

VISTULA

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SZTUKA KRAWIECTWA OD 1945

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VRG
VISTULA RETAIL GROUP

CONDENSED INTERIM FINANCIAL REPORT

OF VRG CAPITAL GROUP FOR 1Q24
PREPARED IN ACCORDANCE WITH IFRS APPROVED BY THE EUROPEAN UNION

Cracow, May 20, 2024

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SELECTED FINANCIAL DATA FROM CONSOLIDATED FINANCIAL STATEMENTS

FOR 3 MONTHS ENDING MARCH 31, 2024

	PLN ths	PLN ths	EUR ths	EUR ths
	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
Revenues	278,229	267,017	64,388	56,806
EBITDA	36,090	35,327	8,352	7,516
Profit (loss) from operations	2,680	4,727	620	1,006
Pre-tax profit (loss)	3,205	4,318	742	919
Net profit (loss)	2,216	3,224	513	686
Net cash flows from operating activities	-46,166	-22,691	-10,684	-4,827
Net cash flows from investing activities	-11,508	-6,952	-2,663	-1,479
Net cash flows from financing activities	-5,154	-29,480	-1,193	-6,272
Total net cash flows	-62,828	-59,123	-14,540	-12,578
Earnings (loss) per ordinary share (in PLN/EUR)	0.01	0.01	0.00	0.00
Diluted earnings (loss) per share (in PLN/EUR)	0.01	0.01	0.00	0.00
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
Total assets	1,510,477	1,529,791	351,200	351,838
Liabilities and provisions	510,706	532,189	118,744	122,399
Long-term liabilities	184,116	184,512	42,809	42,436
Short-term liabilities	305,772	326,382	71,095	75,065
Total equity	999,771	997,602	232,456	229,439
Share capital	49,122	49,122	11,421	11,298
Shares outstanding	234,455,840	234,455,840	234,455,840	234,455,840
Diluted number of shares	235,630,831	235,630,831	235,630,831	235,630,831
Book value per share (in PLN/EUR)	4.26	4.25	0.99	0.98
Diluted book value per share (in PLN/EUR)	4.24	4.23	0.99	0.97
Declared or paid dividend per share (in PLN/EUR)	0.00	0.20	0.00	0.05

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF FINANCIAL POSITIONS

AS AT MARCH 31, 2024

(PLN ths)	as at 31-03-2024 / end of quarter 2024	as at 31-12-2023 / end of previous quarter 2023	as at 31-03-2023 / end of quarter 2023	as at 31-12-2022 / end of previous quarter 2022
Non-current assets	882,105	871,428	870,595	848,122
Goodwill	302,748	302,748	302,748	302,748
Other intangible assets	198,900	198,792	199,518	199,384
Fixed assets	77,033	75,522	63,354	60,401
Investment property	874	874	874	874
Right-of-use assets (IFRS16)	280,500	274,465	279,801	262,422
Long-term receivables	386	349	171	151
Shares and stakes	27	27	27	27
Deferred tax assets	21,637	18,651	24,102	22,115
Current assets	628,372	658,363	610,467	663,534
Inventory	590,658	563,006	555,262	553,258
Short-term security deposit receivables	102	102	194	73
Trade and other receivables as well as other current assets	22,352	17,063	18,195	14,295
Corporate income tax receivables	0	0	40	9
Cash and cash equivalents	15,260	78,135	36,776	95,899
Other short-term assets	0	57	0	0
Total assets	1,510,477	1,529,791	1,481,062	1,511,656

(PLN ths)	as at 31-03-2024 / end of quarter 2024	as at 31-12-2023 / end of previous quarter 2023	as at 31-03-2023 / end of quarter 2023	as at 31-12-2022 / end of previous quarter 2022
Dominating entity's equity	999,771	997,602	945,989	942,765
Share capital	49,122	49,122	49,122	49,122
Other reserves	14,333	14,333	14,333	14,333
FX difference from translation	-48	-1	0	0
Retained earnings	936,364	934,148	882,534	879,310
Non-controlling interest	0	0	0	0
Long-term liabilities and provisions	185,335	185,731	226,161	224,309
Liabilities due to security deposits	2,338	2,438	2,202	2,162
Lease liabilities	181,778	182,074	206,350	201,658
<i>incl. lease liabilities related to retail and office space</i>	179,508	179,723	204,634	200,438
Loans and borrowings	0	0	16,580	19,460
Long-term provisions	1,219	1,219	1,029	1,029
Short-term liabilities and provisions	325,371	346,458	308,912	344,582
Lease liabilities	908	0	0	0
<i>incl. lease liabilities related to retail and office space</i>	105,617	102,550	109,999	102,228
Trade and other liabilities	104,644	101,588	109,252	101,610
Lease liabilities	143,548	189,797	154,074	198,218
Corporate income tax liabilities	767	6,130	916	5,772
Loans and borrowings and short-term part of long-term loans and borrowings	54,932	27,905	28,753	22,786
Short-term provisions	19,599	20,076	15,170	15,578
Total liabilities and provisions	510,706	532,189	535,073	568,891
Total equity and liabilities	1,510,477	1,529,791	1,481,062	1,511,656

CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS STATEMENT

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
Revenues	278,229	267,017
Cost of sales	128,800	129,710
Gross profit (loss) on sales	149,429	137,307
Selling costs	121,264	109,811
Administrative expenses	24,209	22,900
Other operating income	1,081	875
Gain from sale of non-financial non-current assets	0	60
Other operating costs	2,217	804
Loss from sale of non-financial non-current assets	140	0
Operating profit (loss)	2,680	4,727
Financial income	3,945	2,510
<i>incl. financial income due to lease liabilities related to retail and office space</i>	2,996	912
Financial costs	3,420	2,919
<i>incl. financial costs due to lease liabilities related to retail and office space</i>	2,141	1,272
Pre-tax profit (loss) for the period	3,205	4,318
Income tax	989	1,094
Net profit (loss) for the period	2,216	3,224
Attributed to dominating entity	2,216	3,224
Attributed to non-controlling interest	0	0
Earnings (loss) per share		
- basic	0.01	0.01
- diluted	0.01	0.01

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	1 quarter / 2024 period 01-01-2024 to 31-03-2024	1 quarter / 2023 period 01-01-2023 to 31-03-2023
Net profit for the period	2,216	3,224
Other comprehensive income, including:	0	0
Income that can be reclassified	0	0
FX differences from valuation of foreign companies	-47	0
Income that cannot be reclassified	0	0
Total comprehensive income	2,169	3,224
Attributed to dominating entity	2,169	3,224
Attributed to non-controlling interest	0	0

