

VRG
VISTULA RETAIL GROUP

1Q24 results presentation

A MODERN GROUP WITH
TRADITIONS

May 21, 2024



VISTULA

BYTOM

SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER

MILANO

W.KRUK

1 8 4 0



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01

Introduction



New collections and stores in the first months of 2024

Introduction of new collections in apparel brands - a larger share of more responsible collections



New collections in the W.KRUK brand (jewellery, watches)

Opening of third W.KRUK location in Hungary. One store under preparation



Actions directly with the customers

Promotion of the Bytom brand as part of an additional Bytom x Mercedes initiative, co-organized with Sobiesław Zasada Automotive.

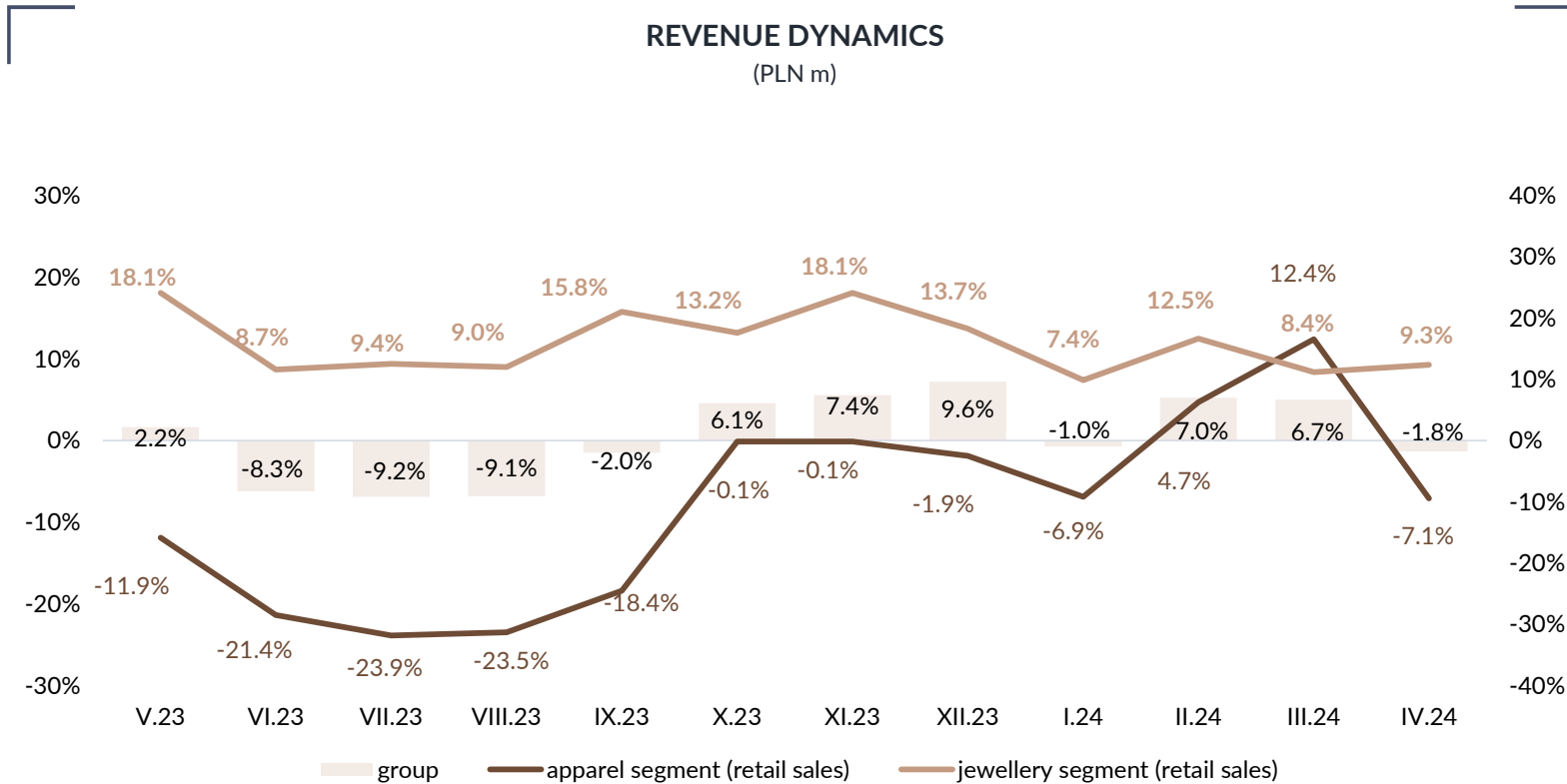


Pilot event "Personalized embroidery as a gift" - customers of the Westfield Arkadia boutique could receive personalized embroidery for Shirts purchased.

The Deni Cler Academy consists of thematic meetings organized for the brand's clients, building an engaged community.



April 2024 with slight YoY revenue fall



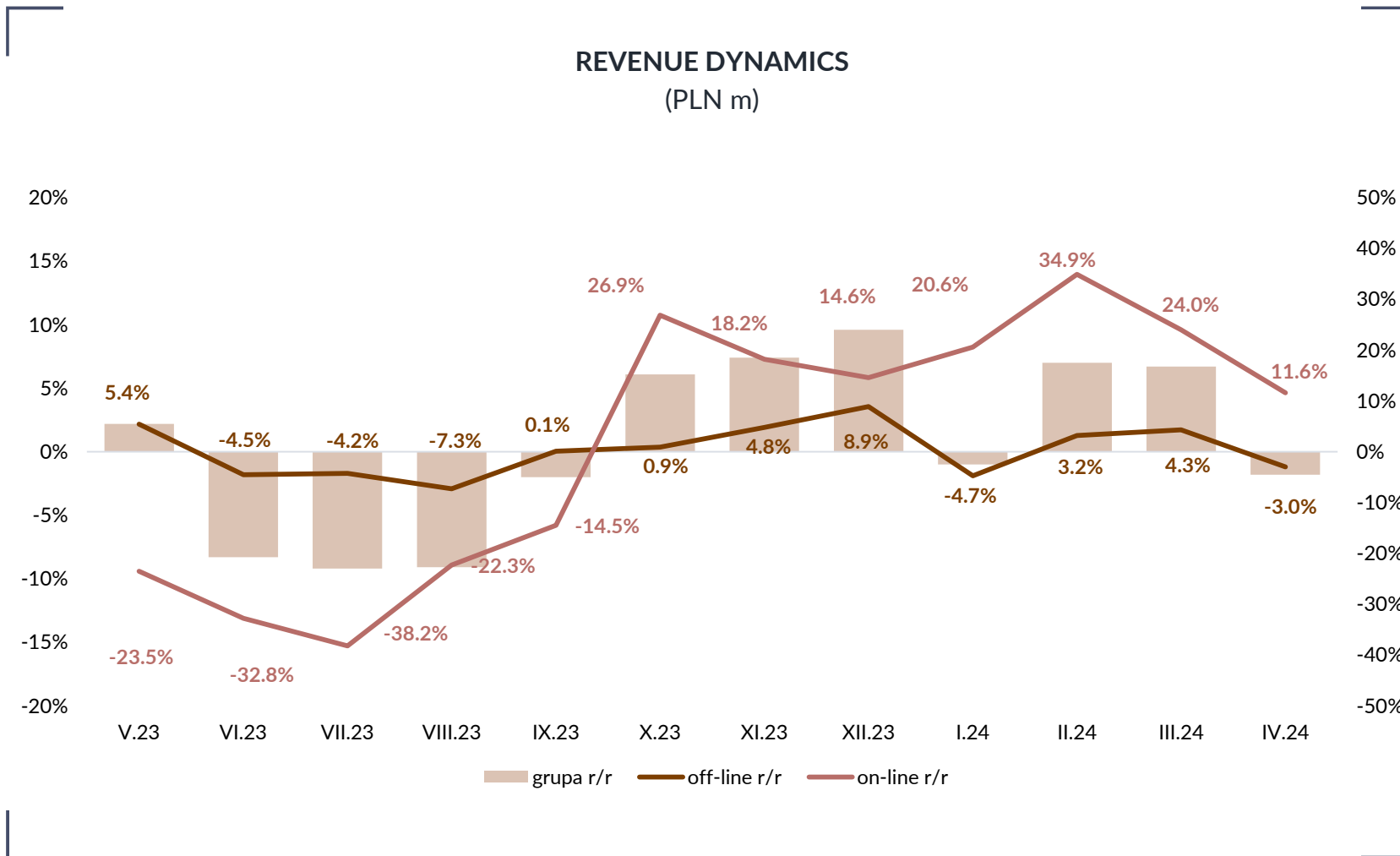
Jewellery segment

Favourable sales dynamics of the jewellery segment in each of the last 12 months due to the development of the network and continuing demand for jewellery and watches.

Apparel segment

Negative sales dynamics in each of the last 12 months except February and March 2024 - good reception of new apparel collections in these months.

April 2024 stronger on-line than off-line



Stores

Positive sales dynamics in traditional stores from September 2023, except for January and April 2024.

Group

Off-line sales are still significantly higher than on-line sales, the share of which in the Group's revenues in April amounted to 12.1% (+1.5pp.).

E-stores

Growth in on-line sales from October 2023 are the result of actions taken in both segments and market trends.

Off-line sales are calculated as Capital Group revenues, which comprise of retail sales, wholesale and other revenues, minus on-line sales.

Growing gross profit margin in majority of months

GROSS PROFIT ON SALES MARGIN

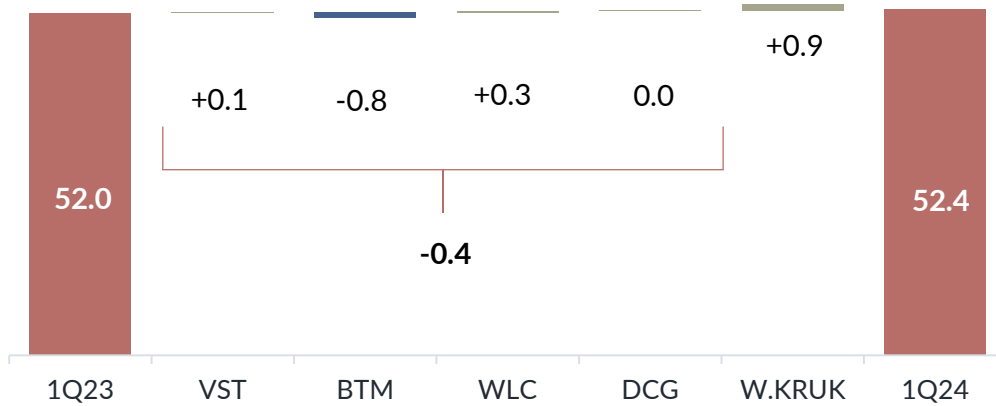
	V.23	VI.23	VII.23	VIII.23	IX.23	X.23	XI.23	XII.23	I.24	II.24	III.24	IV.24
Gross profit on sales margin	56.5%	56.6%	53.7%	53.9%	54.8%	55.4%	53.4%	54.3%	52.1%	54.0%	55.4%	56.8%
YoY dynamics	-1.0 pp.	+1.4 pp.	+2.2 pp.	+4.2 pp.	+0.1 pp.	-0.2pp.	-1.7pp.	+0.5pp.	+2.2pp.	+2.8pp.	+2.1pp.	+0.7pp.

Improved margins in the apparel segment, consistently good margins in the jewellery segment. As a result, improved gross profit margin in each of the months of the current year.



