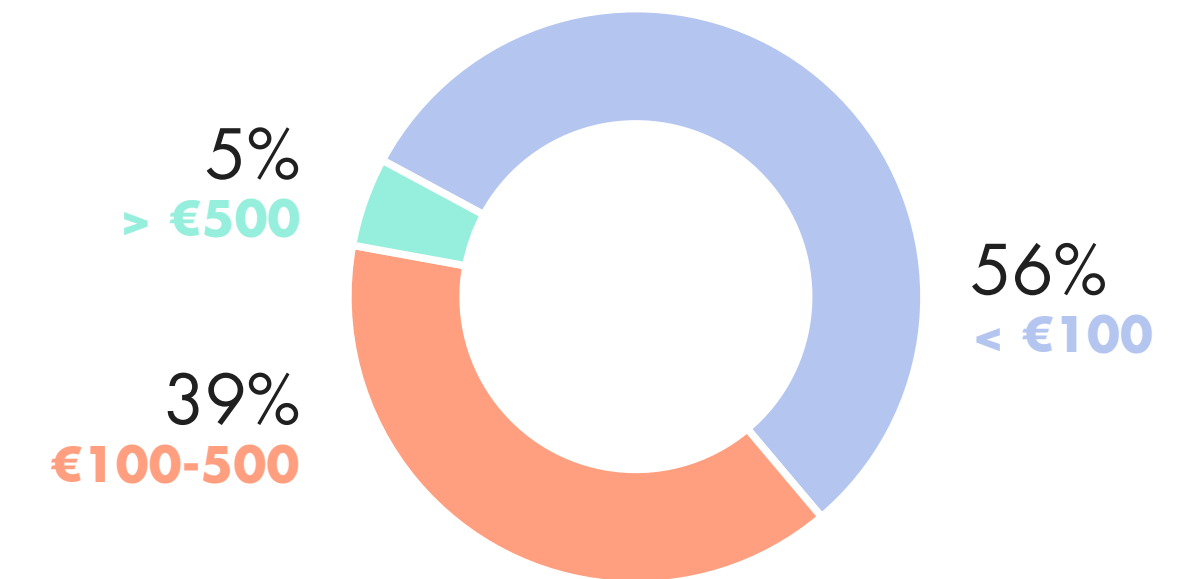
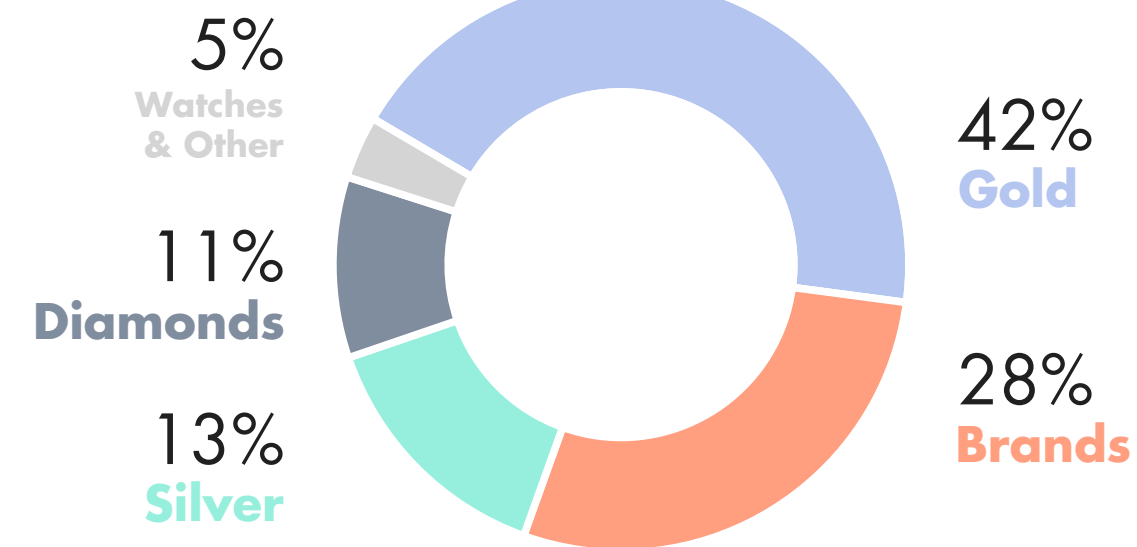
GIVEN



**156**  
EUR



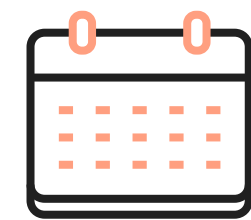
**202**  
Days



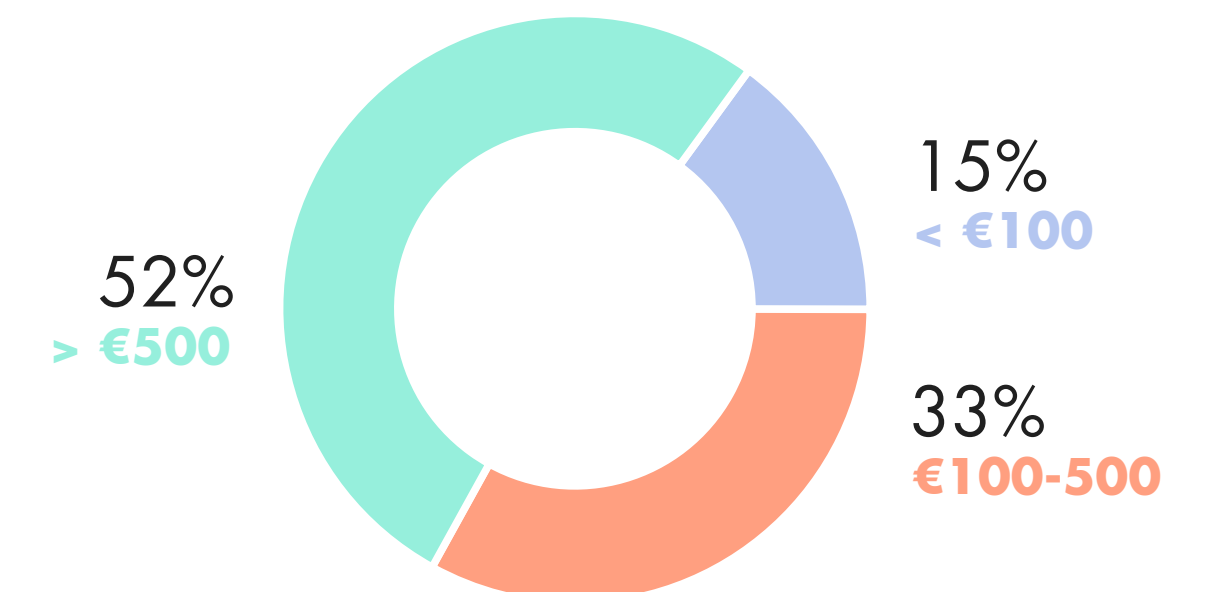
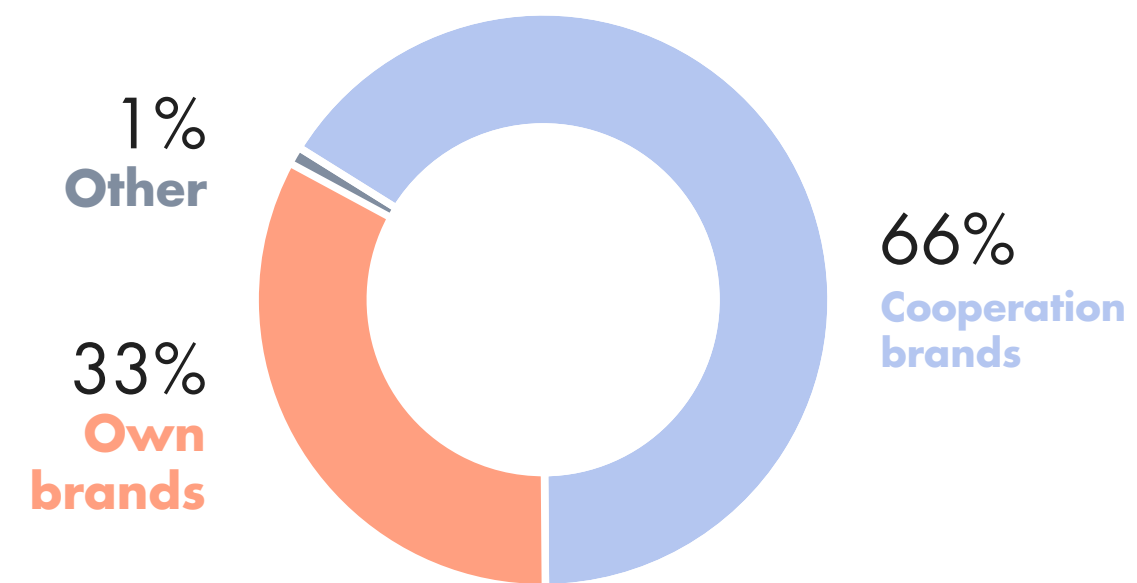
GRENARDI