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	Share capital	Capital reserves	FX differ- ences from translation	Retained earnings	Total equity
1 quarter 2023 period from 01-01-2023 to 31-03-2023					
Balance at 01.01.2023	49,122	14,333	0	879,310	942,765
Changes in equity 1 quarter 2023 period from 01-01-2023 to 31-03-2023	0	0	0	3,224	3,224
Net profit (loss) for the period	0	0	0	3,224	3,224
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	3,224	3,224
Dividends	0	0	0	0	0
Balance at 31.03.2023	49,122	14,333	0	882,534	945,989
Year 2023 period from 01-01-2023 to 31-12-2023					
Balance at 01.01.2023	49,122	14,333	0	879,310	942,765
Changes in equity in 2023	0	0	-1	54,838	54,837
Net profit (loss) for the period	0	0	0	101,729	101,729
Other comprehensive income	0	0	-1	0	-1
Total comprehensive income	0	0	-1	101,729	101,728
Dividends	0	0	0	-46,891	-46,891
Balance at 31.12.2023	49,122	14,333	-1	934,148	997,602
1 quarter 2024 period from 01-01-2024 to 31-03-2024					
Balance at 01.01.2024	49,122	14,333	-1	934,148	997,602
Changes in equity 1 quarter 2024 period from 01-01-2024 to 31-03-2024	0	0	-47	2,216	2,169
Net profit (loss) for the period	0	0	0	2,216	2,216
Other comprehensive income	0	0	-47	0	-47
Total comprehensive income	0	0	-47	2,216	2,169
Dividends	0	0	0	0	0
Balance at 31.03.2024	49,122	14,333	-48	936,364	999,771

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
Pre-tax profit (loss)	3,205	4,318
Amortization and depreciation	33,410	30,600
Profit (loss) on investing activities	140	-60
Income tax paid	-9,337	-7,969
Interest costs	2,899	2,405
Change in provisions	-476	-408
Change in inventories	-27,653	-2,003
Change in receivables	-5,330	-4,040
Change in short-term liabilities, excluding bank loans and borrowings	-42,685	-44,800
Other adjustments	-339	-734
Net cash flows from operating activities	-46,166	-22,691
Interest received	213	676
Disposal of fixed assets	188	406
Purchase of intangible	-470	-457
Purchase of fixed assets	-11,439	-7,577
Net cash flows from investing activities	-11,508	-6,952
Proceeds from bank loans and loans	26,904	6,208
Repayment of bank loans and borrowings	0	-3,120
Finance lease payments from other leases	-250	-205
Interest paid, other	-646	-1,099
Interest paid due to lease liabilities	-2,128	-1,308
Lease payments due to lease liabilities related to retail and office space	-29,034	-29,956
Net cash flows from financing activity	-5,154	-29,480
Change in cash and cash equivalents in the balance sheet	-62,828	-59,123
Change in cash due to foreign currency translation	-47	0
Balance sheet change in cash taking into account the effects of changes in exchange rates	-62,875	-59,123
Opening balance of cash	78,135	95,899
Closing balance of cash as shown in the Statement of financial position	15,260	36,776

Value shown in the "Other adjustments" item consists of: (PLN ths)	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
fixed assets - write-off - liquidation	-183	-86
interest received	-213	-676
forward transactions valuation	57	28
Total	-339	-734

INFORMATION AND EXPLANATIONS TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR 1Q24

1. GENERAL INFORMATION

1.1. NAME, REGISTERED OFFICE, BUSINESS ACTIVITY

VRG S.A. (also as "Parent Company" or "Company" or "Issuer") based in Cracow, Pilotów 10 St., post code: 31-462.

The company was registered in the Cracow Śródmieście District Court, XI Commercial Division of the National Court Register (KRS) under number KRS 0000047082.

The predominant activity of the Company according to the Polish Classification of Activities (PKD) is the retail sale of clothing in specialized stores (PKD 47.71.Z).

For the date of the creation of an independent enterprise, the legal successor of which is VRG S.A., one can acknowledge October 10, 1948 - the date of issuance of the Minister of Industry and Trade ordinance on the creation a state-owned enterprise named "Krakowskie Zakłady Przemysłu Odzieżowego" (Cracow Clothing Production Industry). On April 30, 1991, the District Court for Cracow Śródmieście in Cracow, V Commercial Division, registered the transformation from a state-owned enterprise into a sole-shareholder company of the State Treasury.

The company is one of the first companies that were listed on the Warsaw Stock Exchange S.A. First listing of VRG S.A. took place on September 30, 1993.

COMPANY'S KEY CORPORATE MILESTONES

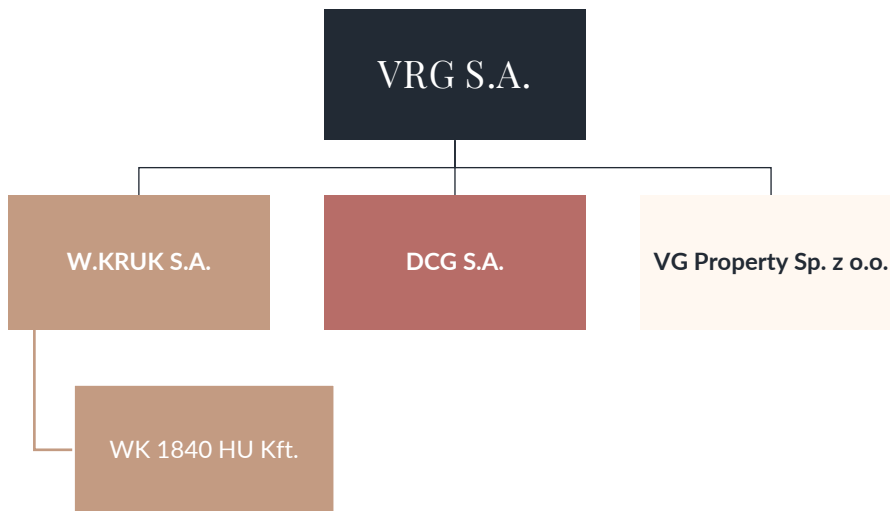
1948	Ordinance of the Minister of Industry and Trade on creation of a state-owned enterprise under the name "Krakowskie Zakłady Przemysłu Odzieżowego" (Cracow Clothing Production Facility).
1991	Transformation into a sole-shareholder company of the State Treasury under the business name: Zakłady Przemysłu Odzieżowego "Vistula" Spółka Akcyjna.
1993	Issuer's debut on the Warsaw Stock Exchange S.A.
2001	Registration of a new company name: Vistula Spółka Akcyjna.
2005	Beginning of the process of intensive expansion of the store network and renewal of the positive image of the Vistula brand.
2006	Merger with Wólczanka S.A. (change of the company name to Vistula & Wólczanka S.A.).
2008	Taking over control and merger with W.KRUK S.A. in Poznań (change of the company name to Vistula Group S.A.).
2015	Transfer of jewellery business conducted under the W.KRUK brand to W.KRUK S.A. subsidiary.

2018 Merger with Bytom S.A. (change of the company name to VRG S.A.).

2019 Merger with subsidiary BTM 2 Sp. z o.o.

The lifespan of the Issuer is indefinite.