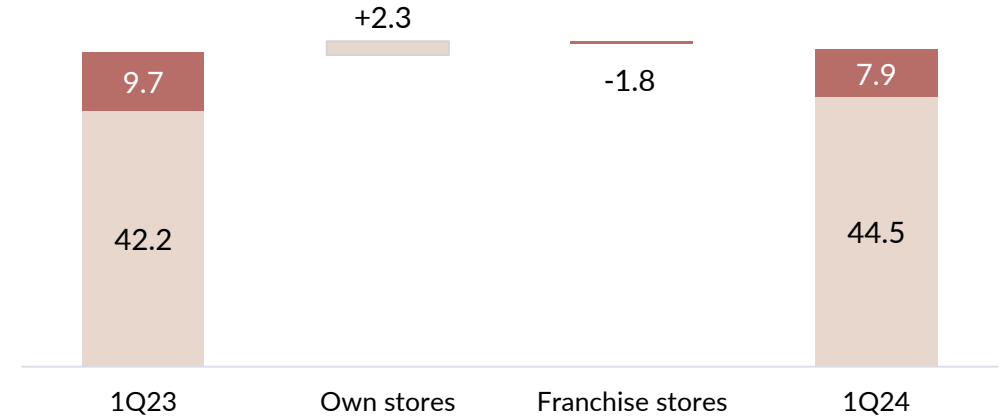
A slight increase in Group's floorspace

GROUP FLOORSPACE CHANGE YOY
(ths m2)



- Group floorspace stood at 52.4 ths m2 at the end of 1Q24, +0.9% YoY.
- Apparel segment floorspace amounted to 39.0 ths m2, down 1.0% YoY at the end of 1Q24.
- Systematic development of jewellery segment floorspace. This segment floorspace increased to 13.4 ths m2, +6.8% YoY, at the end of 1Q24.

GROUP FLOORSPACE CHANGE YOY
(ths m2)



- Throughout the year, gross 6 ths m2 of floorspace was opened.
- Own stores floorspace reached 44.5 ths m2, 5.4% increase YoY, at the end of 1Q24.
- Franchise stores floorspace fell by 1.8 ths m2 to 7.9 ths m2, i.e. by 18.6% YoY at the end of 1Q24.

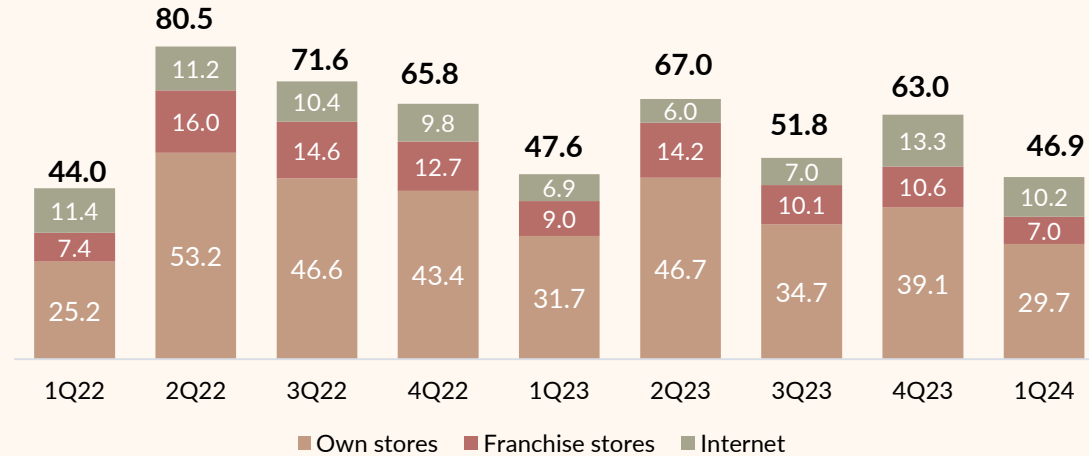
02

Performance by
brands



Vistula: slight YoY revenue fall in 1Q24

VISTULA BRAND REVENUES
(PLN m)



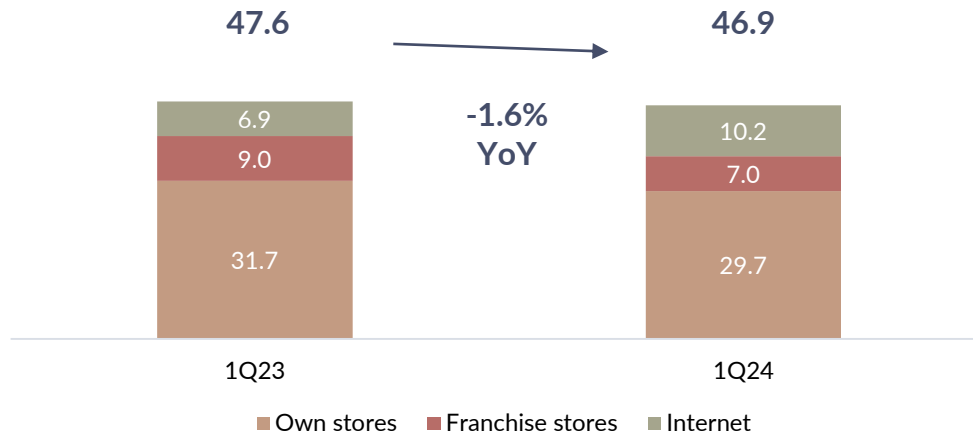
- Revenues in 1Q24 decreased by 1.6% YoY. These dynamics were affected by 6.6% YoY fall in sales in own stores and 21.8% YoY fall in franchise stores.
- Internet sales increased 47.2% YoY, accounting for 21.7% of brand sales (+7.2pp).



Vistula: 1Q24 executive summary

VISTULA BRAND REVENUES

PLN m



VISTULA BRAND EFFICIENCY

	1Q23	1Q24	YoY
Revenues (PLN/m2 per month)	895	871	-2.7%
Gross profit margin (%)	51.3%	55.1%	3.8pp.
Cost of stores (PLN/m2 per month)	481	512	6.3%
Store EBIT (PLN m)	-1.2	-1.7	N/M

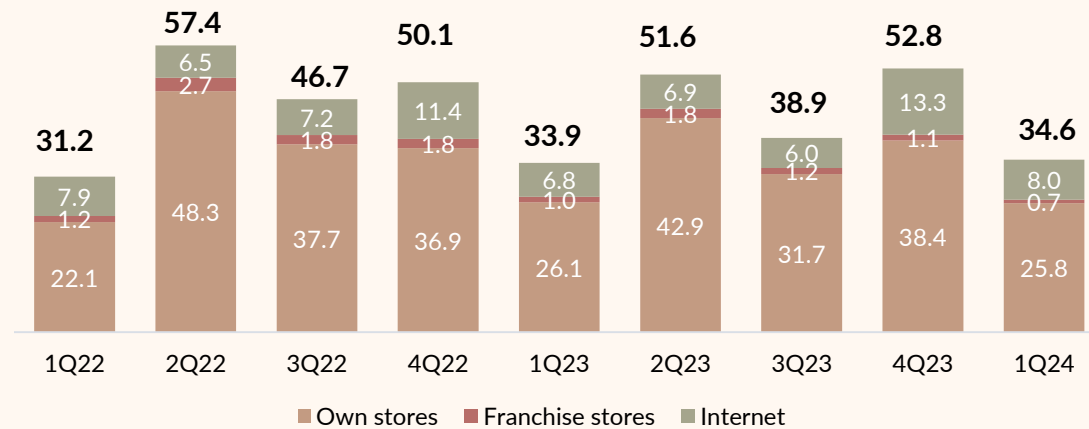
Sales/m2 slightly lower YoY due to weaker traffic in traditional stores and a weaker-than-expected January.

Increase in gross profit on sales margin due to lower YoY promotions, despite higher on-line share.

Increase in store costs/m2: rising rentals, depreciation, salaries, but falling commissions.

Bytom: slight YoY growth in 1Q24 revenues

BYTOM BRAND REVENUES
(PLN m)



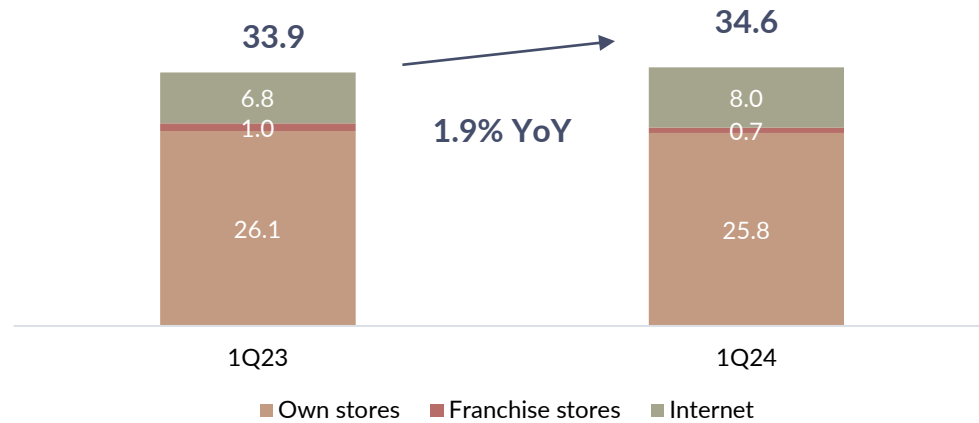
- Revenues in 1Q24 increased by 1.9% YoY. 0.9% YoY fall in own stores but a 30.7% YoY fall in sales from franchise stores.
- Internet sales increased 17.5% YoY, accounting for 23.2% of brand revenues (+3.1pp).



Bytom: 1Q24 executive summary

BYTOM BRAND REVENUES

PLN m



BYTOM BRAND EFFICIENCY

	1Q23	1Q24	YoY
Revenues (PLN/m2 per month)	797	856	7.3%
Gross profit margin (%)	54.1%	54.9%	0.8pp.
Cost of stores (PLN/m2 per month)	507	555	9.6%
Store EBIT (PLN m)	-3.2	-3.4	N/M

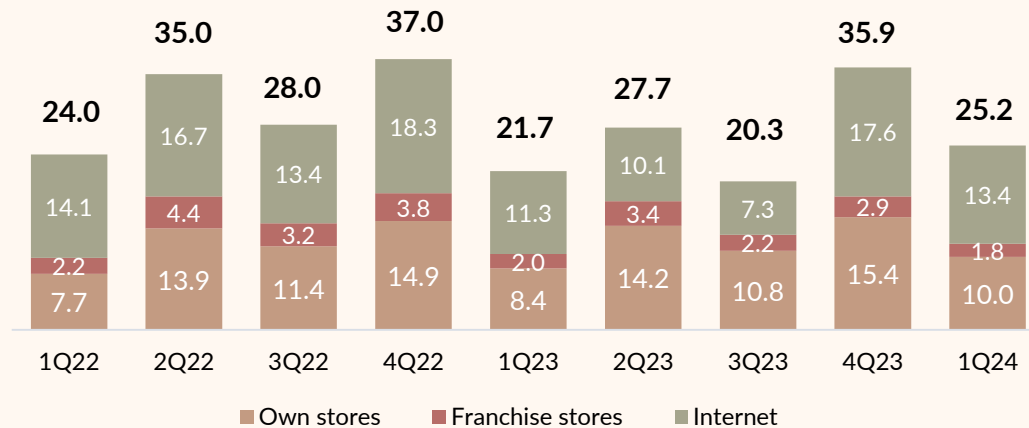
Higher YoY revenues/ m2 supported by good on-line results.

Slightly increasing gross profit on sales margin despite higher on-line share in revenues due to a lower level of promotion.

Store costs/ m2 increased slightly more than revenues/ m2: higher salaries and depreciation, rental stabilization, and a decrease in commissions/m2. A larger share of own stores than in the Vistula brand.