**1'181**  
EUR



**354**  
Days



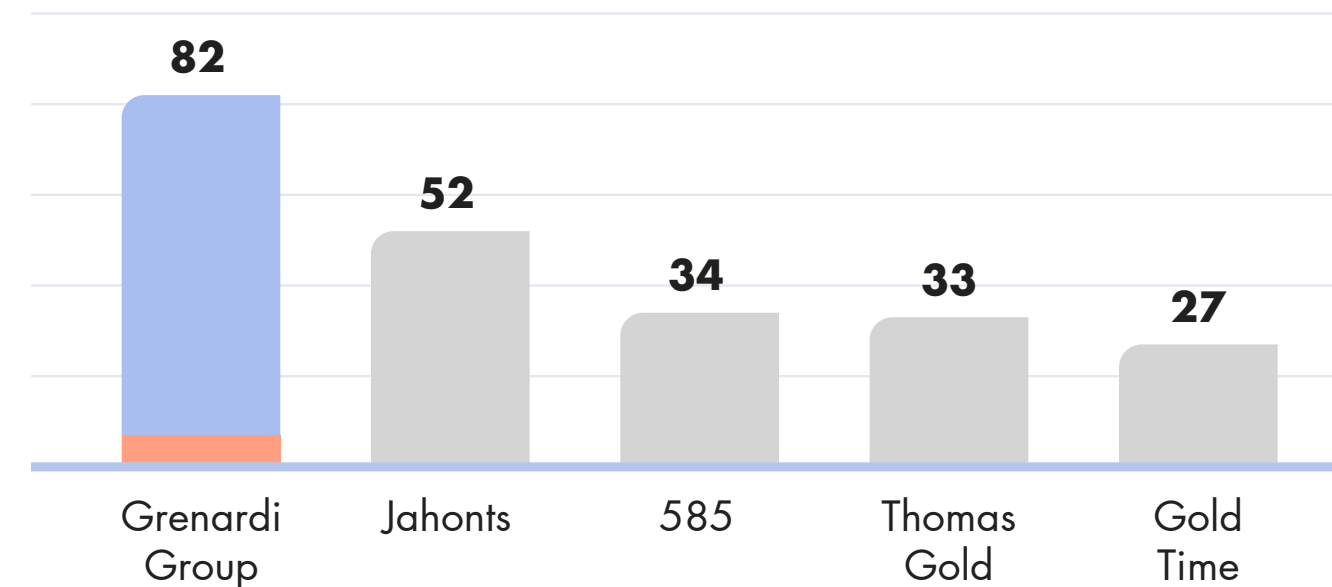


# Competitive landscape

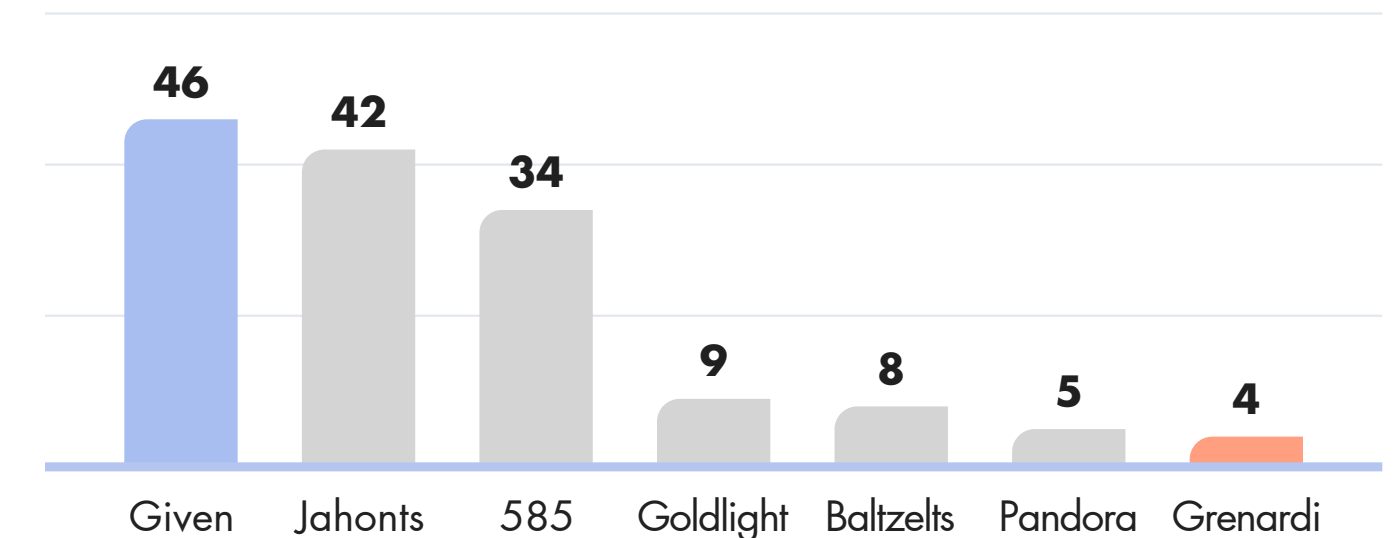
Grenardi Group is the largest jewellery retail chain in the Baltics

- Grenardi Group is the largest retail chain in the Baltics and has been consistently growing its market share in Estonia and Lithuania over the past few years
- GIVEN stands out as the undisputed market leader in the affordable jewellery segment in Latvia
- The jewellery market, particularly in Latvia and Estonia, is quite fragmented, presenting a significant market opportunity for the Group
- GRENARDI has developed a distinguished product portfolio featuring globally renowned brands and unique private labels, establishing a niche market presence with limited direct competitors, thereby strengthening their competitive position