1.2. STRUCTURE OF VRG S.A. CAPITAL GROUP



As at the end of I quarter of 2024 VRG S.A. Capital Group consisted of the following entities:

- **VRG S.A.** - Parent Company
- **W.KRUK S.A.** based in Cracow, Pilotów 10 St.; post code 31-462. The company was registered in the District Court for Cracow Śródmieście, XI Commercial Division of the National Court Register (KRS) under number KRS 0000500269.
The company specialises in design, manufacturing and retail sales of brand luxury products such as jewellery, watches and accessories.
Share in equity: 100.0%. Share in votes at the General Shareholder Meeting: 100.0%
- **WK 1840 HU Kft.** based in Budapest, Republic of Hungary. The company is registered at the Commercial Court of the Metropolitan Court of Budapest under the number CG.01-09-421401/8. The company is a subsidiary of W.KRUK S.A. based in Cracow.
The company's core business is retail sales of jewellery and accessories under the W.KRUK brand in Hungary.
Share of W.KRUK S.A. in the company's share capital is 100% and has 100% of votes at the Shareholders' Meeting.
- **DCG S.A.** based in Warsaw, Bystrzycka 81a St., post code 04-907. The company was registered in the District Court for Warsaw, the XXI Commercial Division of the National Court Register (KRS) under number KRS 0000285675.
The company specialises in retail sale of clothing.
Share in equity: 100.0%. Share in votes at the General Shareholder Meeting: 100.0%
- **VG Property Sp. z o.o.** based in Cracow, Pilotów 10 St., post code: 31-462. The company was registered in the District Court for Cracow Śródmieście, XI Commercial Division of the National Court Register (KRS) under number KRS 0000505973.
The company specialises in renting and managing of own or leased real estate.
Share in equity: 100.0%. Share in votes at the General Shareholder Meeting: 100.0%

Consolidated financial statements for 1Q24 include data of the Parent Company and subsidiaries: W.KRUK S.A., DCG S.A., VG Property Sp. z o.o.

CHANGES IN CAPITAL GROUP STRUCTURE IN 1Q24

Between January 1, 2024 and March 31, 2024 there were no changes in VRG S.A. Capital Group structure.

1.3. COMPOSITION OF THE MANAGEMENT AND SUPERVISORY BOARD

MANAGEMENT BOARD

As at 31 March 2024, the composition of the Management Board of VRG S.A. was the following:

Management Board	Mateusz Kolański President of the Management Board	Marta Fryzowska Executive Vice-President of the Management Board	Michał Zimnicki Executive Vice-President of the Management Board	Łukasz Bernacki Executive Vice-President of the Management Board
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In the period from January 1, 2024 to March 31, 2024, there were no changes in the composition of the Parent Company's Management Board.

In the period from the balance sheet date, i.e. March 31, 2024, to the date of signing this report, the above composition of the Parent Company's Management Board has not changed.

SUPERVISORY BOARD

As at December 31, 2023, the composition of the Supervisory Board of VRG S.A. was as follows:

Supervisory Board	Piotr Stępiak Chair of the Supervisory Board	Wacław Szary Deputy Chair of the Supervisory Board	Piotr Kaczmarek Member of the Supervisory Board	Danuta Dąbrowska Member of the Supervisory Board
		Blanka Borkowska Member of the Supervisory Board	Marcin Gomota Member of the Supervisory Board	Andrzej Szumański Member of the Supervisory Board

In the period from January 1, 2024 to March 31, 2024, the following changes occurred in the composition of the Parent Company's Supervisory Board:

- on March 19, 2024, the Supervisory Board of the Parent Company adopted a resolution to supplement the composition of the Supervisory Board in the co-option mode provided for in paragraph 22 section 3 of the Company's statute, appointing Ms. Blanka Borkowska to the Supervisory Board of the parent company for the current joint term.

In the period from the balance sheet date, i.e. March 31, 2024, to the date of signing this report, the above composition of the Parent Company's Supervisory Board has not changed.

1.4. GOING CONCERN

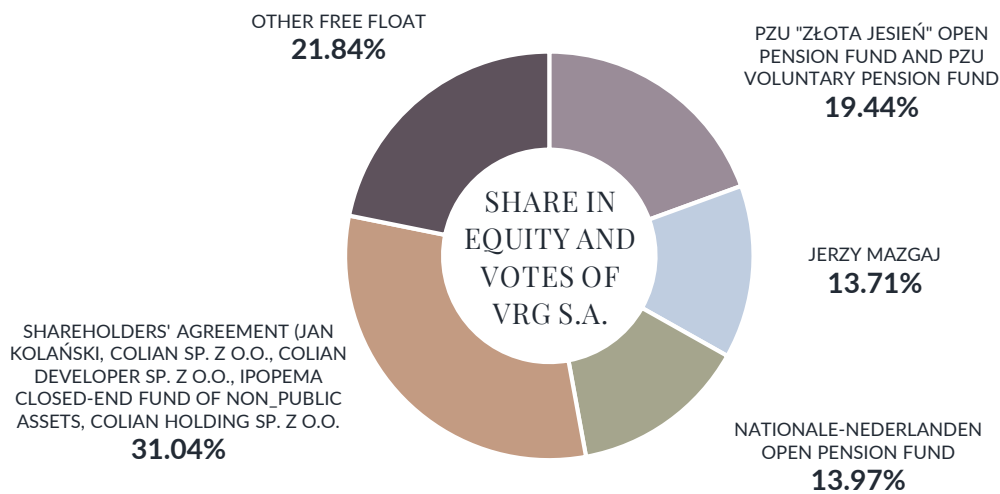
Consolidated financial statements of the VRG S.A. Capital Group (hereinafter also referred to as the "Capital Group" or "VRG Group") was prepared assuming the continuation of business activities by the companies of the Capital Group in an unchanged form and scope for a period of at least 12 months from the date on which the financial statements were prepared, i.e. March 31, 2024 year. In the opinion of the Management Board of the Parent Company, as at the date of approval of these consolidated financial statements, there are no premises or circumstances indicating a threat to the continuation of operations by the Companies of the Capital Group in the foreseeable future.

1.5. SHARE CAPITAL AND SHAREHOLDERS

Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of VRG S.A. as at the date of signing the consolidated quarterly report for the first quarter of 2024 and an indication of changes in the ownership structure of significant blocks of VRG S.A. shares in the period from the publication of the annual report for 2023 and the consolidated annual report for 2023 (April 11, 2024).

OWNERSHIP STRUCTURE OF SHARE CAPITAL, ACCORDING TO THE KNOWLEDGE OF THE PARENT COMPANY, AS AT THE DATE OF SIGNING THE INTERIM CONDENSED CONSOLIDATED REPORT FOR THE FIRST QUARTER 2024 ON MAY 20, 2024

As at the date of signing the consolidated report for the 1st quarter of 2024, the share capital of VRG S.A. is divided into 234,455,840 ordinary bearer shares, which gives a total of 234,455,840 votes at the General Meeting of Shareholders of VRG S.A. ("Company").