Wólczanka: double-digit revenue growth in 1Q24

WÓLCZANKA BRAND REVENUES
(PLN m)



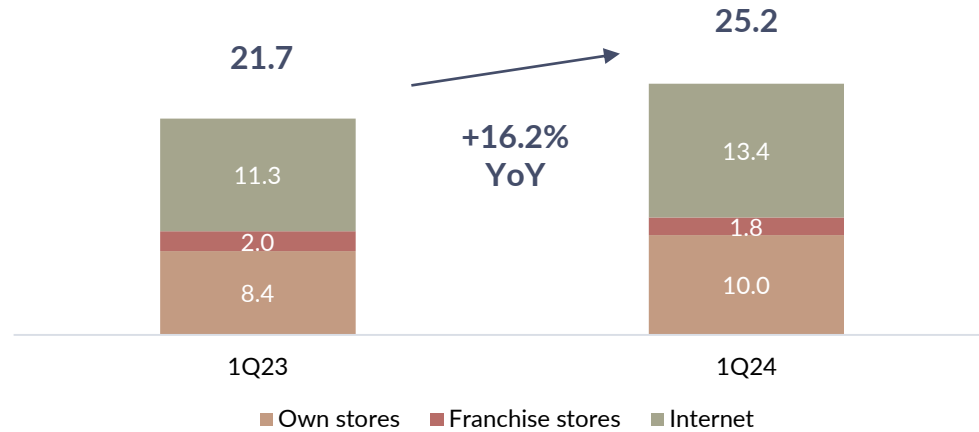
- Revenues in 1Q24 increased by 16.2% YoY. Favourable dynamics (18.9%) were visible in own stores. Sales from franchise stores decreased by 9.7% YoY, due to closing down of stores in the network.
- Internet sales increased 18.6% YoY, accounting for 53.2% of brand's sales (-1.1pp.).



Wólczanka: 1Q24 executive summary

WÓLCZANKA BRAND REVENUES

PLN m



WÓLCZANKA BRAND EFFICIENCY

	1Q23	1Q24	YoY
Revenues (PLN/m2 per month)	1,572	1,761	12.0%
Gross profit margin (%)	54.4%	56.5%	2.1pp.
Cost of stores (PLN/m2 per month)	873	983	12.6%
Store EBIT (PLN m)	-0.2	0.2	N/M

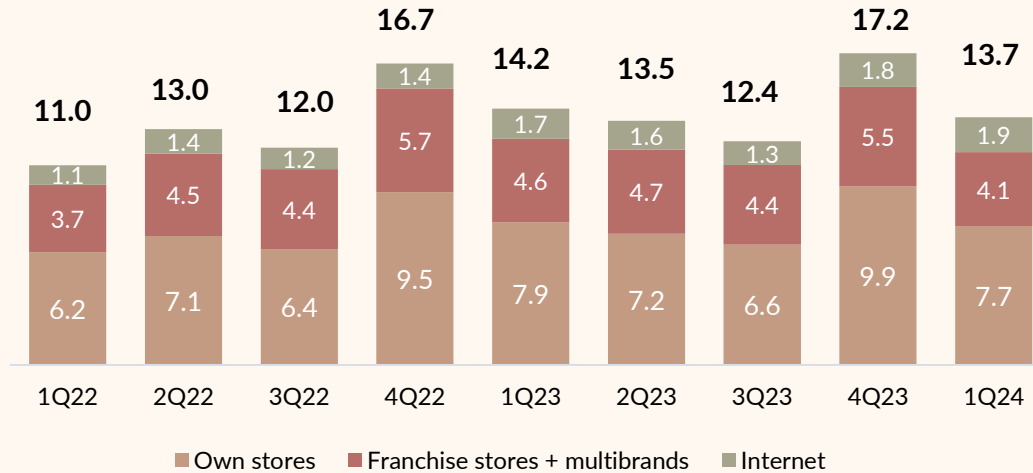
Double-digit YoY increases in revenues/ m2 - supported by strong sales dynamics in own stores, closing large brand stores and on-line sales.

Higher gross profit on sales margin: quick introduction of new collections, limited discounts, lower on-line share.

Increase in costs/ m2 is similar to revenues/ m2 growth due to higher costs of rentals, salaries and depreciation. Decrease in salaries and commissions/m2 with closing down of franchise stores.

Deni Cler: slight YoY revenue falls in 1Q24

DENI CLER BRAND REVENUES
(PLN m)



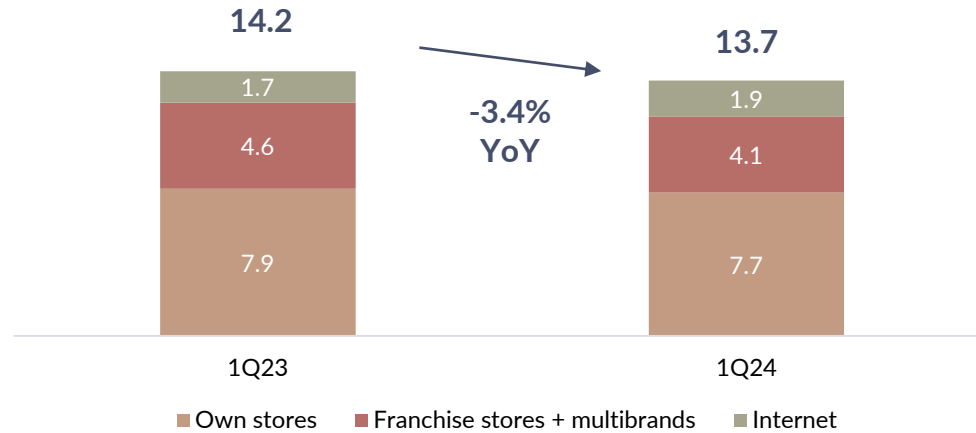
- Revenues in 1Q24 fell by 3.4% YoY. Own stores sales fell by 2.7% while franchise and multibrand sales were lower by 11.6% YoY due to lower traffic.
- Internet sales increased by 15.7% YoY, accounting for 14.1% of the brand's revenues (+2.3pp.).



Deni Cler: 1Q24 executive summary

DENI CLER BRAND REVENUES

PLN m



DENI CLER BRAND EFFICIENCY

	1Q23	1Q24	YoY
Revenues (PLN/m2 per month)	1,613	1,553	-3.7%
Gross profit margin (%)	61.0%	60.9%	-0.1pp.
Cost of stores (PLN/m2 per month)	632	650	2.8%
Store EBIT (PLN m)	3.1	2.6	-15.8%

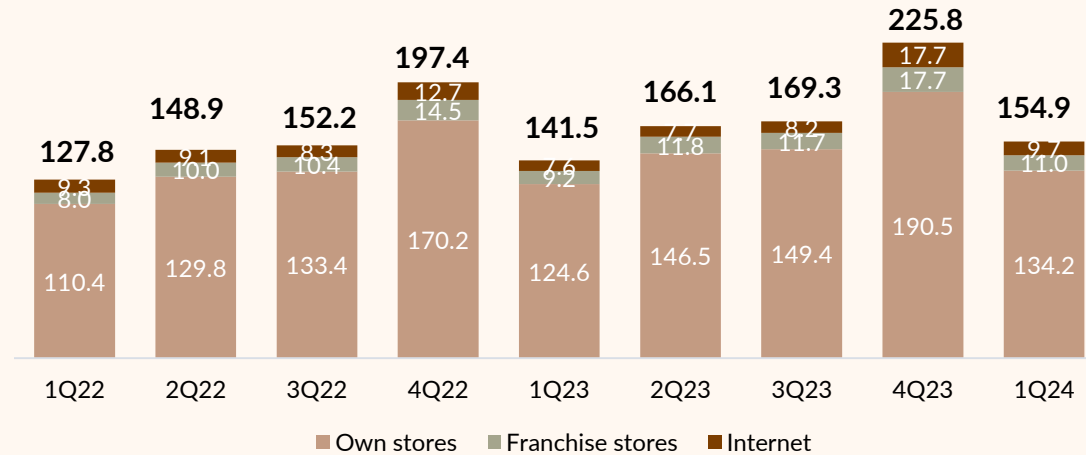
Decrease in revenues/m2 mainly due to lower traffic in own, franchise and multi-brand stores.

The highest gross profit on sales margin in the group, stable YoY due to a similar level of promotions supporting traffic in stores.

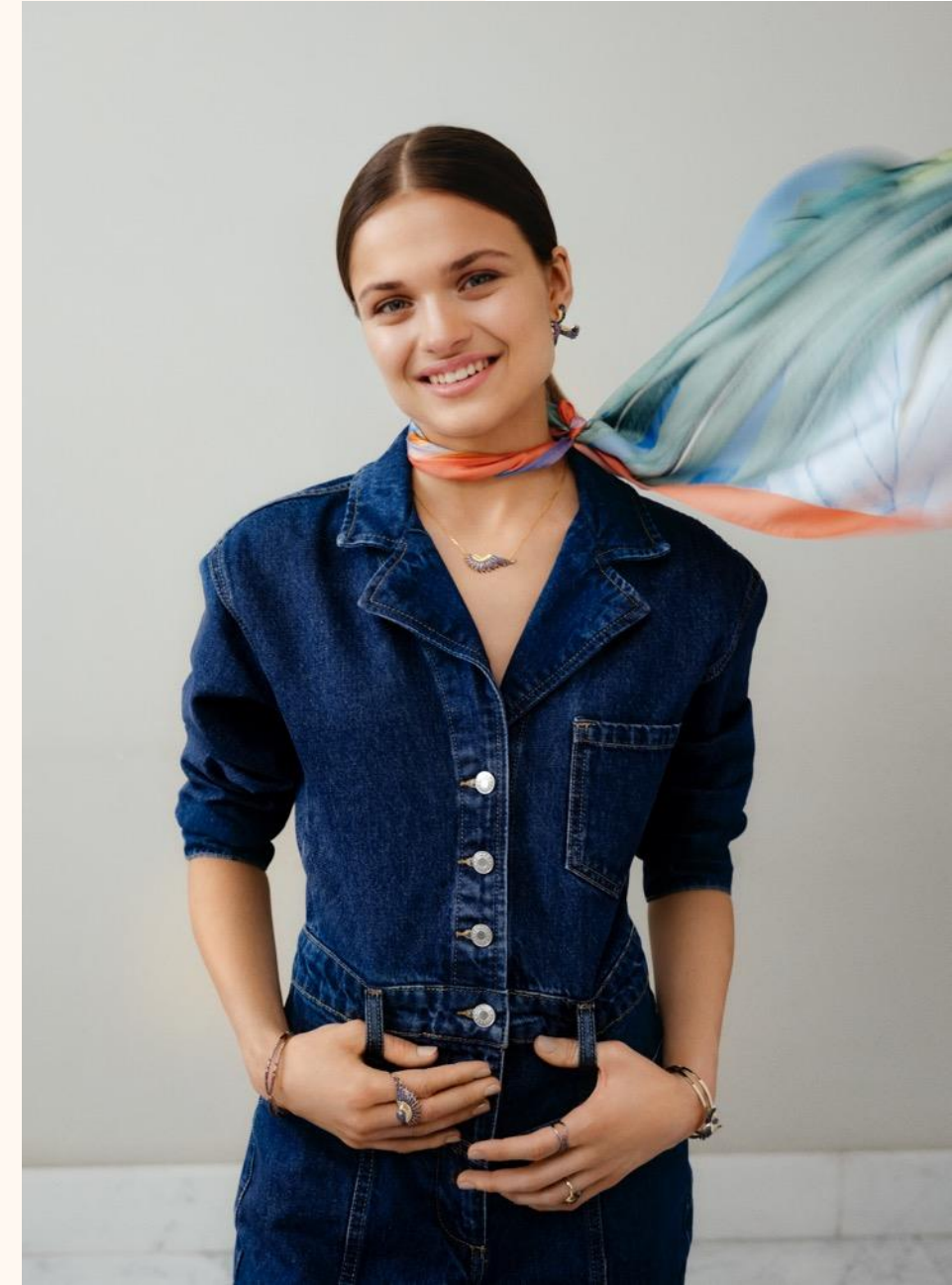
A slight increase in costs/m2 and a decrease in revenues/m2. Growing salaries, rentals and depreciation with lower YoY commissions/m2.