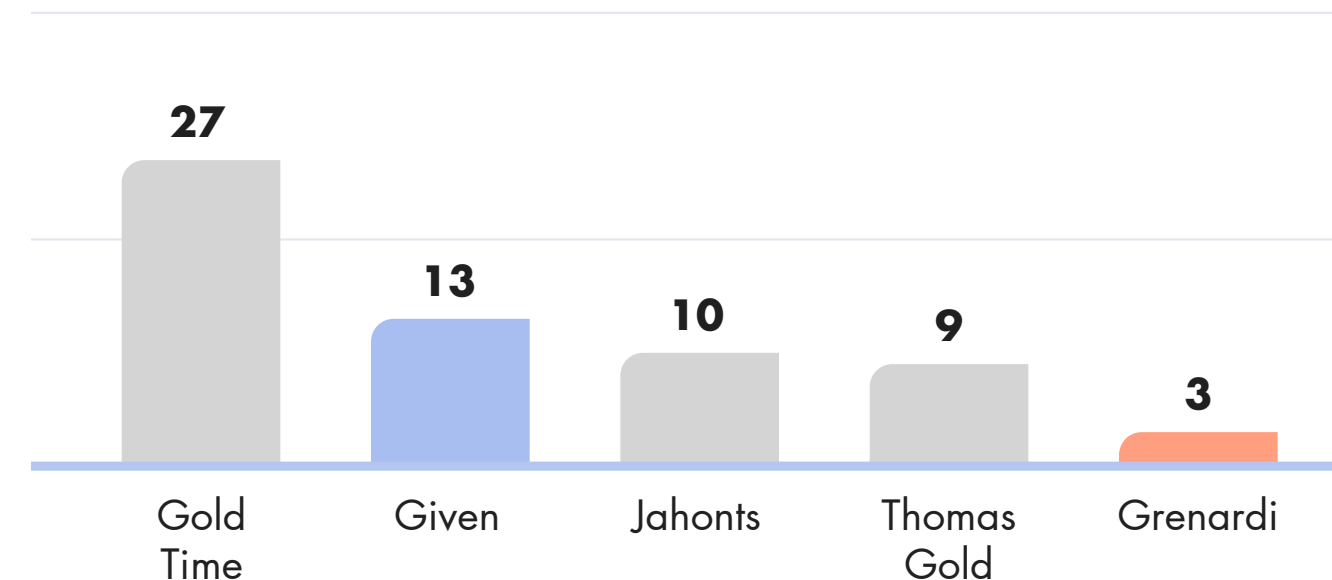
Number of stores in the Baltics



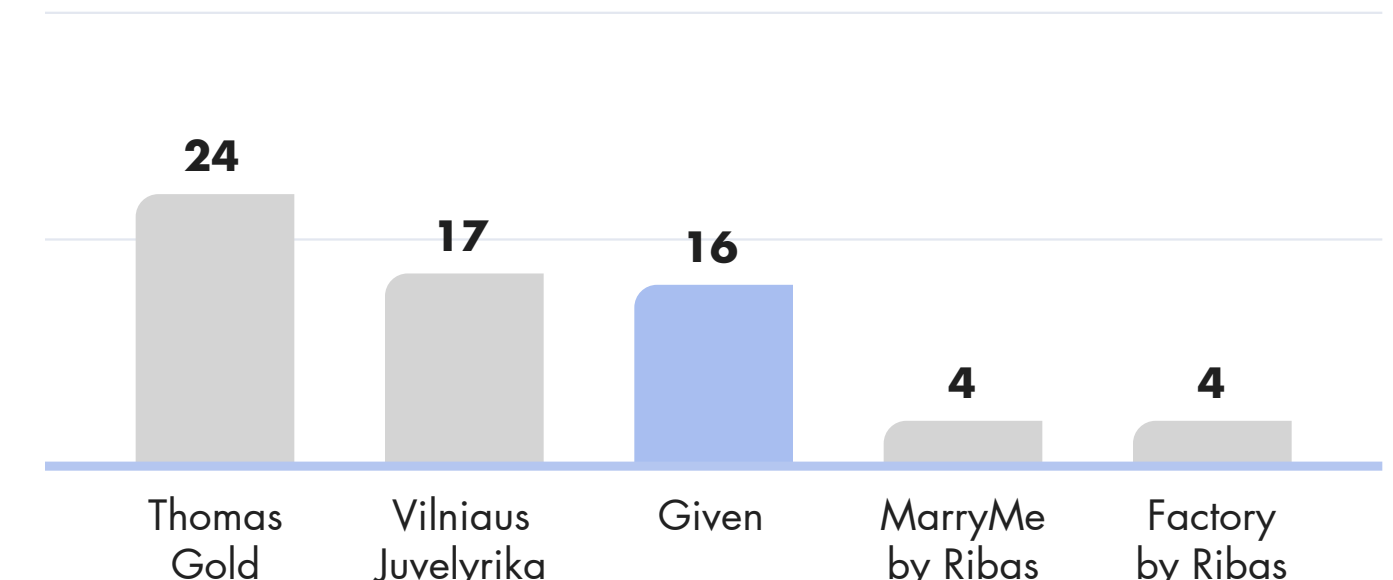
Number of stores in Latvia



Number of stores in Estonia

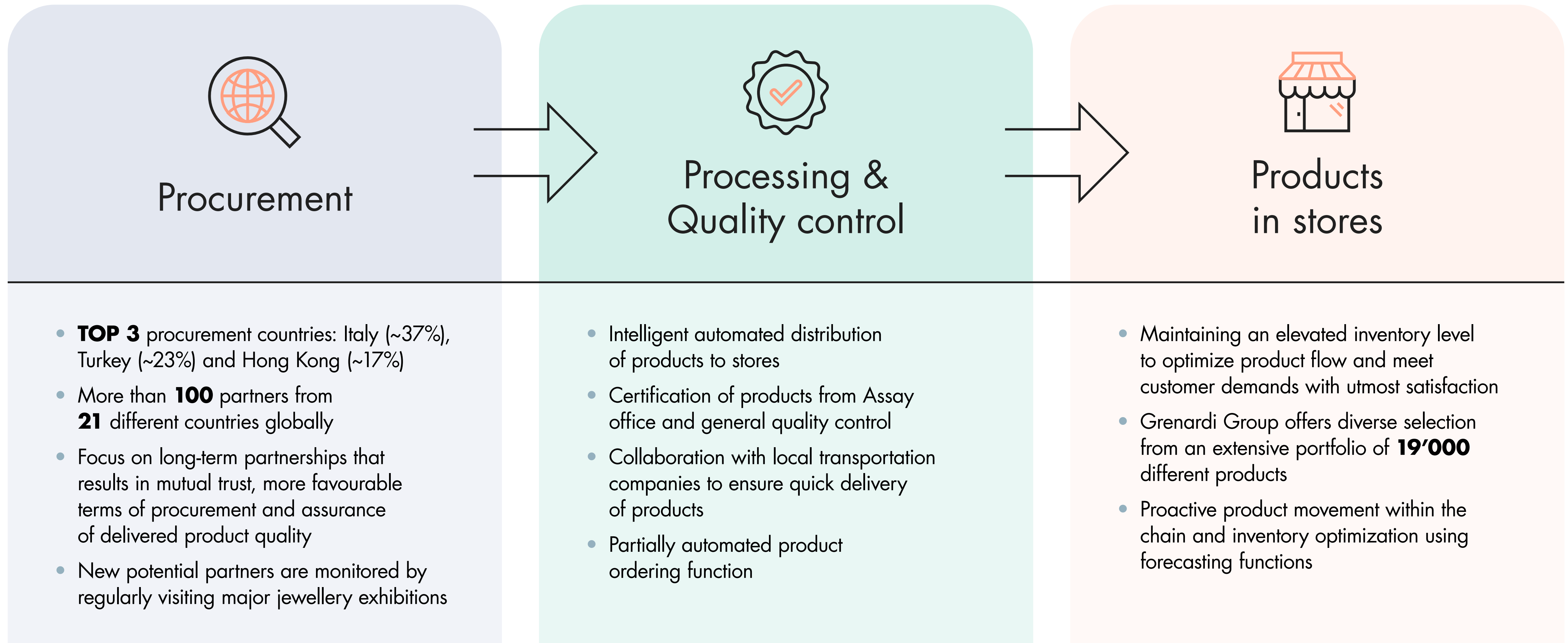


Number of stores in Lithuania





# Supply chain

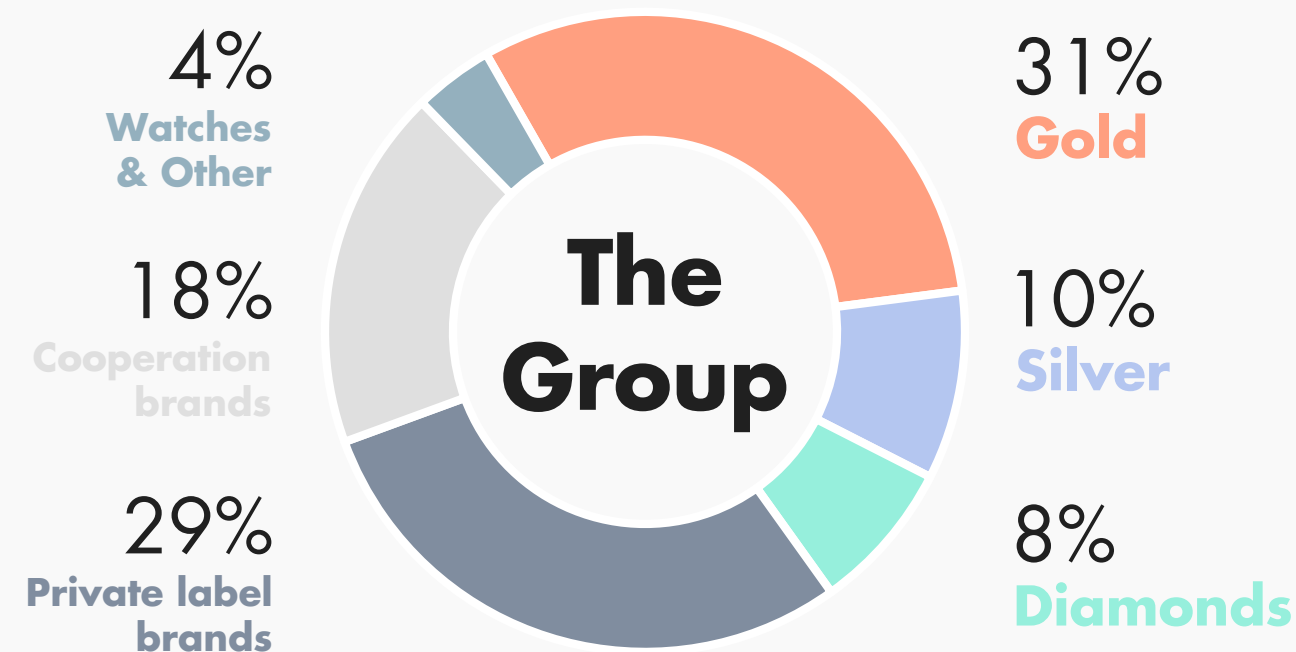




# Grenardi Group brands

- The Group recognises the opportunities of effective distribution network and as at the end of 2023 has developed **12** private label brands
- Grenardi serves as a sales channel for well-established jewellery and watch brands, with **66%** of its retail turnover generated by the sale of these brands