As at May 20, 2024, the share capital of VRG S.A. is divided into 234,455,840 ordinary bearer shares, which gives a total of 234,455,840 votes at the General Meeting of Shareholders of VRG S.A. ("Company").

The table below contains information on shareholders who, to the knowledge of the Company, hold, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the Company's General Shareholder Meeting.

Shareholders	Number of shares held	Share in equity (in %)	Number of votes at the AGM	Share in the total number of votes at the AGM (in %)
Shareholders' agreement (Jan Kolański, Colian sp. z o.o., Colian Developer sp. z o.o., Ipopema 21 Closed-end Fund of Non-public Assets, COLIAN HOLDING sp. z o. o.) ¹	72,766,027	31.04	72,766,027	31.04
PZU „Złota Jesień” Open Pension Fund and PZU Voluntary Pension Fund ²	45,589,125	19.44	45,589,125	19.44
Nationale-Nederlanden Open Pension Fund ³	32,750,000	13.97	32,750,000	13.97
Jerzy Mazgaj ⁴	32,151,251	13.71	32,151,251	13.71

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 Fund of Non-Public Assets with its registered office in Warsaw managed by IPOPEMA TFI S.A. ("IPOPEMA 21 FIZAN")

According to the information available to the Company as of March 25, 2024, under the shareholders' agreement referred to above:

- Mr. Jan Kolański holds 4,500,000 shares of VRG, which constitutes 1.92% of the Company's share capital and entitles him to 4,500,000 votes, constituting 1.92% of the total number of votes at the Company's General Meeting,
- Colian sp. z o. o. owns 32,027,890 shares of the Company, which constitutes 13.66% of the Company's share capital and entitles it to 32,027,890 votes, constituting 13.66% of the total number of votes at the Company's General Meeting,
- Colian Developer Sp. z o. o. does not hold any shares of the Company,
- IPOPEMA 21 FIZAN holds 36,238,137 shares of the Company, which constitutes 15.46% of the share capital and entitles it to 36,238,137 votes, constituting 15.46% of the total number of votes at the General Meeting of the Company,
- COLIAN HOLDING sp. z o. o. does not hold any shares of the Company.

² information given on the basis of the number of shares of the Company held jointly by the funds PZU "Złota Jesień" Open Pension Funds and PZU Voluntary Pension Fund managed by Powszechne 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 19.00% 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 on the basis of the notification received by the Company pursuant to Art. 69 section 1 point 2) of the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to organized trading and on public companies.

TO THE COMPANY'S BEST KNOWLEDGE, FROM THE PUBLICATION DATE ON APRIL 11, 2024 OF THE PREVIOUS INTERIM REPORT, I.E. SEPRATE ANNUAL REPORT FOR 2023 AND CONSOLIDATED ANNUAL REPORT FOR 2023 THE FOLLOWING CHANGES IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT STOCKS OF THE COMPANY'S SHARES TOOK PLACE.

CHANGES IN OWNERSHIP OF VRG S.A. SHARES AND RIGHTS TO SHARES BY MANAGEMENT AND SUPERVISORY PERSONS

- changes in ownership of the Company's shares by managing persons

Management Board	Number of shares held on the day of signing quarterly report for 1Q24	Number of shares held on the day of publication of annual separate and consolidated report for 2023
Michał Zimnicki – Executive Vice-President of the Management Board	4,000	4,000
Łukasz Bernacki – Executive Vice-President of the Management Board	100,381	100,381

- changes in ownership of the Company's shares by supervising persons

Supervisory Board	Number of shares held on the day of signing quarterly report for 1Q24	Number of shares held on the day of publication of annual separate and consolidated report for 2023
Wacław Szary –Deputy-Chair of the Supervisory Board	0	10,000

2. PRINCIPLES OF PREPARATION OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting" approved by the EU ("IAS 34"). The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the consolidated financial statements of the Group for the year ended December 31, 2023 approved for publication on April 11, 2024.

These interim condensed consolidated financial statements have been prepared on the basis of historical cost concept.

The interim condensed consolidated financial statements have been prepared in Polish zlotys, rounded to full thousands (PLN '000).

In addition, the basis for the preparation of these interim condensed consolidated financial statements is the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws of 2018, item 757).

3. ACCOUNTING PRINCIPLES

In the period from January 1, 2024 to March 31, 2024, no changes were made in the Capital Group to the adopted accounting principles and methods of preparing the financial statements. The accounting principles adopted by the Capital Group were applied on a continuous basis in relation to the period presented in the financial statements.

The reporting currency of the consolidated interim condensed financial statements is Polish zloty, all amounts are expressed in thousands of Polish zlotys, unless stated otherwise.

4. FX RATES USED FOR THE VALUATION OF ASSETS AND LIABILITIES

Individual items of assets and liabilities were converted into EURO at the average exchange rate of March 31, 2024 announced by the National Bank of Poland, which was PLN 4.3009/EUR. Individual items of the profit and loss account were converted into EURO at the exchange rate of PLN 4.3211/EUR, which is the arithmetic mean of the average EURO rates established by the National Bank of Poland on the last day of each completed month covered by the report.

The following EURO rates were used to calculate the average exchange rate: 31/01/24 - PLN 4.3434/EUR, 29/02/24 - 4.3190 PLN/EUR, 31/03/24 - 4.3009 PLN/EUR.

Comparable data for individual items of assets and liabilities were converted into EURO at the average exchange rate announced by the National Bank of Poland, applicable on the last day of the reporting periods, i.e. on December 31, 2023, which amounted to PLN 4.3480/EURO and on March 31, 2023, which amounted to PLN 4.6755/EUR. Comparable data for individual items of the profit and loss account were converted into EURO at rates constituting the arithmetic mean of average EURO rates established by the National Bank of Poland on the last day of each completed month of the comparative period, i.e. from January 1, 2023 to March 31, 2023, which amounted to 4.7005 PLN /EUR.

5. MAJOR ESTIMATES AND JUDGMENTS

The preparation of the financial statements in accordance with IFRS requires the Management Board of the parent company to make estimates, assessments and assumptions that affect the applied accounting principles and the presented amounts of assets and liabilities, as well as costs and revenues. Estimates and assumptions are made on the basis of available historical data as well as on the basis of other factors considered appropriate in given conditions. The results of these activities form the basis for making

estimates in relation to the carrying amounts of assets and liabilities, which cannot be clearly determined on the basis of other sources. The validity of the above estimates and assumptions is verified on an ongoing basis.

Adjustments to estimates are recognized in the period in which changes are made to the adopted estimates, provided that the adjustment applies only to that period, or in the period in which the changes are made and in subsequent periods (prospective approach), if the adjustment applies to both the current period and periods next. Information on estimates is presented in Note 11.