W.KRUK: continued revenue growth in 1Q24

W.KRUK RETAIL REVENUES
(PLN m)



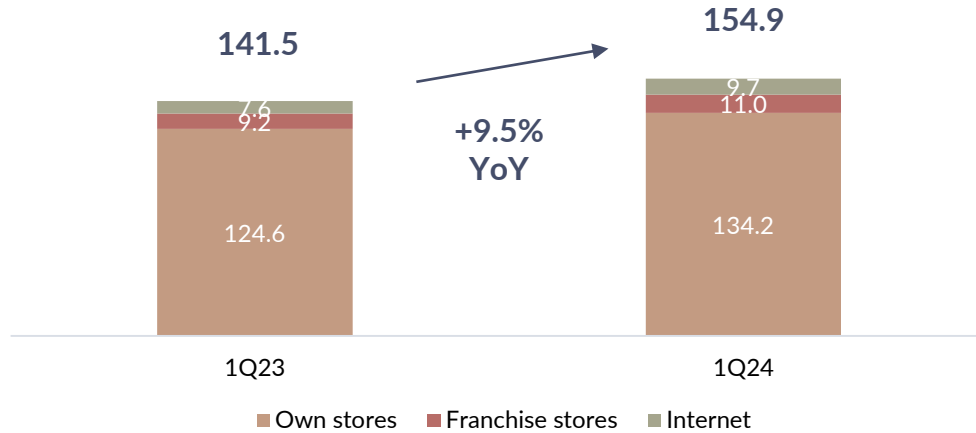
- Revenues in 1Q24 increased by 9.5% YoY. Sales from off-line stores increased by 7.7% while sales from franchise stores increased by 19.4% YoY, due to continuation of demand for jewellery and watches.
- Internet sales increased by 27.5% YoY, accounting for 6.3% of the brand's revenues (+0.8pp).



W.KRUK: 1Q24 executive summary

W.KRUK RETAIL REVENUES

PLN m



W.KRUK BRAND EFFICIENCY

	1Q23	1Q24	YoY
Revenues (PLN/m2 per month)	3,757	3,924	4.4%
Gross profit margin (%)	52.1%	52.5%	0.4pp.
Cost of stores (PLN/m2 per month)	1,027	1,130	10.0%
Store EBIT (PLN m)	35.0	36.8	5.1%

Double-digit growth in gold and silver jewellery sales, single-digit growth in watches sales. A slightly increasing gross profit on sales margin due to a slight reduction in share of watches in revenues.

Increase in costs/m2 above revenues/m2: increase in commissions, salaries and depreciation while rental stabilization.

As a result, growing store EBIT.

03

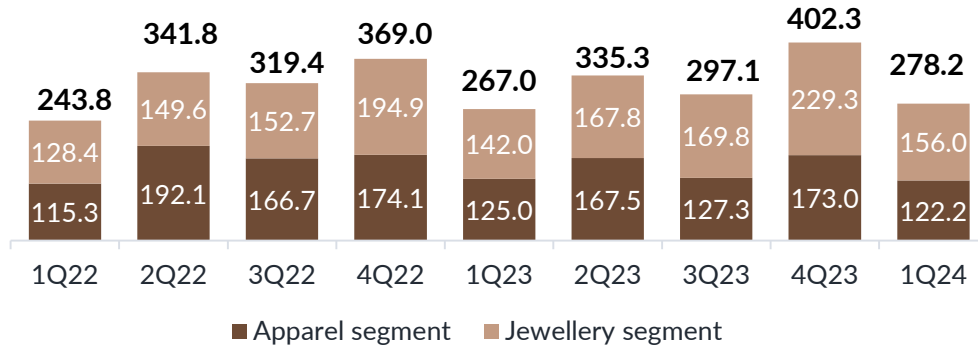
Group results



Growing group's revenues and revenues/ m2

GROUP REVENUES

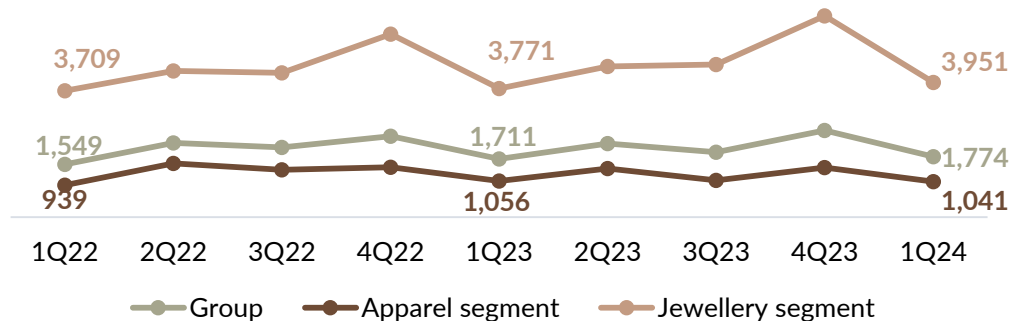
(PLN m)



- Group revenues in 1Q24 amounted to PLN 278.2m (+4.2% YoY), due to favourable trends in the jewellery segment.
- In 1Q24, revenues of the apparel segment were 2.2% lower YoY, reaching PLN 122.2m.
- Revenues of the jewellery segment amounted to PLN 156.0m, up 9.9% YoY in 1Q24. Increase in share of jewellery segment from 53.2% in 1Q23 to 56.1% in 1Q24.

REVENUES PER M2

(PLN monthly)

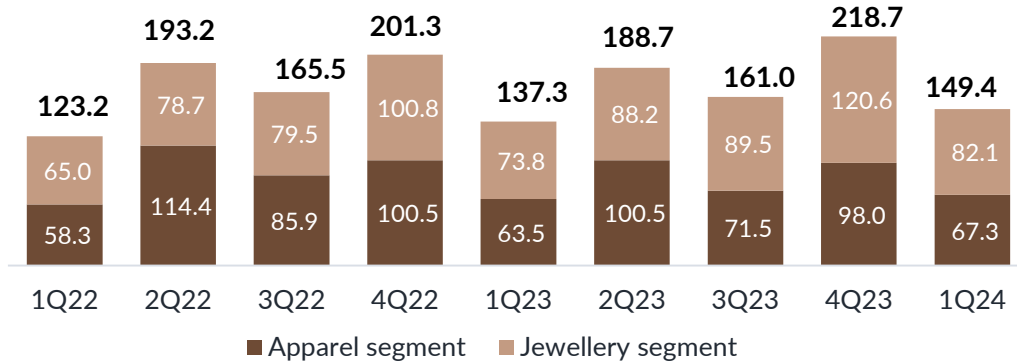


- In 1Q24 group revenues/ m2 reached PLN 1,774, +3.7% YoY.
- Sales/ m2 for the apparel segment amounted to PLN 1,041 in 1Q24, -1.4% YoY.
- Jewellery segment sales/ m2 reached PLN 3,951 in 1Q24, up 4.8% YoY.

Growing gross profit on sales

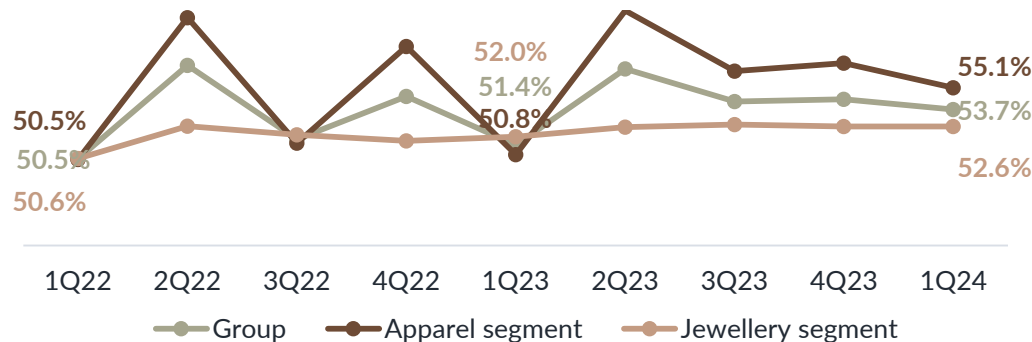
GROSS PROFIT ON SALES

(PLN m)



- Group gross profit on sales amounted to PLN 149.4m in 1Q24, +8.8% YoY.
- In 1Q24 gross profit on sales in apparel segment reached PLN 67.3m, 6.0% YoY due to lower YoY promotions and lack of consolidation of production subsidiary.
- Gross profit on sales in jewellery segment in 1Q24 amounted to PLN 82.1m, +11.3% YoY.

GROSS PROFIT ON SALES MARGIN

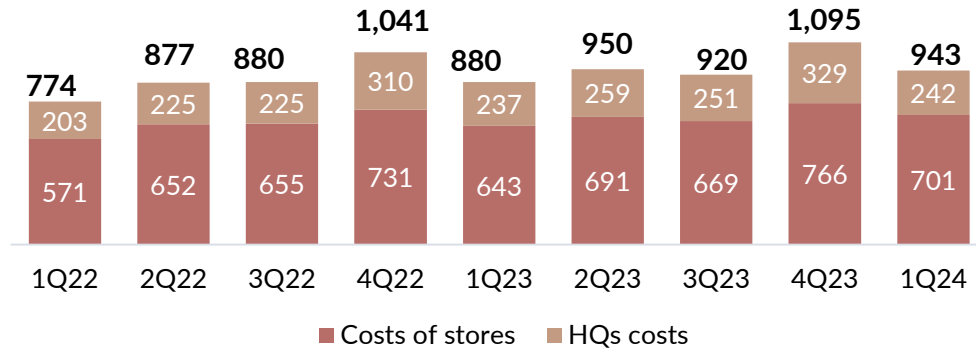


- In 1Q24, gross margin on sales margin amounted to 53.7%, up 2.3 pp. YoY.
- Apparel segment margin increased in 1Q24 by 4.3 pp. YoY to 55.1%, due to lower YoY promotions.
- Jewellery segment recorded a 0.6 pp. higher YoY gross profit on sales margin in 1Q24 at the level of 52.6% due to slightly lower share of watches in revenues.

From loss to slight profit under IAS17

MONTHLY OPERATING COSTS PER M2

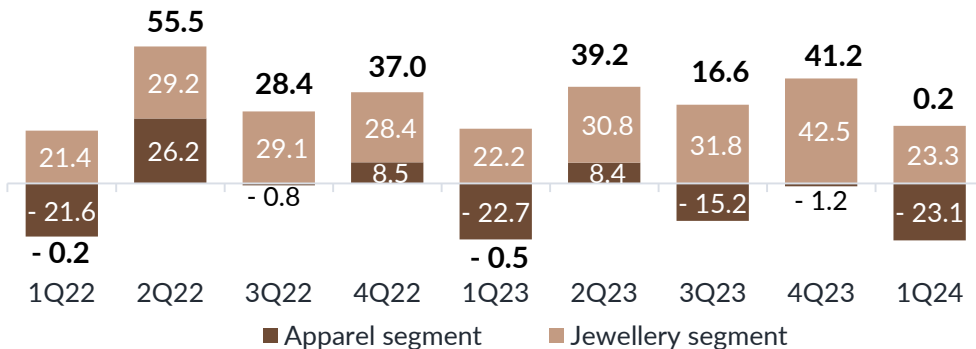
(PLN, IAS17)



- Group operating costs/m2 (IAS17) reached in 1Q24 PLN 943/m2 per month, up 7.1% YoY.
- Costs of stores at PLN 701/m2 (+9.0% YoY), while HQs costs/m2 at PLN 242/m2, +2.1% YoY (under IAS17), due to, among others, conducted cost reductions.
- Under IAS17, apparel segment costs reached PLN 763/m2 in 1Q24, up 5.2% YoY, while the jewellery segment costs in 1Q24 amounted to PLN 1,479/m2 per month, up 8.2% YoY.