The Group's retail turnover by categories, 2023<sup>1</sup>

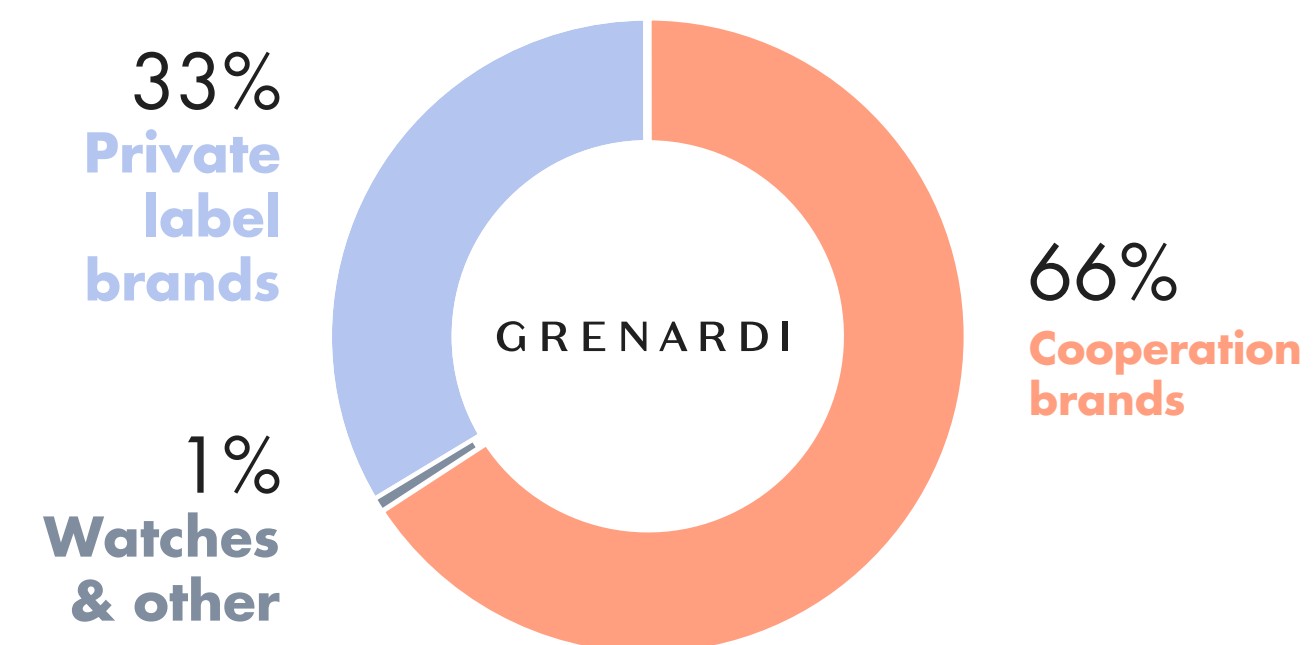


<sup>1</sup> Based on pro-forma retail turnover of the Group, including GRENARDI retail turnover for 2023

Retail turnover by categories of GIVEN, 2023



Retail turnover by categories of GRENARDI, 2023





# Grenardi Group brands

One of the Group's key strategic strengths resides in cultivating collaborative partnerships with esteemed brands, alongside skilfully curating private-label brands that mirror our unwavering dedication to excellence