6. CHANGES IN ACCOUNTING STANDARDS

STANDARDS AND INTERPRETATIONS THAT HAVE ALREADY BEEN PUBLISHED AND APPROVED BY THE EU AND ENTERED INTO FORCE FROM OR AFTER JANUARY 1, 2024

AMENDMENT TO IFRS 16 "LEASES"

The change clarifies the requirements for the valuation of leasing liabilities arising from sale and leaseback transactions. It is intended to prevent incorrect recognition of the result on the transaction in the part relating to the retained right of use when leasing payments are variable and do not depend on the index or rate.

The change is effective for annual periods starting on January 1, 2024.

AMENDMENT TO IAS 1 "PRESENTATION OF FINANCIAL STATEMENTS"

The change clarifies that as at the balance sheet date, the entity does not take into account covenants that will have to be met in the future when considering the classification of liabilities as long- or short-term. However, the entity should disclose information about these covenants in the explanatory notes to the financial statements.

The change is effective for annual periods starting on January 1, 2024.

The above changes did not affect these interim condensed consolidated financial statements.

STANDARDS AND INTERPRETATIONS AND CHANGES THERETO THAT HAVE NOT ENTERED INTO FORCE FOR PERIOD BEGIN ON JANUARY 1, 2024

AMENDMENTS TO IAS 7 STATEMENT OF CASH FLOWS AND IFRS 7 FINANCIAL INSTRUMENTS

The changes clarify the features of contracts for financing liabilities to suppliers (so-called reverse factoring contracts) and introduce the obligation to disclose information on contracts concluded with suppliers, including their terms, amounts of these liabilities, payment dates and information on liquidity risk. The changes are effective for annual periods beginning on or after January 1, 2024. The change is pending approval.

AMENDMENTS TO IAS 21 "THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES"

The change clarifies the following issues:

- the way in which an entity should assess whether a given currency is convertible,
- rules for determining the currency exchange rate in the absence of convertibility,
- disclosure of information in the financial statements in the absence of currency convertibility.

The amendments to IAS 21 apply to annual reporting periods beginning on January 1, 2025 or later.

IFRS 18 "PRESENTATION AND DISCLOSURE OF INFORMATION IN FINANCIAL STATEMENTS"

On April 9, 2024, the International Accounting Standards Board published the new standard IFRS 18 "Presentation and disclosure of information about financial statements". This standard will become effective for annual reporting periods beginning on January 1, 2027. The new Standard is intended to replace IAS 1 "Presentation of Financial Statements" and is intended to ensure greater comparability of financial data between entities conducting similar activities. The new standard introduces:

- defined structure of the profit and loss account. Items in the profit and loss account will be classified into one of five categories: A requirement to present totals and subtotals is also introduced, including the mandatory inclusion of the "Operating profit/loss(s)" item;

- introduces an additional note presenting performance measures defined by management, which are partial sums of revenues and costs that the entity uses in public communication outside the financial statements, which it uses to present users of the financial statements with the Management Board's assessment of the achieved financial results.

The note will have to contain a description of a given measure, an explanation of how a given measure adds information about the entity's financial results, the method of its calculation and its connection/reconciliation with the item indicated in the financial statements based on separate standards;

- clarifies guidelines for aggregation and disaggregation based on common data characteristics, enabling entities to decide which items will be included in the basic report and which in the notes.

This standard will also result in certain changes to the statement of cash flows and the statement of financial position, as well as changes to other standards that harmonize disclosure requirements.

The Group is in the process of analyzing the impact of the above-mentioned standards, interpretations and changes to the standards.

7. SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 OPERATING SEGMENTS BY TYPE OF ACTIVITIES AND GEOGRAPHICAL BREAKDOWN

The Group specializes in the design and retail sale of branded men's and women's clothing positioned in the middle and upper segment of the market, as well as luxury jewellery and watches. Currently, it is building sales based on the brands Vistula, Bytom, Wólczanka, W.KRUK (through a subsidiary) and Deni Cler (through a subsidiary).

The Group runs two business segments: apparel and jewellery.

The diagram below shows the breakdown of the Group's activities by business segments:



BRANDS IN APPAREL SEGMENT:

VISTULA BRAND:

VISTULA
lifestyle men's fashion, also including a classic tailoring collection, expanding its position in women's fashion
V I S T U L A
<p>Vistula is a brand with a long tradition, which in its designs combines timeless cuts, patterns and cuts with current fashion trends, giving classic clothes a modern character.</p> <p>The wide assortment of the brand responds to the needs of both men and women, offering items of clothing that do not go out of style, which can be easily created for various occasions. From T-shirts and polo shirts, through sweaters and turtlenecks, to outerwear - Vistula is not only suits.</p> <p>The brand focuses on universal products, which, properly combined and enriched with accessories, add style to any styling. The priority is a sense of comfort and self-confidence for the client, who with clothes from Vistula emphasize their own unique style.</p>

BYTOM BRAND:

BYTOM
BYTOM
<p>BYTOM is a Polish brand with a history dating back to 1945, in which tradition meets the modern vision of tailoring and men's fashion. Basing on a dozen of years long heritage, the brand offers men formalwear with a flagship product in the form of suits, made from finest Italian fabrics in Polish sewing facilities.</p> <p>BYTOM is not just the art of tailoring. The brand refers to the Polish cultural heritage by creating limited collections inspired by the work of outstanding personalities, inviting people with a significant influence on the development of Polish culture and art.</p>

WÓLCZANKA BRAND:

WÓLCZANKA
WÓLCZANKA
<p>It is a brand existing since 1948. Wólczanka has been sewing shirts for generations. Years of experience have made her an expert and allowed her to gain the trust of millions of customers, thanks to which today she successfully expands her offer with new assortments such as trousers, skirts, dresses, jackets, coats, jackets, polo shirts, t-shirts. The brand's offer includes men's shirts, and from the Autumn-Winter 2014 season also women's shirts, both formal and casual. As an expert in good quality shirts, he expands this range and focuses on creating a fresh, modern brand. Wólczanka is the latest trends, beautiful prints, comfortable clothes for her and for him - and above all, an image that shows the joy of life and the possibility of making fashion choices, close to the client's needs.</p>

DENI CLER MILANO BRAND:

DENI CLER MILANO
DENI CLER MILANO
<p>Since its foundation in 1971 in Mantua, Italy, Deni Cler Milano has been dressing women who are aware of their femininity, value and strength. In 1991, the brand appeared on the Polish market, introducing a new quality in women's fashion. To this day, it remains a synonym of elegance, refined taste, while at the same time being in line with current global trends.</p>

Deni Cler Milano collections are sewn from Italian fabrics. The materials used for the production of clothes are mainly wool, cashmere and silk. The brand's assortment includes mainly: coats, dresses, jackets, trousers, skirts, blouses.