OPERATING PROFIT

(PLN m, IAS17)



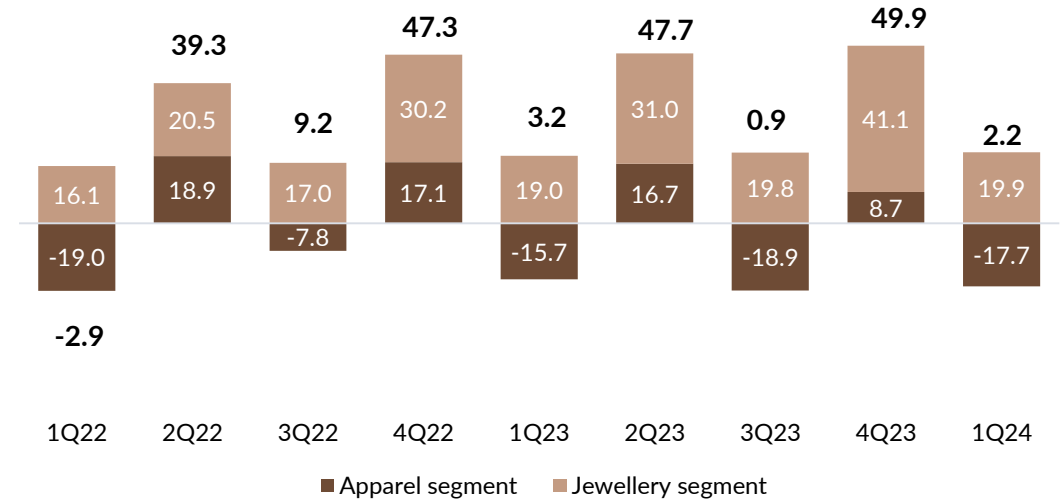
- Group EBIT amounted to PLN 0.2m in 1Q24 under IAS17 compared to PLN -0.5m in 1Q23.
- In 1Q24, apparel segment's EBIT loss was at PLN -23.1m under IAS17 (PLN -21.6m loss under IFRS16) vs PLN -22.7m in 1Q23.
- In 1Q24, jewellery segment's EBIT under IAS17 was PLN 23.3m, +5.0% YoY (PLN 24.3m under IFRS16).

Operating and net profit lower YoY

PLN m, IFRS16	1Q23	1Q24	YoY
Revenues	267,0	278.2	4.2%
Gross profit on sales	137.3	149.4	8.8%
<i>Gross profit on sales margin</i>	<i>51.4%</i>	<i>53.7%</i>	<i>2.3pp.</i>
SG&A costs	132.7	145.5	9.6%
EBIT	4.7	2.7	-43.3%
<i>EBIT margin</i>	<i>1.8%</i>	<i>1.0%</i>	<i>-0.8pp.</i>
Net financial activity	-0.4	0.5	N/M
Net profit	3.2	2.2	-31.3%
<i>Net margin</i>	<i>1.2%</i>	<i>0.8%</i>	<i>-0.4pp.</i>
EBITDA	35.3	36.1	2.2%
<i>EBITDA margin</i>	<i>13.2%</i>	<i>13.0%</i>	<i>-0.2pp.</i>

- More favourable YoY net financial activities due to:
 - IFRS16: PLN 3.0m of FX gains in 1Q24 vs PLN 0.9m FX gains in 1Q23
 - IAS17: PLN 0.6m FX gains in 1Q24 vs PLN 0.9m FX gains in 1Q23
 - IFRS16 interest: PLN 2.1m in 1Q24 vs. PLN 1.3m in 1Q23.

NET PROFIT (LOSS) BY SEGMENTS
(PLN m, IFRS16)



Contribution of apparel segment and jewellery segment to Group profit depends on operating result and, among other things, the level of FX differences, which are significant under IFRS16.

Growing inventory

CHANGE IN INVENTORIES

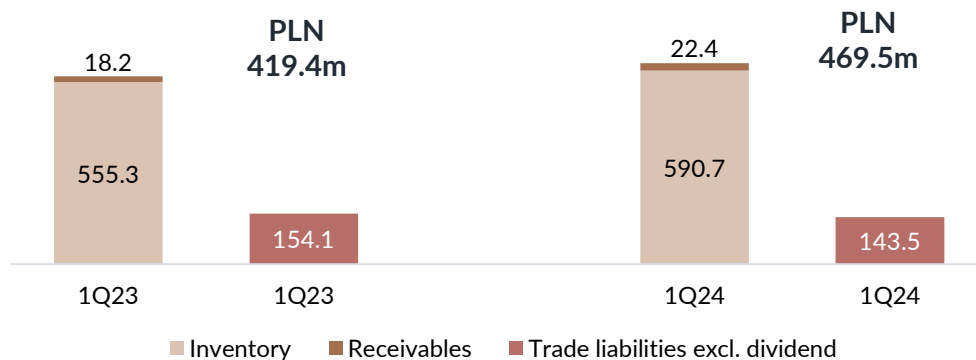
(PLN m)



- Group inventory grew 6.4% YoY. Inventories/ m2 at the end of 1Q24 at PLN 11,276, +5.4% YoY.
- Apparel segment inventories decreased by 9.1% YoY, while inventories/m2 amounted PLN 5,107, down 8.2% YoY, at the end of 1Q24 due to order optimization and further liquidation of collections from earlier quarters.
- Jewellery segment inventories increased by 16.4% YoY and inventories/m2 amounted to PLN 29,165, an increase of 9.0% YoY due to floorspace and offer growth and expected increase in floorspace and revenues in 2024.

WORKING CAPITAL

(PLN m)

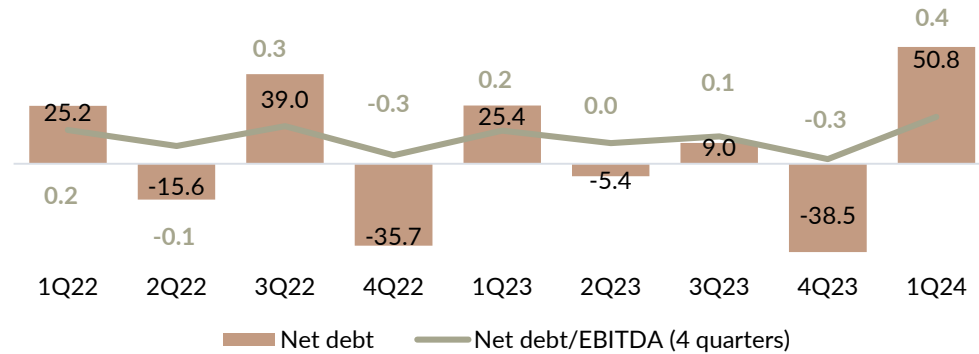


- Growing YoY inventories: decline in the apparel segment, increase in the jewellery segment.
- Slight YoY growth in receivables.
- Slightly falling YoY level of liabilities despite growing inventories – shorter payment terms in the jewellery segment, whose share in the inventory increased.

Seasonal growth in net debt

NET DEBT/(NET CASH) VS NET DEBT/EBITDA

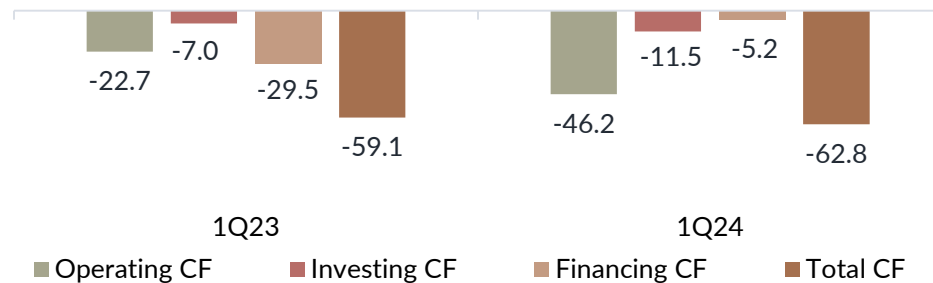
(PLN m, IAS17 plus reverse factoring)



- Group's net debt under IAS17 at PLN 50.8m at the end of 1Q24, doubling YoY. Financee leases under IFRS16 at PLN 284.2m in 1Q24.
- No long-term debt. Usage of reverse factoring for supply chain financing reached PLN 7.9m in 1Q24.
- Excluding reverse factoring, the Group's net debt ratio would come at 0.4x.

QUARTERLY CASH FLOWS

(PLN m)



- Weaker operating cash flows YoY - seasonally the weakest quarter, impact of increased inventories.
- Growing YoY level of capex (PLN 11.9m in 1Q24) - continued modernisation of stores in both segments.
- Financing cash flows show a smaller YoY reduction in financial debt.

04

2024+ outlook





Actions of apparel brands in 2Q24



Formal

Potential for sales of formal clothing between April and August - brands with a wide range of suits, jackets and shirts.



Smart Casual

Growing casual offer in all the Group's apparel brands - taking advantage of consumer trends.



Omnichannel

Further improvement of Customer Experience in on-line sales via applications - implementation of improvements for the Vistula, Wólczanka and Bytom brands, shortening the purchase path, further steps towards personalization and customer loyalty.



Actions conducted in the apparel segment

	V I S T U L A	BYTOM <small>SZTUKA KRAWIECTWA OD 1945</small>	WÓLCZANKA
Changes in product strategy	✓	✓	✓
Changes in marketing strategy	In progress	✓	✓
Actions towards store network	Work on store profitability	Work on store profitability	Replacement of large-format Wólczanka stores with shirt boutiques (3Q24)

Noticeable effects of changing the product and marketing strategy in the second half of 2024.

New concept for the franchisees

Offer for current and new franchisees of VRG brands

- a new multibrand concept for franchisees
- consisting of three brands: Vistula, Bytom, Wólczanka
- tailored to smaller towns that do not have their own stores or monobrand franchise stores



Start of the pilot project

3Q24



Actions in the jewellery segment in 2024



Better segment results in
2024

Use of sales peaks: Mother's Day (2Q24), wedding collections (2-3Q24) and Christmas (4Q24).

Further development of the premium segment, both in jewellery and watches.

Further development of floorspace and revenues on the Polish market.

Increasing sales on the Hungarian market.

Group's floorspace in 2024

		2023	2024 target	YoY
Apparel segment	stores	350	345	- 5
	m2	39,470	38,648	-2%
Jewellery segment	stores	163	175	+ 12
	m2	13,020	14,398	+11%
Total	stores	513	520	+ 7
	m2	52,491	53,046	1%

Planned capital expenditures in 2024 at the level of c. PLN 50m.

Apparel segment

- ca. 35% of planned annual capex
- the need to renovate stores after years of suspended by the pandemic capex

Jewellery segment

- new stores, expansion of the network of traditional stores,
- stores offering luxury brands



2024 results to be impacted by changes

Targets for 2024



Achieving better YoY operating and net results in both segments while maintaining a safe financial situation.



Opportunities:

- good reception of new collections of the Group's brands, especially apparel ones
- improved consumer sentiment (higher real wages)
- favourable US\$, EUR and CHF to PLN ratios



Risks:

- a longer period needed for customers to get used to the new brand IDs
- unfavorable consumption trends
- the need to look for further savings



Management's dividend recommendation

Dividend policy

- The Management Board intends to annually recommend to the General Meeting payment of between 20% and 70% of the consolidated net profit resulting from the audited consolidated financial statements of VRG S.A., assuming that the net debt/EBITDA ratio at the end of the financial year will be less than 2.5x. Each time before presenting a recommendation, the Management Board will take into account:
 - financial situation of the Company and the Capital Group,
 - investment needs,
 - liquidity situation,
 - development prospects of the Group in a given market and macroeconomic situation,
 - acquisition plans,
 - banking covenants.
- Payment of PLN 46.9m in dividends from profit for 2022.



The Management Board proposes to the General Meeting to pay out a dividend for 2023 in the amount of:

PLN 21.1m



Proposal means payment of
21%
2023 consolidated net income.

The payout proposal is in the lower range of the dividend policy due to:

- ongoing changes in the apparel segment, the effects of which will be visible from 3Q24,
- the need to maintain financial stability after a difficult 2023.

Dividend day:
September 20

Dividend payment day:
December 16

05

Q&A



06

Back-up



Vistula: executive summary

Spring/Summer 2024 collection

- The Vistula Celebrations collection includes designs for her and for him, intended for celebrating occasions. The collection is divided into two parts- Spring and Summer. The Spring collection focused on the celebration season - classic, timeless cuts and the highest quality fabrics such as wool or silk in fashionable pastel colors. There are also classics in the offer of men's suits and jackets: navy blue, black, off-white. The women's offer includes: silk dresses in pastel colors, suitable for important occasions.
- The Summer version of the collection is primarily linen, which ensures not only aesthetics, but also comfort of use. The women's and men's offer includes products composed of 100% linen or a mixture of linen and cotton. Among the proposals for men, classic suits play the main role - shades of navy blue, blue and beige predominate. A large part of the women's and men's collection are shirts, which are available mainly in light shades. A wide range of colors and a variety of available styles mean that everyone in the Vistula offer will find products that suit their needs.