## Private label brands



## Key cooperation brands





# ESG Strategy

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

## Circular durability:

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

## Empowering culture

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

## Traceability & knowledge

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

## Reduced footprint

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





**GRENARDI**  
GROUP

*Executive summary*

*Business overview*

# *Financial highlights*

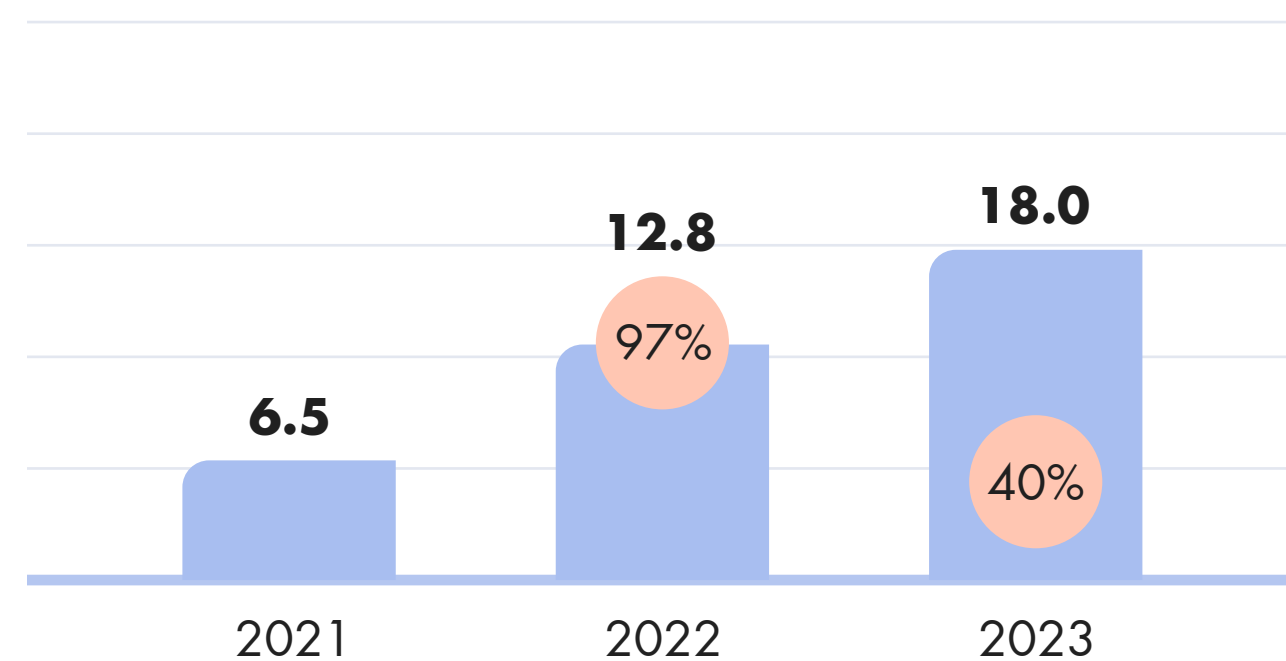
*Transaction overview*



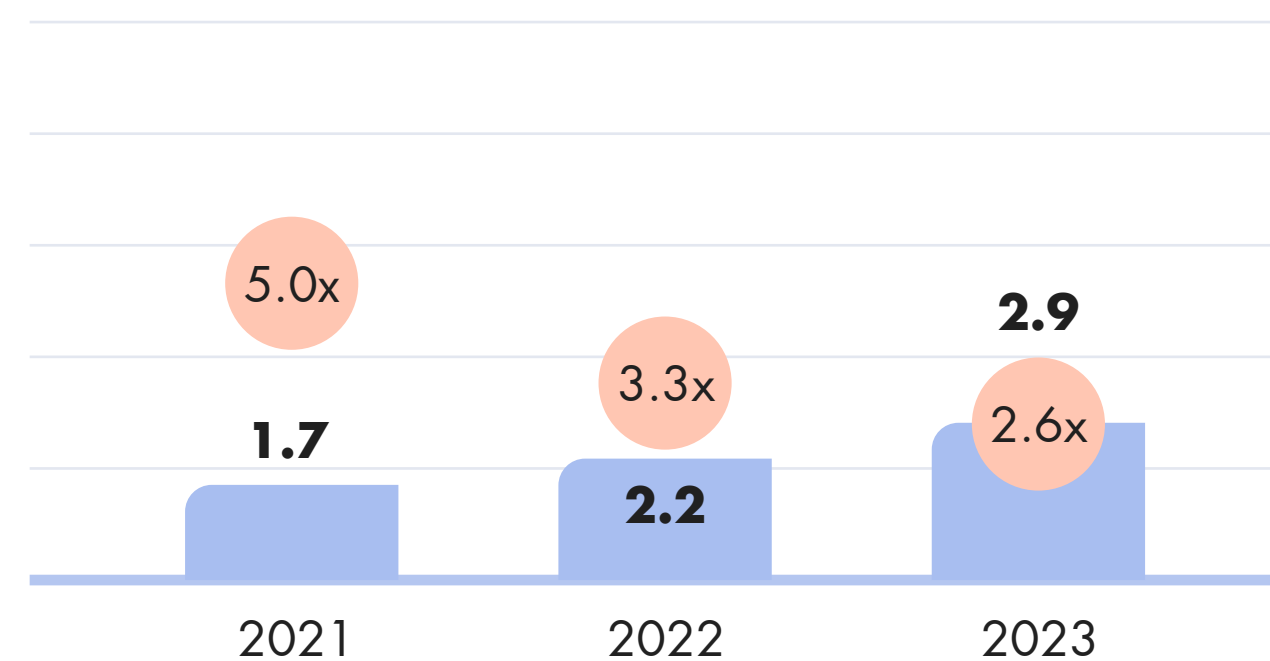


# Key financial highlights

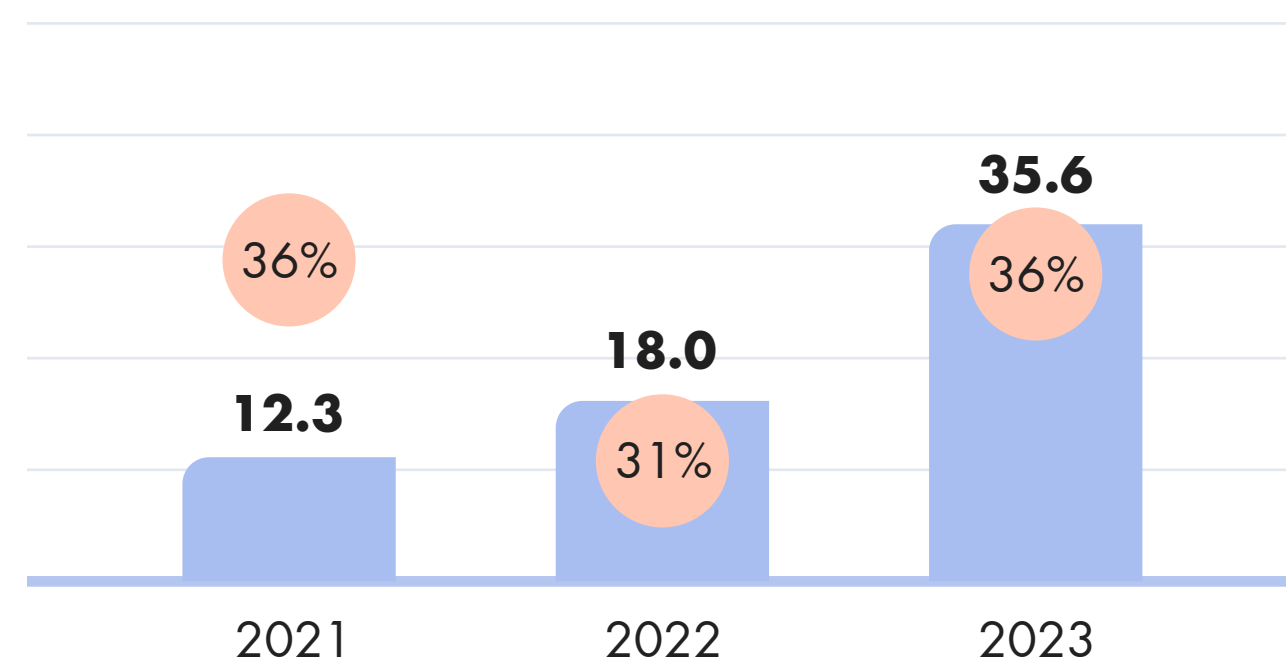
Revenue (€m) and revenue growth (%)