BRANDS IN JEWELLERY SEGMENT:

JEWELLERY SEGMENT	
W.KRUK 1 8 4 0	WATCHES AND EXTERNAL BRANDS
<p>W.KRUK is the oldest jewellery brand in Poland with over 180 years of tradition. W.KRUK's offer includes gold and platinum jewellery, in particular jewellery with diamonds and precious stones. W.KRUK also creates the highest quality collections made of silver and other precious metals. W.KRUK offers many original lines of unique jewellery. The distinctive style of W.KRUK products is the result of the work of designers, projects inspired by ambassadors (including Martyna Wojciechowska's Freedom collection) and an expert and innovative approach to jewellery. A significant part of the collections presented each year is made in the brand's Manufaktura near Poznań, which is one of the few in Europe that still uses traditional manufacturing techniques. In the W.KRUK brand workshops, handicrafts are combined with the latest technologies. In 2019, the W.KRUK brand was the first in Poland to introduce jewellery with a new category of man-made diamonds in laboratory conditions and offered under its own name New Diamond by W.KRUK to its chain of showrooms. They have parameters identical to diamonds mined using traditional methods and are classified according to the same parameters, using the same standards of expert assessment. W.KRUK expands its offer of both luxury and fashion jewellery. Since 2016, the brand's assortment has been complemented by a selection of W.KRUK accessories, such as leather bags and accessories, silk scarves, sunglasses and perfumes. Since 2017, W.KRUK has been developing the Picky Pica sub-brand. This concept is dedicated to young, determined women who value fashion accessories.</p>	<p>W.KRUK offers watches from the most prestigious Swiss brands such as Rolex, Patek Philippe (W.KRUK S.A. is their exclusive distributor in Poland) and renowned watch manufacturers and brands such as: Cartier, Chopard, Bulgari, Hublot, Pane-rai , Jaeger Le Coultre, Franck Muller, Omega, Tudor, Tag Heuer, Longines, Rado, Tissot, Frederique Constant, Citizen, Doxa, Certina, Seiko, Epos, Balticus, as well as fashion brands: Swatch, Gucci, Emporio Armani, Michael Kors , Fossil, Timex, Skagen, Armani Exchange, Tommy Hilfiger, Guess, Hugo Boss, Fossil. Watches from renowned brands sold in W.KRUK stores have a strong position on the Polish market, and the value of their sales is systematically increasing.</p> <p>In addition to its own original and classic jewellery collections, W.KRUK's portfolio also includes products from prestigious jewellery manufactories from around the world (so-called external brands). W.KRUK selects for its offer brands with which it has many years of experience, reputation and jewellery designed and made by talented designers and master goldsmiths. Thanks to this, the designs of outstanding jewellers from around the world and the diamond collections of the oldest Polish jewellery brand together create a unique selection of the most valuable jewellery. In selected stores, W.KRUK offers products of brands such as: Chopard, Pomellato, BIRKS Bijoux, Nanis, Marco Bicego, Pasquale Bruni, Hulchi Belluni and Recarlo.</p>

PRODUCTION ACTIVITY:

Within the apparel segment of VRG S.A. cooperates with proven independent producers who guarantee the highest level of sewing and packaging services and offer competitive prices.

The Group's own production activities in the jewellery segment are carried out in the Issuer's subsidiary, i.e. W.KRUK S.A. in the jewellery factory in Komorniki near Poznań.

Revenues related to geographical segments for the period from January 1, 2024 to March 31, 2024 and for the comparable period are presented in the table below.

Revenues from various markets in terms of geographic location (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Poland	277,371	262,796
EURO zone	420	4,143
US\$ zone	0	78
HUF zone	438	0
Total	278,229	267,017

In terms of geographical segments, the vast majority of the Capital Group's activities are carried out in the Republic of Poland. Part of the sales concerns the shipment of the Group's goods abroad, and from November 2023, sales are carried out in W.KRUK jewellery stores in Hungary.

Other financial data regarding the segments were included in the Management Board's commentary.

NOTE 2 SEASONALITY AND CYCLICALITY OF ACTIVITIES

Retail trade, both in the fashion sector and in the jewellery industry, is characterized by significant seasonality of revenues. For the apparel market, the most favourable period from the point of view of the generated financial result is the period of the 2nd and 4th quarter, while in the case of the jewellery industry it is the period of the 4th quarter (especially December).

NOTE 3 OTHER OPERATING INCOME

Other operating income (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Gain on sale of non-financial fixed assets	0	60
Other operating revenues including:	1,081	875
<i>due to write-ups for goods and materials</i>	90	0
<i>due to release of provisions (severance pay and larger format Wólczanka stores)</i>	663	0
<i>due to liquidation of agreements in line with IFRS16</i>	19	658
Total	1,081	935

NOTE 3A OTHER OPERATING COSTS

Other operating costs (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Loss on sale of non-financial assets	140	0
Goods write-offs	5	100
Donations	711	252
Costs of liquidation of current assets	497	127
Other operating costs, including:	1,004	325
<i>liquidation provision (large format Wólczanka stores)</i>	342	0
<i>severance pay</i>	207	21
Total	2,357	804

NOTE 4 FINANCIAL INCOME

Financial income (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Interest on bank deposits	213	671
FX gains	3,712	1,838
<i>incl. leases of retail and office floorspace</i>	2,996	912
Forward transactions valuation	20	0
Other	0	1
Total	3,945	2,510

NOTE 4A FINANCIAL COSTS

Financial costs (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Interest on overdrafts and bank loans	706	899
Interest on factoring	49	184
Interest on finance lease liabilities	67	50
Interest on leases of retail and office floorspace	2,073	1,272
Fees on bank loans and guarantees	349	438
FX losses	73	36
<i>incl. leases of retail and office floorspace</i>	68	0
Valuation of forward transactions	77	28
Other	26	12
Total	3,420	2,919

NOTE 5 INCOME TAX

Continued operations (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Income tax:	989	1,094
Current income tax	3,975	3,082
Deferred income tax (note 6)	-2,986	-1,988

Current income tax (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Pre-tax profit (loss)	3,205	4,318
Difference between pre-tax profit (loss) and tax base	-5,288	-10,195
- the difference between pre-tax profit and taxable income resulting from non-deductible expenses according to tax regulations and income which is not revenue according to tax regulations and additional income and tax expenses	-5,288	-9,758
- other differences (including retained losses)	0	-437
Income	20,921	16,222
Loss	-23,004	-22,099
Income/loss	-2,083	-5,877
Income tax base	20,921	16,222
Income tax at the applicable rate of 19%	3,975	3,082
Income tax adjustments for prior periods	0	0
Current income tax	3,975	3,082

Income tax at effective interest rate (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Profit (loss) before tax	3,205	4,318
Income tax at a rate of 19%	609	820
Effect of tax recognition:	-1,012	-1,938
Utilisation of tax losses carried forward	0	83
Costs not constituting tax deductible costs	-333	-1,157
Income which is not revenue according to tax regulations	636	664
Non-balance sheet taxable expenses	64	49
Non-balance sheet tax revenue	21	15
Revaluation of deferred tax assets (loss)	4,253	4,191
Deferred tax	-2,986	-1,988
Deferred tax assets adjustments for prior periods	0	0
Other income tax adjustments	125	9
Income tax at effective tax rate	989	1,094
<i>Effective tax rate</i>	30.86%	25.34%