Fashion for women and men

Traditional tailoring and global trends – modern, original and individual style

Men's collection: VISTULA, and women's: VISTULA WOMAN
„Made to Measure” service available in selected brand's stores

Bytom: executive summary

Spring/Summer 2024 collection

- The brand's Spring collection campaign is an invitation to celebrate friendship and self-fulfillment through passions. The collection was composed in a smart casual style. Its elements were designed to combine timeless elegance with authentic comfort. Classic simplicity of design went hand in hand with high-quality and high usability fabrics. The collection was built on the basis of combinations of navy blue with beige and shades of light gray. The whole is complemented by a shade of steel blue referring to the dynamism of Spring.
- From the end of April, the second part of the collection and campaign is available in stores, which is dominated by nonchalant elegance matching the atmosphere of cocktail parties and outdoor celebrations. The new products are light jackets with a soft construction, which together with trousers create suit sets. The collection also includes comfortable shirts with short and long sleeves. They are made of natural, airy fabrics, including: made of cotton and certified Polish linen. The whole is kept in subdued colors - white, beige and navy blue dominate here, offset by a refreshing shade of blue. The collection is complemented by a wide selection of accessories.



Fashion for men

A Polish brand with a tradition of tailoring craftsmanship dating back to 1945.

Tailor-made service available in selected brand stores, preserving the brand's traditional values.

Men's formal and smart casual fashion.

Wólczanka: executive summary

Spring/Summer 2024 collection

- New campaign of the Wólczanka brand for SS24: THE PERFECT SHIRT for special occasions.
- Wólczanka shirts are the perfect choice for special occasions. This is the quintessence of classic and elegance. They are made of the highest quality materials. Each one has been carefully designed to ensure a perfect fit and unrivaled comfort.
- Our collection includes a variety of silhouettes: from slim, through comfortable, to classic. A special place in the collection is occupied by the Premium shirt line. All shirts from the Wólczanka Premium line are made of Two Ply Egyptian cotton, which is considered one of the most exclusive fabrics. It is extremely durable, resistant to shrinkage during washing and exceptionally soft to the touch.
- Selected shirts feature Easy Care technology, which prevents excessive creases and minimizes the need for ironing. The sleeves and side seams of our shirts are made using the single needle technique. This is a mark of the highest quality, ensuring precision and elegance.



Fashion for women and men

Polish network of boutiques and own and franchise stores with women's and men's clothing.

The offer includes: shirts, sweaters, dresses, skirts, polo and t-shirts, jackets and accessories.

Deni Cler: executive summary

Spring/Summer 2024 collection

- The latest Deni Cler collection for the Spring/Summer 2024 season "Giardino dell'Eden" is an optimistic story about the Garden of Eden, i.e. about fashion inspired by the colours and forms of nature. Classic tailoring, both worldwide and at Deni Cler, remains the most important trend in Spring collections, but comfort and convenience are paramount.
- The key colours include, in addition to the colour of the year, which is Peach Fuss, a shade of peach, fashionable radiant red, blues, sapphires, and all pastel shades, including lime, yellow and white. Neutral colors are also fashionable due to their timelessness. The entire beige range looks great with cotton dresses and T-shirts. Black combined with white is also important.
- The dominant fabrics include silk, linen, viscose and high-quality wool. Sequins are extremely fashionable. Deni Cler uses the highest quality fabrics to produce them, which can last for many seasons in accordance with the principles of sustainable development.
- As every season, the current collection was presented at a fashion show.



Women's fashion

Women's fashion brand established in Italy in 1971.

Addressed to women over 35 who value high quality and elegance.
Superior quality fabrics with superior accessories and designer cut
The brand cooperates with selected manufacturers and suppliers of fabrics from renowned Italian manufactories.

W.KRUK: executive summary

Novelties in collections

- In 1Q24, W.KRUK introduced numerous new products in line with the seasonal calendar, including carnival proposals at the beginning of the year and a Valentine's Day collection called Caring in the following month. Women's Day and the Spring premiere were part of the most important collection of the season - Preludium Paradise Birds, inspired by the beauty and colour of birds of paradise. This is the third edition of the best-selling Preludium jewellery collection, which heralds a New Beginning and brings everything that customers dream of.
- In April, together with the Balagan fashion brand, W.KRUK presented the Felicita capsule jewellery collection. This is the first such cross-collaboration of two Polish brands, emphasizing the beauty of true craftsmanship. The idea of the collection is inclusive - jewellery was created for everyone, regardless of gender and age, which is also reflected in the brand's campaign.
- The Cosmic Glam collection from Picky Pica also had its Spring premiere. It is a modern collection with a futuristic character.
- The brand strengthened its image on the Hungarian market, where it plans further openings.



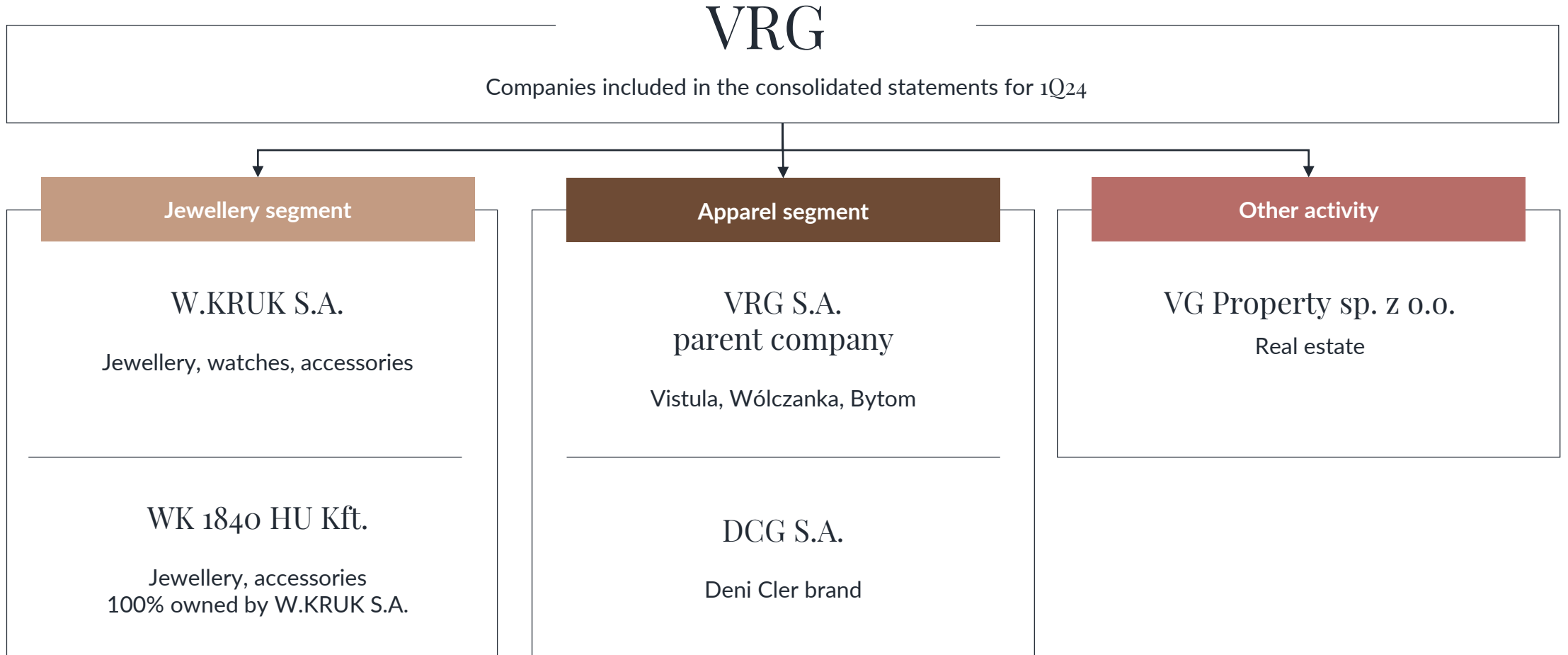
The oldest jewellery brand in Poland

The jewellery offer includes gold and silver jewellery, diamonds, gemstones and original collections.

W.KRUK's offer also includes global watch brands, such. Rolex, Patek Philippe, Cartier, Tudor, Hublot, Panerai, Franck Muller (sole distributor in Poland), Jaeger-LeCoultre, Chopard, Omega, Tag Heuer, Longines, Rado, Tissot, Certina i wiele innych.

W.KRUK offer also includes perfumes and a collection of own label accessories: leather handbags, silk scarves, leather accessories.

Changes in group structure



Continued optimisation of number of stores

Number of stores		1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Apparel segment	total	398	391	383	382	368	359	358	350	346
	franchise	126	123	119	116	104	92	84	78	75
Vistula	total	145	144	142	142	137	136	135	132	126
	franchise	62	62	61	61	55	51	47	45	43
Bytom	total	112	109	106	107	104	101	100	99	98
	franchise	11	10	9	8	7	5	4	4	4
Wólczanka	total	113	110	107	105	98	93	94	91	93
	franchise	47	45	43	41	36	30	27	25	24
Deni Cler	total	28	28	28	28	29	29	29	28	29
	franchise	6	6	6	6	6	6	6	4	4
Jewellery segment	total	148	148	152	152	157	157	159	163	167
	franchise	23	26	25	26	27	28	28	29	29
Total	total	546	539	535	534	525	516	517	513	513
	franchise	149	149	144	142	131	120	112	107	104

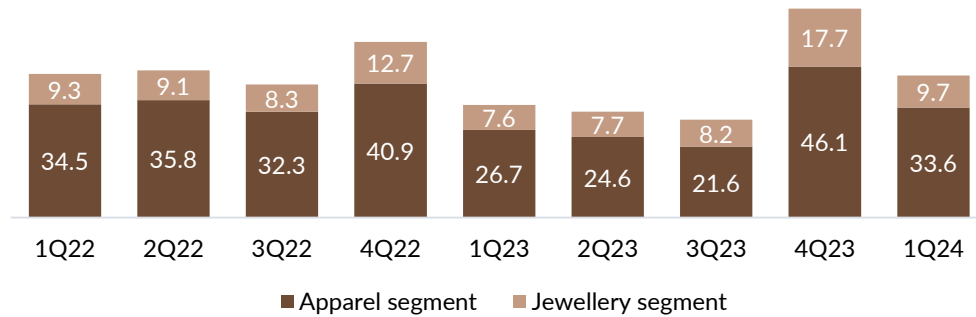
Floorspace YoY

M2 floorspace		1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Apparel segment	total	40,891	40,385	39,778	39,833	39,333	39,007	39,818	39,470	38,951
	franchise	9,425	9,236	9,019	8,798	7,962	7,175	6,582	6,216	6,023
Vistula	total	18,509	18,404	18,118	18,139	17,733	17,815	18,337	18,386	17,792
	franchise	6,374	6,341	6,256	6,224	5,640	5,212	4,841	4 682	4,509
Bytom	total	14,946	14,638	14,293	14,415	14,187	13,825	13,782	13,579	13,397
	franchise	1,153	1,063	968	848	757	527	416	416	416
Wólczanka	total	4,643	4,544	4,567	4,480	4,487	4,440	4,774	4,654	4,788
	franchise	1,459	1,392	1,355	1,287	1,126	996	884	822	802
Deni Cler	total	2,792	2,799	2,799	2,799	2,926	2,926	2,926	2,851	2,975
	franchise	440	440	440	440	440	440	440	296	296
Jewellery segment	total	11,650	11,630	12,262	12,150	12,574	12,597	12,737	13,020	13,432
	franchise	1,511	1,645	1,623	1,710	1,780	1,859	1,859	1,922	1,910
Total	total	52,541	52,016	52,039	51,983	51,907	51,604	52,556	52,491	52,383
	franchise	10,936	10,882	10,642	10,508	9,742	9,034	8,441	8,138	7,933