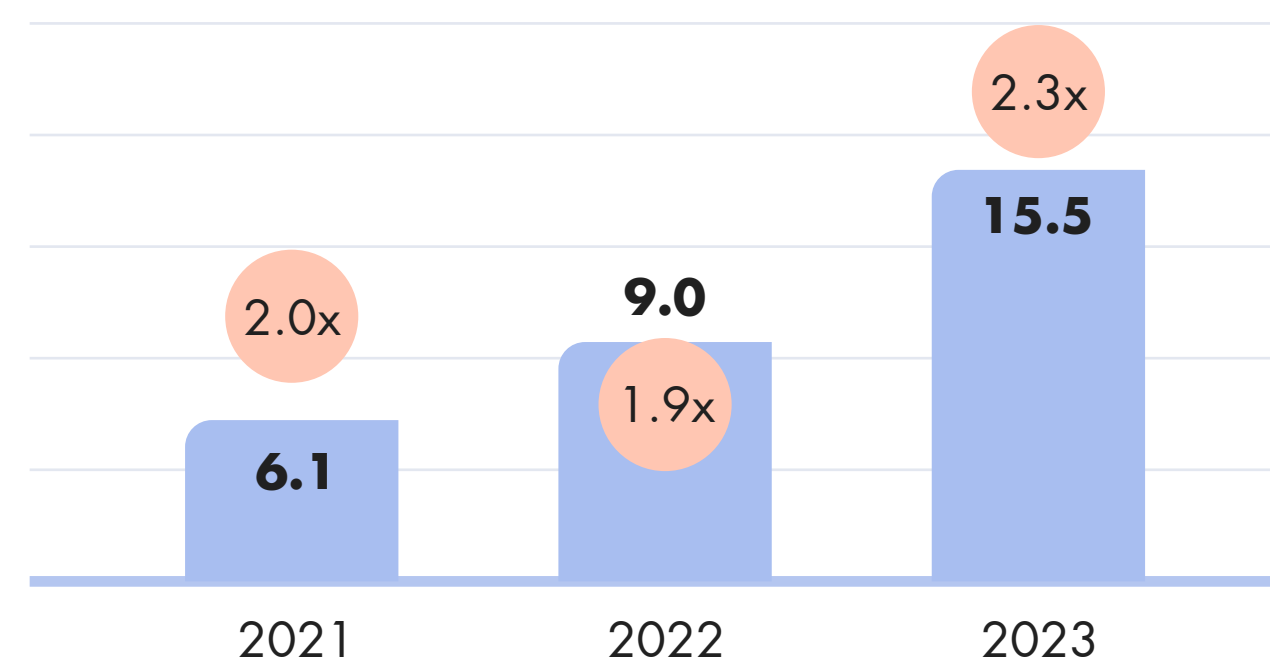
EBITDA (€m) and interest coverage ratio (x)



Total assets (€m) and capitalization ratio (%)



Inventory (€m) and inventory coverage (x)





# Income statement

€ thousand	2021 Audited	2022 Audited	2023 Unaudited	2023 Pro-forma adjusted <sup>1</sup>
Revenue	6'517	12'837	18'011	23'221
Cost of goods sold	(2'998)	(5'435)	(7'719)	(10'436)
<b>Gross profit</b>	<b>3'519</b>	<b>7'402</b>	<b>10'293</b>	<b>12'785</b>
Selling expenses	(2'622)	(5'198)	(7'625)	(9'041)
Administrative expenses	(600)	(1'533)	(1'942)	(2'590)
Other operating income	603	51	131	195
Other operating expenses	(90)	(91)	(105)	(148)
<b>EBIT</b>	<b>811</b>	<b>632</b>	<b>751</b>	<b>1'199</b>
Interest income	3	1	0	36
Interest expense	(330)	(669)	(1'104)	(1'229)
Income tax	(0)	50	94	62
<b>Profit for the period</b>	<b>484</b>	<b>13</b>	<b>(259)</b>	<b>68</b>
<b>EBITDA<sup>2</sup></b>	<b>1'650</b>	<b>2'193</b>	<b>2'862</b>	<b>3'656</b>

<sup>1</sup> A 12-month adjusted pro-forma has been prepared to demonstrate the Group's result as if GRENARDI chain had been acquired on Jan 1, 2023 to review performance of the Group without one-time impact of the official merger

<sup>2</sup> Strong 12m EBITDA and adjusted pro-forma EBITDA driven by the expansion of the retail chain, sales growth in the existing store network and the acquisition of GRENARDI



# Statement of financial position

€ thousand	31.12.2021 Audited	31.12.2022 Audited	31.12.2023 <sup>1</sup> Unaudited
Intangible assets <sup>2</sup>	777	795	7'670
Fixed assets	1'162	1'972	2'777
Right-of-use assets <sup>3</sup>	2'705	3'952	6'511
<b>Total non-current assets</b>	<b>4'643</b>	<b>6'719</b>	<b>16'958</b>
Inventory	6'090	9'030	15'511
Advance payments for goods	130	101	154
Debitors	789	648	1'339
Cash and cash equivalents	694	1'479	1'621
<b>Total current assets</b>	<b>7'703</b>	<b>11'257</b>	<b>18'625</b>
<b>TOTAL ASSETS</b>	<b>12'346</b>	<b>17'976</b>	<b>35'582</b>

<sup>1</sup> Unaudited consolidated results in accordance with IFRS. The results include acquired GRENARDI chain as at Dec 31, 2023

<sup>2</sup> Increase in intangible assets as at December 31, 2023 is due to Goodwill recognized from GRENARDI acquisition

<sup>3</sup> Right-of-use (ROU) assets are recognized under IFRS as part of the accounting for leases (IFRS 16). Under IFRS 16, most leases are now recognized on the balance sheet as right-of-use assets and lease liabilities



# Statement of financial position

€ thousand	31.12.2021 Audited	31.12.2022 Audited	31.12.2023 <sup>1</sup> Unaudited
Share capital	1'347	1'347	7'894
Retained earnings	498	512	253
<b>Total equity</b>	<b>1'845</b>	<b>1'859</b>	<b>8'147</b>
Subordinated debt <sup>2</sup>	2'603	3'703	4'544
Loans and Borrowings <sup>3</sup>	3'077	5'100	3'917
Non-current lease liabilities	1'965	2'769	4'606
<b>Total non-current liabilities</b>	<b>7'654</b>	<b>11'572</b>	<b>13'067</b>
Loans and Borrowings <sup>3</sup>	-	0	3'167
Accounts payable	1'308	1'735	3'398
Current lease liabilities	855	1'369	2'289
Taxes & other payables <sup>4</sup>	734	1'440	5'514
<b>Total short-term liabilities</b>	<b>2'896</b>	<b>4'545</b>	<b>14'368</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>12'346</b>	<b>17'976</b>	<b>35'582</b>

<sup>1</sup> Unaudited consolidated results in accordance with IFRS. The results include acquired GRENARDI chain as at Dec 31, 2023