NOTE 6 DEFERRED TAX ASSET AND LIABILITIES

Balance sheet items (PLN ths)	Balance sheet	Balance sheet	Profit or loss	Profit or loss
	31.03.2024	31.12.2023	1 Q 2024 01-01-2024 to 31-03-2024	1 Q 2023 01-01-2023 to 31-03-2023
Deferred tax provision	163	321	-158	-75
Balance sheet valuation – FX gains	93	243	-150	-72
Net advances paid	8	8	0	0
Valuation of loans at amortised cost	18	18	0	0
Valuation of forward transactions	0	11	-11	0
Leased assets	43	40	3	0
Other	1	1	0	-3
Recognised on the financial result	163	321	-150	-72
Recognised on goodwill	0	0	0	0
Deferred tax assets	21,800	18,972	2,828	1 913
Accelerated balance sheet depreciation	2,233	2,217	16	-36
Post-employment benefits (severance pay)	40	40	0	0
Write-offs	3,270	3,287	-17	21
Reserves, wages and social security	1,577	1,763	-186	-192
Remuneration, Social Security not paid	117	135	-18	-739
Balance sheet valuation - FX losses	7	34	-27	-2
Losses deductible from future taxable income	9,760	5,507	4,253	4,108
Allowance for receivables from customers	184	289	-105	86
Interest accrued	15	15	0	0
Provision for future liabilities	340	784	-444	-407
Provision for returns from customers	1,471	1,471	0	0
Valuation of forward transactions	0	0	0	5
Loyalty programme valuation	1,500	1,500	0	0
Lease commitments for commercial premises and office space contracts	1,286	1,931	-645	-931

Transferred to financial result	21,800	18,972	2,828	1,913
Transferred directly to equity	0	0	0	0
Transferred to financial result - persaldo	-21,637	-18,651	-2,986	-1,988

NOTE 7 CHANGE IN WRITE-DOWNS ON SHORT-TERM RECEIVABLES, INVENTORY AND IMPAIRMENT OF FIXED ASSETS

Write-offs (PLN ths)	Balance at 01.01.2024	Creation	Release/ Usage	Reclassification	Balance at 31.03.2024
Intangibles write-offs	6	0	0	0	6
Fixed assets write-offs	5,481	0	0	0	5,481
Inventory write-offs	17,297	5	90	0	17,212
Shares write-offs	5	0	0	0	5
Receivables write-offs	2,918	24	69	0	2,873
Loan receivables write-offs	524	0	0	0	524
Total write-offs	26,231	29	159	0	26,101

Write-offs (PLN ths)	Balance at 01.01.2023	Creation	Release/ Usage	Reclassification	Balance at 31.12.2023
Intangibles write-offs	3,150	0	3,144	0	6
Fixed assets write-offs	1,982	3,663	164	0	5,481
Inventory write-offs	20,331	1,478	4,512	0	17,297
Shares write-offs	0	5	0	0	5
Receivables write-offs	791	2,966	839	0	2,918
Loan receivables write-offs	0	524	0	0	524
Total write-offs	26,254	8,636	8,659	0	26,231

NOTE 8 PROVISIONS

(PLN ths)	Provision for employee costs	Provision for future liabilities	Provision for work in progress (sub- contracting services)	Returns from customers	Other	Total
Balance at January 1, 2023	9,111	3,650	564	3,181	101	16,607
provisions created during the year	5,797	3,790	1,080	1,296	22	11,985
release /usage of provision	-5,329	-509	-717	-714	-28	-7,297
Balance at December 31, 2023	9,579	6,931	927	3,763	95	21,295
shown in short-term liabilities	8,360	6,931	927	3,763	95	20,076
shown in long-term liabilities	1,219	0	0	0	0	1,219
Balance at January 1, 2024	9,579	6,931	927	3,763	95	21,295
provisions created during the year	383	0	940	0	2	1,325
release /usage of provision	-1,367	-433	0	0	-2	-1,802
Balance at March 31, 2024	8,595	6,498	1,867	3,763	95	20,818
shown in short-term liabilities	7,376	6,498	1,867	3,763	95	19,599
shown in long-term liabilities	1 219	0	0	0	0	1 219

The balance of provisions as at 31.03.2024 consists of:

	Total PLN 20,818 ths
long-term provision for retirement benefits	PLN 1,219 ths
short-term provision for retirement benefits	PLN 183 ths
short-term provision for unused holidays	PLN 5,118 ths
provision for severance pay and bonuses	PLN 2,075 ths
provision for returns	PLN 3,763 ths
short-term provision for work in progress	PLN 1,867 ths
provision for future liabilities	PLN 6,498 ths
other provisions	PLN 95 ths

NOTE 9 CONDITIONAL ASSETS AND LIABILITIES

(PLN ths)	balance at 31-03-2024/ end of quarter 2024	balance at 31-12-2023 / end of previous quarter 2023
Issued bank guarantees for rentals of store premises	70,729	69,837
Open letters of credit	15,611	20,093
Promissory notes securing leasing liabilities	564	566
Conditional liabilities, total	86,904	90,496

There are no conditional receivables in the Group.

NOTE 10 INFORMATION ON FINANCIAL INSTRUMENTS

In the reporting period, there was no change in the method of measuring financial instruments at fair value and there was no change in the classification of financial assets.

NOTE 10A FINANCIAL INSTRUMENTS BY CLASS

Balance sheet items measured at amortized cost (PLN ths)	31.03.2024	31.03.2024	31.12.2023	31.12.2023	31.03.2023	31.03.2023
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Trade and other receivables and current assets	22,840	0	17,514	0	18,560	0
Cash and equivalents	15,260	0	78,135	0	36,776	0
Long-term liabilities due to bank loans, loans and leases	0	181,778	0	182,074	0	222,930
<i>incl. leases for commercial and office space</i>	0	179,508	0	179,723	0	204,634
Short-term liabilities due to bank loans, loans and leases	0	160,549	0	130,455	0	138,752
<i>incl. leases for commercial and office space</i>	0	104,644	0	101,588	0	109,252
Trade and other liabilities and liabilities related to deposit	0	146,794	0	192,235	0	156,276
Total	38,100	489,121	95,649	504,764	55,336	517,958

The above financial assets and liabilities have been measured at amortized cost.