Own e-stores of five brands

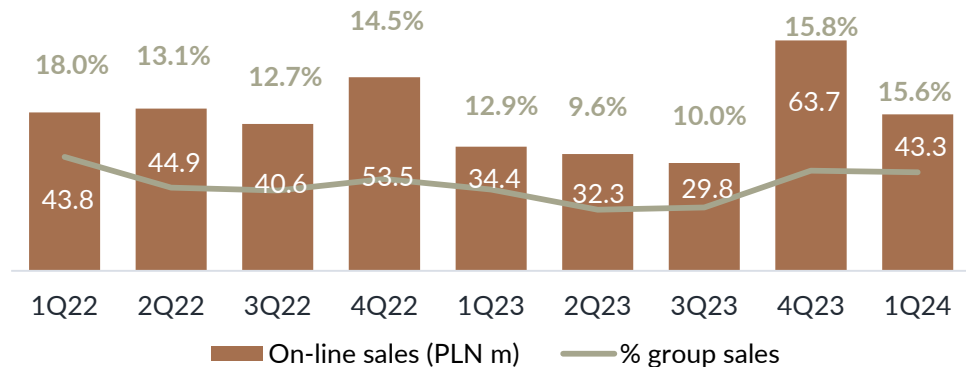
ON-LINE SALES BY SEGMENTS

(PLN m)



- We have own e-stores for all five retail brands. Our aim is to develop on-line stores of own brands (monoshops).
- Revenues and costs of on-line stores are allocated directly to the brands.
- E-commerce logistics for Vistula, Wólczanka and Bytom brand is conducted from the same distribution centre. W.KRUK has its own logistics warehouse.

GROUP ON-LINE SALES

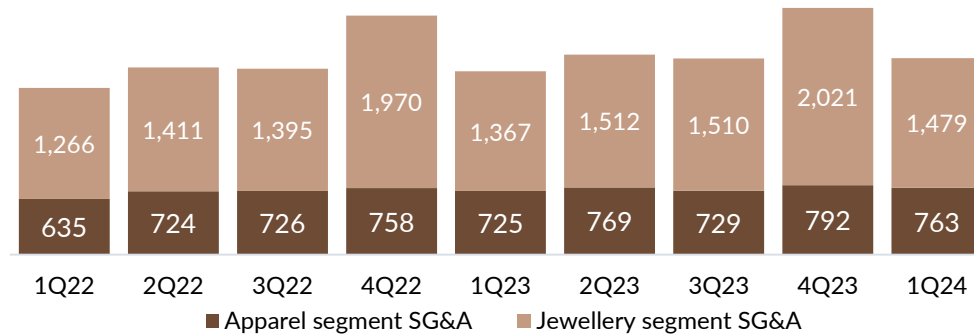


- In 1Q24, on-line sales amounted to PLN 43.3m, +15.6% YoY, among others: due to performance improvements. As a result, the internet's share increased from 12.9% in 1Q23 to 15.6% in 1Q24.
- In 2023, on-line sales amounted to PLN 160.2m, -12.4% YoY, and its share in revenues decreased from 14.4% in 2022 to 12.3%.
- In addition to its own e-stores, the Group is developing cooperation of individual brands with external marketplaces, in particular Zalando.

Higher costs/m2, but lower store costs/m2

OPERATING COSTS MONTHLY/M2

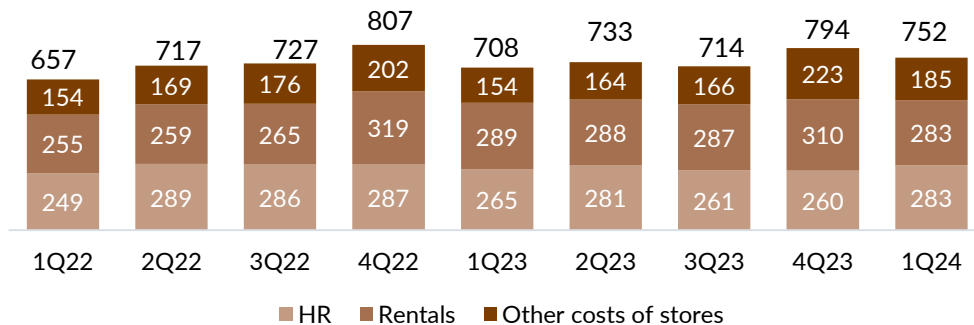
(PLN, excl. IFRS16)



- Differences in SG&A costs/ m2 between segments result from different business models.
- Jewellery segment is characterised by higher revenues and costs/m2 than these of the apparel segment.
- Segmental costs/m2 are calculated based on average working floorspace for each segment.

COSTS OF OWN STORES MONTHLY/M2

(PLN, excl. IFRS16)

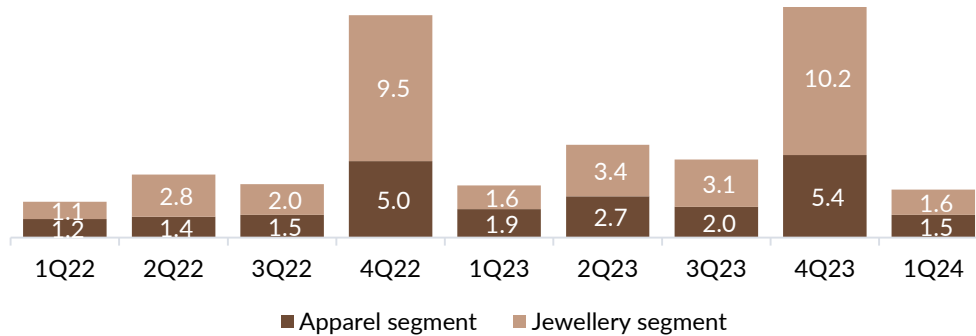


- Costs of stores encompass costs of own and franchise stores.
- Costs of own stores include rental costs, salaries and other costs of own stores.
- Costs of own stores/ m2 are calculated based on average working floorspace of own stores.
- Costs of franchise stores equal to commission for franchisees.

Reduction in off-line marketing expenses

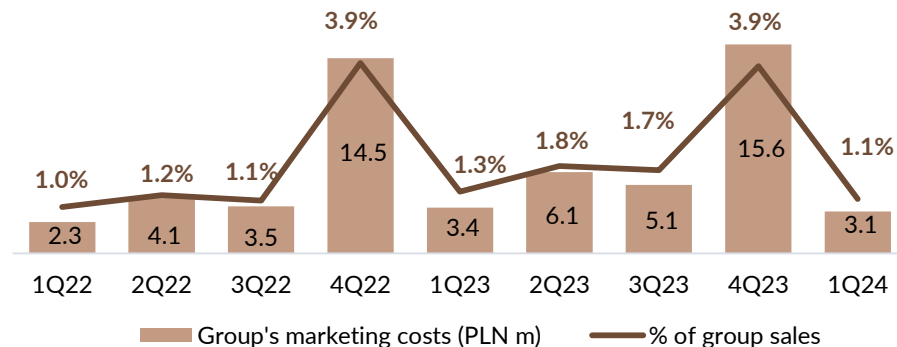
GROUP OFF-LINE MARKETING COSTS BY SEGMENTS

(PLN m)



- Off-line marketing costs are part of group selling costs.
- These encompass recurring advertising spending (catalogues, photoshoots) and nationwide marketing campaigns in editorial, internet and TV with celebrities.
- In 1Q24, marketing expenses amounted to PLN 3.1m, fall of 8.1% YoY, due to reduction in apparel segment.

GROUP OFF-LINE MARKETING COSTS



- In 2023, marketing expenses amounted to PLN 30.1m.
- Apparel segment: off-line marketing outlays are related to campaigns, which typically cumulate in the second and/or fourth quarter.
- Off-line marketing costs within the jewellery segment historically cumulated in 4Q (seasonally best), before Christmas. These include TV advertisement.

Historical quarterly results, IFRS16

PLN m	2Q22	2Q23	YoY	3Q22	3Q23	YoY	4Q22	4Q23	YoY	1Q23	1Q24	YoY
Revenues	341.8	335,3	-1.9%	319.4	297.1	-7.0%	369.0	402.3	9.0%	267.0	278.2	4.2%
Gross profit on sales	193.2	188,7	-2.3%	165.5	161.0	-2.7%	201.3	218.7	8.7%	137.3	149.4	8.8%
Gross profit on sales margin	56.5%	56,3%	-0.2pp.	51.8%	54.2%	2.4pp.	54.5%	54.4%	-0.2pp.	51.4%	53.7%	2.3pp.
SG&A costs	132.8	143,7	8.2%	132.6	140.1	5.6%	157.1	169.5	7.9%	132.7	145.5	9.6%
Net other operating line	-0.2	-1,8		0.5	-1.3		-2.1	-4.8		0.1	-1.3	
EBIT	60.2	43,3	-28.1%	33.3	19.7	-40.8%	42.1	44.4	5.4%	4.7	2.7	-43.3%
EBIT margin	17.6%	12,9%	-4.7pp.	10.4%	6.6%	-3.8pp.	11.4%	11.0%	-0.4pp.	1.8%	1.0%	-0.8pp.
Net financial line	-10.2	13,8		-21.6	-18.1		17.6	19.7	12.1%	-0.4	0.5	N/M
Pre-tax profit	50.0	59,3	18.7%	11.7	1.6	-86.2%	59.7	64.1	7.4%	4.3	3.2	-25.8%
Taxes	10.7	11,6		2.5	0.7		12.3	14.2		1.1	1.0	-9.6%
Net income	39.3	47,7	21.2%	9.2	0.9	-89.8%	47.3	49.9	5.4%	3.2	2.2	-31.3%
Net margin	11.5%	14,2%	2.7pp.	2.9%	0.3%	-2.6pp.	12.8%	12.4%	-0.4pp.	1.2%	0.8%	-0.4pp.
EBITDA	87.0	75.0	-13.9%	60.6	51.6	-14.9%	70.1	77.4	10.5%	35.3	36.1	2.2%
EBITDA margin	25.5%	22,4%	-3.1pp.	19.0%	17.4%	-1.6pp.	19.0%	19.2%	0.3pp.	13.2%	13.0%	-0.2pp.