<sup>2</sup> Existing Subordinated Notes with ISIN LV0000870103 due on 31 May 2028 with maximum amount of €5.0m

<sup>3</sup> Loans and Borrowings include secured bonds of nominal value €7.0m

<sup>4</sup> Taxes & other payables include deferred payment for the acquisition of GRENARDI



# The Group's inventory analysis

Backed by liquid inventory with stable value:

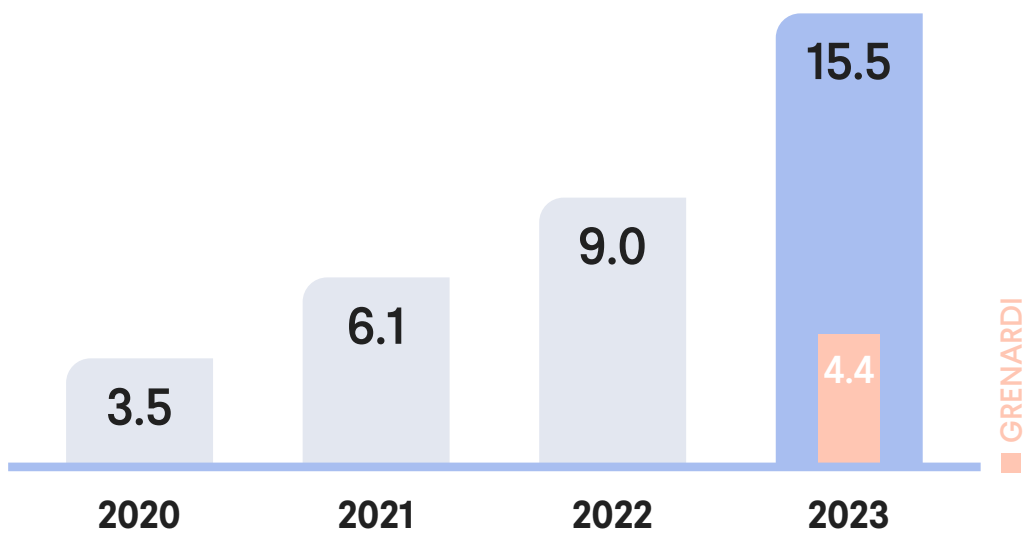
Healthy stock levels:  
achieved by efficient inventory management

Stability:  
gold – long-standing value

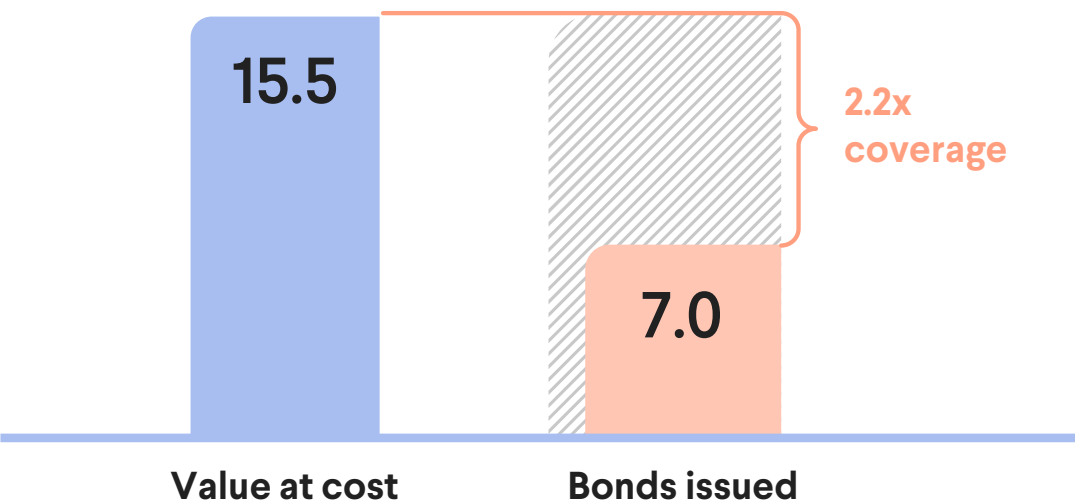
Liquidity:  
possibility to remelt gold products and sell at spot price on stock exchange

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

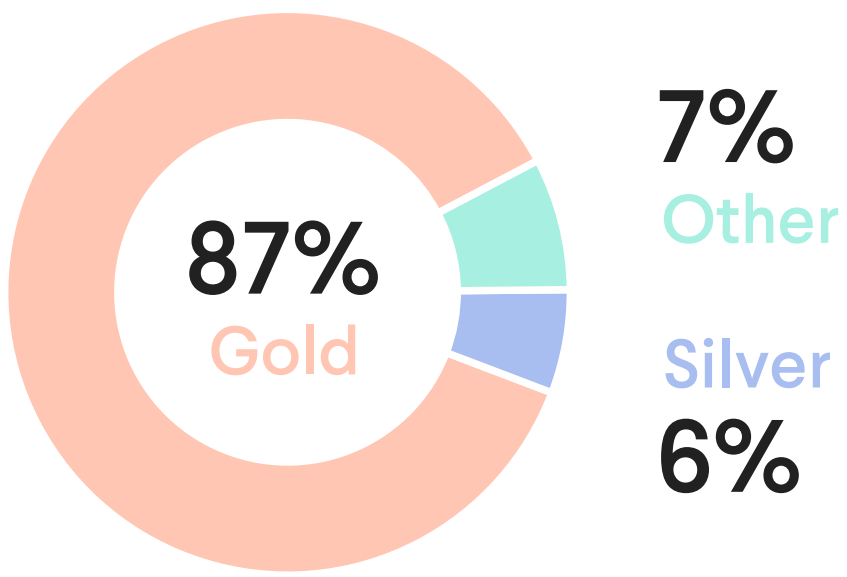
The Group's inventory (€M)



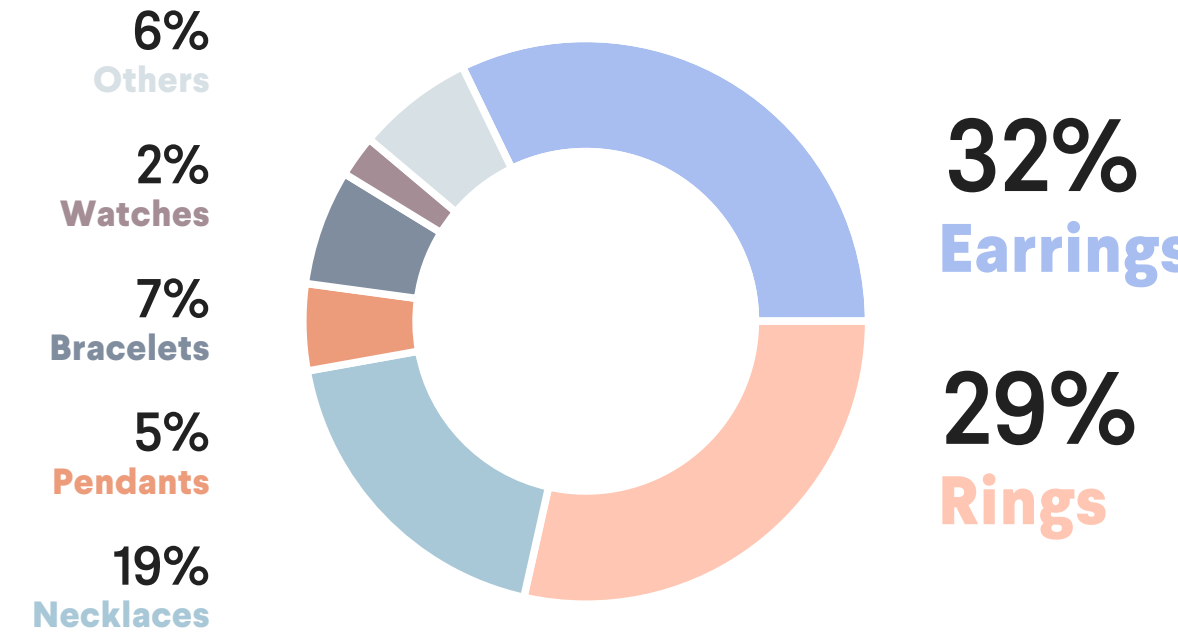
The Group's inventory value (€M) as at December 31, 2023



Inventory by key metals as at December 31, 2023



Inventory by type of products as at December 31, 2023





**GRENARDI**  
GROUP

*Executive summary*

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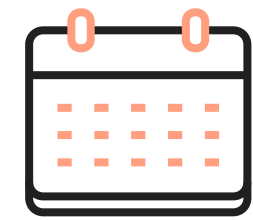
# *Transaction overview*

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# Bond issue timeline & use of proceeds



## Bond issue 2024

March  
**25**

**Start of subscription period and exchange offer to existing investors of noted maturing on 30 April 2024**

April  
**15**

**End of subscription period and exchange offer period**

April  
**19**

**Issue date**

April  
**19 >**

**Listing on Nasdaq Baltic within 3 months after the issue date**



## Use of proceeds

Refinancing of Existing Secured Notes in the amount of €3.0m

Financing of further expansion of Grenardi Group

1. Financing the purchase of additional inventory for expanding the assortment in existing stores and opening new stores
2. Financing of existing and potential M&A activities to further solidify the market position of Grenardi Group



# Term-sheet

## ISSUER – AS Grenardi Group

Type of notes	Secured Notes
Collateral	Commercial pledge on assets of all subsidiaries
ISIN	LV0000860179
Issue size	EUR 12'000'000
Coupon rate	10.00%, paid monthly
Maturity	16 April 2027, bullet repayment
Type of placement	Public offering in Latvia, Lithuania and Estonia
Nominal value; Minimum investment amount	EUR 100
Use of proceeds	Refinancing of the Group's existing liabilities, investment in working capital and financing M&A activities
Call options	102% after 1st year, @101% after 2nd year, @100% 6 months before maturity
Financial covenants (based on consolidated data)	<ul style="list-style-type: none"> <li>• To maintain inventory coverage ratio of at least 1.25x</li> <li>• To maintain consolidated interest coverage ratio of at least 2x</li> <li>• To maintain consolidated equity ratio of at least 30%</li> </ul>
Arranger	Signet Bank AS
Sales Agent Estonia	Redgate Capital AS
Collateral Agent	ZAB Vilgerts SIA
Admission to trading	Nasdaq Riga Baltic Bond List within 3 months after the Issue Date
Legal Counsel	ZAB Eversheds Sutherland Bitāns SIA

Full list of terms can be found in Base Prospectus and Final Terms of the Notes



# Investor loyalty program

Thank you for being  
a vital part of our success!

For investors investing more than EUR 500 in the initial bond offering, the Group offers participation in its loyalty program:

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

	 SILVER	 GOLD	 PLATINUM
Initial investment amount	500-10'000	10'001-50'000	>50'000
Gift card	50 EUR	200 EUR	300 EUR
Jewellery box with a jewellery	-	✓	✓
Gift card at birthday	25 EUR	100 EUR	150 EUR
Voucher at Goldwork – jewellery repair and maintenance service	-	30 EUR	50 EUR
Invitation to VIP events	-	-	✓
Loyalty card	Investor loyalty card (15%)		



# Key investment considerations



## Market leader

**82 stores** in 34 cities and 3 countries – the leading and the fastest growing jewellery retailer in the Baltics



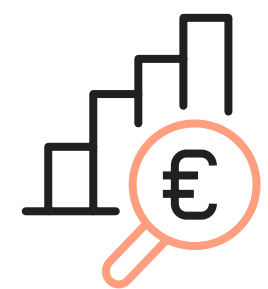
## Solid financial performance

**€3.7m pro-forma EBITDA** with EBITDA margin of 16% in 2023. Strong revenue and EBITDA growth driven by the expansion of the retail chain, sales growth in the existing store network and the acquisition of GRENARDI



## Secured bonds

Secured bonds – the bonds are secured with highly liquid **€15.5m inventory** as at December 31, 2023, 87% of inventory consists of gold jewellery



## Shareholder commitment

Strong strategic investors providing financing to support Grenardi Group's growth plans. Total financing provided by shareholders in the form of equity and bonds – €11.7m, ensuring **36% capitalization ratio** as at December 31, 2023



## Experienced issuer

Experienced issuer with **2 bonds listed** on Nasdaq First North since 2022



# Risk factors

In the next slide is a list of the risk factors that are material for the assessment of the market risk associated with the notes and risk factors that may affect the issuer's ability to fulfil its obligations under the notes. Should one or more of the risks listed materialise, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the issuer and the group. Moreover, if any of these risks materialise, the market value of the notes and the likelihood that the issuer will be in a position to fulfil its payment obligations under the notes may decrease, in which case the prospective investors could lose all or part of their investments.

Before deciding to purchase the notes, prospective investors should carefully review and consider the following risk factors, in addition to all other information presented in the terms of issue, and consult with their own professional advisors if necessary. Moreover, prospective investors should bear in mind that several of the described risk factors can occur simultaneously and together with other circumstances could have a potentially stronger impact on the issuer or the group. This is not an exclusive list of risk factors, and additional risks, of which the issuer is not presently aware, could also have a material adverse effect on the issuer and the group.

## Important note

The risks indicated in this section, if some or all of them materialise, may reduce the issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario. This section may not feature all the potential risks, which may affect the issuer and the group.





# List of risk factors

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

- Macroeconomic risk
- Geopolitical risk
- Global pandemic risk

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

- Seasonality risk Geopolitical risk
- Risk of price volatility of precious metals and stones
- Consumer trend risk
- Expansion and competition risk
- Risk of theft or misappropriation

## Risk factors related to the Issuer's business

- Risk of current and new retail space availability
- Supply chain and key manufacturer risk
- Inventory management risk
- Employee attraction risk

- Dependence on key employees' risk
- Risk related to the use of social media and influencers
- Brand reputation risk

## Legal and regulatory risks

- Regulatory risk
- IT systems risk
- Anti-money laundering (AML) breach risk
- Risk related to changes in customs regulations
- Taxation risk
- Privacy and data protection breach risk
- Intellectual property (IP) risk
- E-commerce risk

## Risks relating to the Notes

- Liquidity risk
- Notes repayment risk
- Offering cancellation and delisting risk
- Price risk

- Early redemption risk
- Tax risk
- Resolutions of Noteholders risk

## Risk factors relating to financial matters

- Financial leverage risk
- Credit risk of clients

## Risks related to the Collateral and the Guarantees

- Risks associated with the Collateral Agent Agreement
- Risks associated with the value of the Collateral
- Risks associated with certain limitations relating to the validity and enforceability of the Collateral and the Guarantees
- Risks associated with the limitations and procedures concerning enforcement of the Guarantee and the Collateral
- Risks related to amendments to laws and regulations
- Risks related to the actions and financial standing of the Collateral Agent



# GRENARDI

G R O U P

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