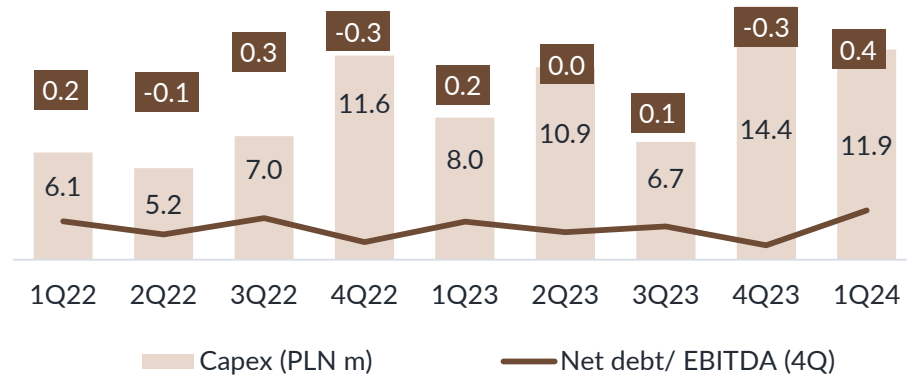
Results under IAS17

PLN m, IAS17	1Q23	1Q24	YoY
Revenues	267.0	278.2	4.2%
Gross profit on sales	137.3	149.4	8.8%
<i>Gross profit on sales margin</i>	<i>51.4%</i>	<i>53.7%</i>	<i>2.3pp.</i>
SG&A costs	137.3	147.9	7.7%
EBIT	-0.5	0.2	N/M
<i>EBIT margin</i>	<i>-0.2%</i>	<i>0.1%</i>	<i>0.3pp.</i>
Net financial line	-0.0	-0.3	N/M
Net income	-0.7	-0.4	N/M
<i>Net margin</i>	<i>-0.3%</i>	<i>-0.2%</i>	<i>0.1pp.</i>

EBITDA	4.8	7.0	48.2%
<i>EBITDA margin</i>	<i>1.8%</i>	<i>2.5%</i>	<i>0.8pp.</i>

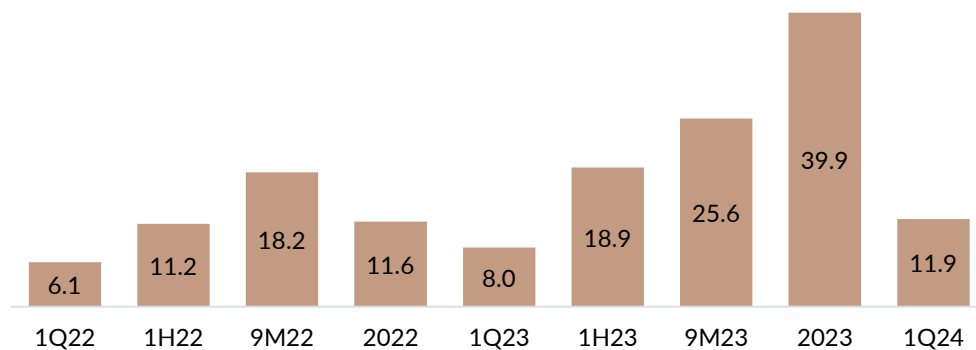
Capex supports growth

CAPEX VS. NET DEBT/EBITDA



- Capital expenditure in 1Q24 amounted to PLN 11.9m, an increase of 48.2% YoY.
- Capex focused on new stores and modernizations, both in the apparel and jewellery segments.

CUMULATED CAPEX
(PLN m)

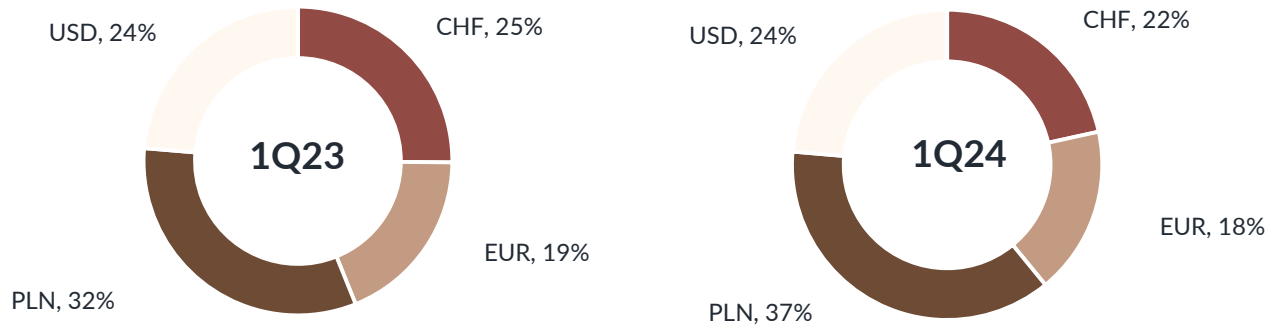


- Cumulative investment expenditure in 2023 amounted to PLN 39.9m compared to PLN 11.6m.
- The key reasons for the growth are: a return to the expansion and modernization of the network of own stores after the pandemic years and the implementation of strategic goals in the form of new store concepts.

FX risk exposure

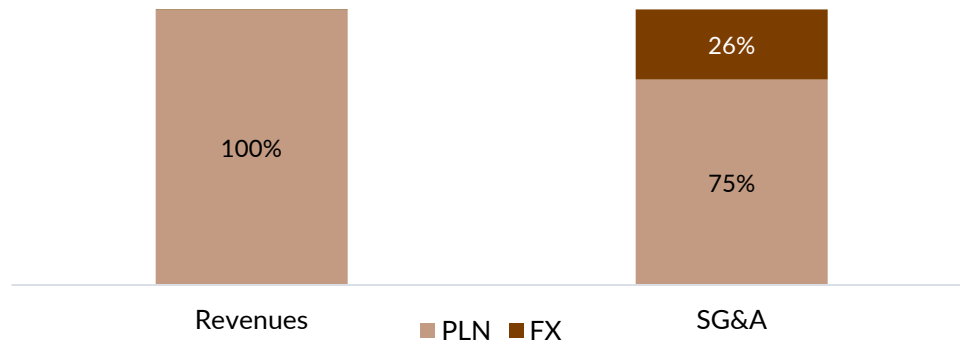
PURCHASES BY CURRENCIES

(PLN m)



1Q24 REVENUES AND SG&A COSTS BY CURRENCIES

(excl. IFRS16)



- FX risk is sizeable for the capital group, thus it is being hedged since 2Q16. Hedging only relates to the apparel segment.
- The group is a beneficiary of strengthening of zloty versus foreign currencies.
- YoY shift in purchases structure due to changes in sourcing.

- Depreciation of zloty (PLN) to main currencies (USD, EUR and CHF) may unfavourably impact the gross profit (higher COGS), operating margin (higher rental costs, IAS17) and lower net margin (FX losses on IFRS16 liability).
- The Company uses currency derivatives (currency forwards) to hedge future cash flows against currency risk.

Consistent debt reduction

PLN m	1Q23	4Q23	1Q24
Long-term debt	18.3	2.4	2.3
Bank loans	16.6	0.0	0.0
Finance leases	1.7	2.4	2.3
Short-term debt	43.9	37.3	63.8
Bank loan	28.8	27.9	54.9
Finance leases	0.7	1.0	1.0
Reverse factoring	14.4	8.4	7.9
Cash	36.8	78.1	15.3
Net debt	25.4	-38.5	50.8
Finance leases IFRS16	313.9	281.3	284.2
Net debt IFRS16	339.3	242.8	335.0

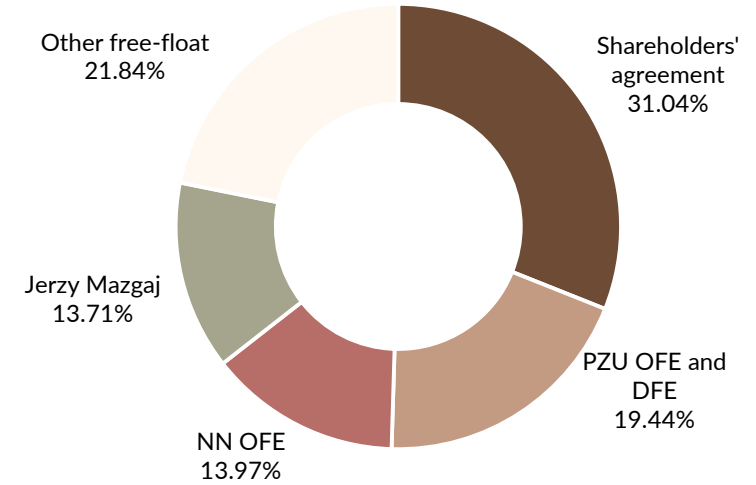
- Interest bearing indebtedness includes: bank loans, finance leases and reverse factoring (taken over with Bytom S.A. merger).
- Bank loans include: overdrafts and investment bank loans. Bank loan collateral comprises of: a floating charge on inventory, a fixed charge on "Vistula", "Wólczanka", "Bytom", "Intermoda" trademarks and a fixed charge on W.KRUK and DCG shares.

- Lack of long-term debt.
- PLN 7.9m of reverse factoring used to finance suppliers at the end of 1Q24.
- PLN 284.2m of IFRS16 liabilities (finance leases) at the end of 1Q24.

Shareholder structure

SHAREHOLDER STRUCTURE AS AT 20.05.2024 (SHARE IN EQUITY AND VOTES)

	Number of shares/votes	% share
1. Shareholders' agreement	72,766,027	31.04%
2. PZU OFE and DFE	45,589,125	19.44%
3. NN OFE	35,750,000	13.97%
4. Jerzy Mazgaj	32,151,251	13.71%
5. Other free-float	51,199,437	21.84%
Total	234,455,840	



1. information provided on the basis of the notification received by the Company pursuant to Art. 69 section 1 in connection with Art. 87 section 1 point 5) and section 3 of the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to organized trading and on public companies, applies to shares held jointly by shareholders' agreement concluded on September 26, 2023, consisting of: Mr. Jan Kolański, Colian sp. z o. o. based in Opatówek, Colian Developer Sp. z o. o. sp.k. with its registered office in Kalisz and IPOPEMA 21 Closed-End Investment Fund of Non-Public Assets with its registered office in Warsaw managed by IPOPEMA TFI S.A. ("IPOPEMA 21 FIZAN"). Before concluding the agreement referred to above: - Mr. Jan Kolański owned 7,500,000 shares of VRG, which constituted 3.20% of the Company's share capital and entitled to 7,500,000 votes, constituting 3.20% of the total number of votes at the Company's General Meeting, - Colian sp. z o. o. owned 23,860,800 shares of the Company, which constituted 10.18% of the Company's share capital and entitled to 23,860,800 votes, constituting 10.18% of

the total number of votes at the General Meeting of the Company, - Colian Developer Sp. z o. o. sp.k. held 160 shares of the Company, which constituted 0.0001% of the share capital of VRG and entitled to 160 votes, constituting 0.0001% of the total number of votes at the general meeting of VRG, IPOPEMA 21 FIZAN held 36,238,137 shares of the Company, which constituted 15.46% share capital and entitled to 36,238,137 votes, constituting 15.46% of the total number of votes at the General Meeting of the Company.

2. information provided on the basis of the number of shares of the Company held jointly by the funds PZU "Złota Jesień" Open Pension Fund and PZU Voluntary Pension Fund managed by Powszechnie Towarzystwo Emerytalne PZU S.A. at the Ordinary General Meeting on June 28, 2023. At the Ordinary General Meeting on June 28, 2023, the PZU Open Pension Fund "Złota Jesień" independently held 44,537,016 shares of the Company, which constituted 19.00% of the Company's share capital and entitled it to 44,537,016 votes, constituting 19% of

the total number of votes at the General Meeting of the Company. At the Ordinary General Meeting on June 28, 2023, the PZU Voluntary Pension Fund independently held 1,052,109 shares of the Company, which constituted 0.45% of the Company's share capital and entitled to 1,052,109 votes, constituting 0.45% of the total number of votes on General Meeting of the Company.

3. information provided on the basis of the number of shares held by Nationale-Nederlanden Open Pension Fund at the Ordinary General Meeting on June 28, 2023.

4. information provided based on the number of shares held by Mr. Jerzy Mazgaj at the Ordinary General Meeting on June 28, 2023.



Glossary

Idea	Definition
Apparel segment	Revenues from brands: Vistula, Wólczanka, Bytom, Deni Cler and wholesale segment, B2B and processing (until VI.2023).
Jewellery segment	Retail revenues of W.KRUK brand and other revenues (including B2B).
Casual	Revenues including the following assortment: jackets, trousers, coats, knitwear.
Formal	Revenues from sale of formalwear, including suits and shirts.
Revenues (PLN/m2 per month)	Quarterly revenues of segment or brand (stores and internet)/ average working floorspace / 3. In terms of Deni Cler brand it includes multibrand store revenues yet not their floorspace.
Store EBIT (PLN m)	Store operating profit calculated as gross profit on sales for stores minus store costs.
Costs of stores (IAS17)	Operating costs of stores including among others rental expenses, HR costs, depreciation, commissions for franchise stores and logistics.
Operating costs (SG&A)/m2 (PLN per month)	Quarterly group SG&A / average total working floorspace / 3.
EBITDA	Operating profit plus depreciation and amortisation from cash flow statement.
Costs of (own) stores/ m2 (PLN per month)	Quarterly costs of stores (own stores)/ average working floorspace (of own stores) / 3.
Inventory/m2	Inventory end of period / group's floorspace end of period.



Thank you

VRG S.A.

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