NOTE 10B FINANCIAL INSTRUMENTS – INCOME AND COSTS AND GAINS AND LOSSES FROM IMPAIRMENT

Balance sheet items 1 quarter / 2024 period from 01-01-2024 to 31-03-2024 (PLN ths)	Interest income	Interest cost	Gains/losses due to amortised cost valuation	Gains/losses due to fair value valuation	Write-offs created	Write-offs release	FX gains/losses
Trade and other receivables	0	0	0	0	24	69	-11
Cash and equivalents	213	0	0	0	0	0	336
Forward transactions	0	0	0	-57	0	0	0
Liabilities due to bank loans, loans and leases	0	773	0	0	0	0	0
Lease liabilities for commercial and office space	0	2,073	0	0	0	0	2,928
Trade and other liabilities	0	26	0	0	0	0	386
Total	213	2,872	0	-57	24	69	3,639

NOTE 11 INFORMATION ON SIGNIFICANT CHANGES IN ESTIMATES

List of major estimates and judgments for individual items of the statement of financial position:

Note	6	Deferred tax assets and liabilities
Note	7	Receivables write-off
Note	7	Inventory write-off
Note	8	Provisions for liabilities
Point	8.6	Tax settlements

8. OTHER EXPLANATORY NOTES

8.1. SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2024

Market environment:

In the first quarter of 2024, the CPI (consumer prices of goods and services) remained at a single-digit level, and in March, inflation reached 2.0%. - below the NBP (central bank) target. For the first three months of the year, consumer sentiment improved as BWUK (the Current Index of Consumer Confidence) increased. However, according to data from the Central Statistical Office, the retail sales dynamics in March in the textiles, clothing and footwear category was the weakest of all consumer goods categories. Despite the still difficult market situation, in March the Group observed an increase in demand in the apparel segment, which translated directly into improved sales results in fashion brands.

Cancellation of the Capital Group Strategy for 2023-2025:

On January 30, 2024, the Company's Management Board announced that it had decided to cancel the Capital Group Strategy for 2023-2025. The decision to cancel the Strategy was made based on the current analysis of demand, the Company's operations and its chances of implementing the Strategy's assumptions in key growth parameters. The decision to cancel was influenced by assumptions regarding, in particular: the dynamics of the planned increase in the Group's revenues and operational sources of their generation, plans to increase floorspace, the structure of the Group's revenues divided into individual retail distribution channels, the amount of investment outlays and development of gross profit on sales and operating margin of the Group. With the decision

to cancel the Strategy, the Management Board announced that it is currently redirecting its activities to strengthening the Group's operational activities in the apparel segment to improve the cost effectiveness of brands. At the same time, the Management Board of VRG S.A. will ensure further dynamic development of the W.KRUK jewellery brand in Poland and abroad.

Changes in the shareholding structure and the Supervisory Board of the Company

On March 1, 2024, the Company received a notification from IPOPEMA TFI, pursuant to the provisions of the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to organized trading and on public companies ("Act"), that the agreement of the Company's shareholders concluded regarding the direct or indirect purchase or subscription of the Company's shares, unanimous voting at the General Meeting of the Company and pursuing a lasting policy towards the Company, referred to in Art. 87 section 1 point 5) of the Act, composed of: Mr. Jan Kolański, Colian sp. z o.o., Colian Developer Spółka z o.o. (previously Colian Developer sp. z o. o. sp. k.) and IPOPEMA 21 FIZAN, as a result of the purchase of the Company's shares on the regulated market by Colian sp. z o. o. increased its current share in the total number of votes in the Company above the threshold of 30%.

On March 19, 2024, the Supervisory Board of the Parent Company adopted a resolution to supplement the composition of the Supervisory Board in the co-option mode provided for in paragraph 22 section 3 of the Company's statute, appointing Ms. Blanka Borkowska to the Supervisory Board of the Company for the current joint term.

On March 25, 2024, the Company received a notification from IPOPEMA TFI, pursuant to the provisions of the Act, that on March 21, 2024, an annex to the Company's shareholders' agreement of September 26, 2023 was concluded. As a result of concluding the annex, the agreement was joined new entity: COLIAN HOLDING sp. z o. o. Currently, the parties to the agreement are: Jan Kolański, Colian sp. z o.o. Colian Developer sp. z o. o., IPOPEMA 21 Closed-End Investment Fund of Non-Public Assets and Colian Holding sp. z o. o. Pursuant to the notification of March 25, 2024, the total share of the agreement in the total number of votes in the Company increased to 31.04%.

Omnichannel development:

In the first quarter of VRG S.A. continued optimization of the "one basket" project implemented in 2023. These improvements influence the development of omnichannel in the Vistula, Bytom and Wólczanka brands. Thanks to "one basket", VRG customers shopping in e-stores have access to a wide range of products that are visible and available both in on-line stores and in traditional stores. In the period from January to March, as part of the development of omnichannel, the Group also continued work on mobile sales applications of brands.

Commercial offer – apparel segment:

In the first quarter of 2024, VRG S.A. focused primarily on improving the sales results of brands from the apparel segment.

After introducing personnel changes, the Vistula team worked on revising the brand's product and marketing strategy, and also tested solutions that would direct more traffic to traditional stores. In February, the "Vistula ICONS" campaign was launched, featuring actor Mateusz Banasiuk. The brand combines classic with modernity and emphasizes that a suit can be a symbol of new, conscious masculinity. In March, a new version of the "Vistula Celebrations" collection appeared, which was created for seasonal family celebrations (e.g. weddings, communions or birthdays). The product offer is intended for women and men who appreciate classic, timeless cuts and high-quality fabrics.

Bytom started the year by presenting the "History of Friendship and Passion" campaign and thus announced the direction of communication for the coming months - slogans related to brotherhood and hobbies will be communicated. In March, an offer inaugurating the celebration season appeared in the "Celebrations" collection. This is a version of formal products, especially classic suits made of noble fabrics (such as Italian wool). In the past quarter, the Bytom team also promoted the brand as part of additional initiatives. One of them consisted in supporting the Bytom x Mercedes competition co-organized with Sobiesław Zasada Automotive.

In the first three months of 2024, Wólczanka continued the intensive development of its shirt offer. The brand implemented a campaign promoting, in particular, a white shirt during important seasonal celebrations, such as proms. In mid-March, the campaign for the Spring/Summer 2024 season began and the brand's offer includes the "IDEAL SHIRT for special occasions" collection, emphasizing the quality of the materials from which the shirts are made. In March, Wólczanka additionally strengthened its communication and organized a pilot event "Personalized embroidery as a gift". On the day of this initiative, customers of the boutique in the Westfield Arkadia shopping center in Warsaw could receive additional personalized embroidery for the purchased shirt.

At the beginning of February 2024, the Deni Cler brand presented its product offer for the Spring/Summer season. As part of the fashion show at Varso Place in Warsaw, the brand introduced the "Giardino dell'Eden" collection, the main theme of which is the garden of paradise. The offer is rich in colours, but also in neutral and basic products, made of the highest quality materials, such as silk or linen. In addition to developing a collection that meets customer expectations, the brand also continues to develop the

Deni Cler Academy, which supports building an engaged community. The next meeting as part of this initiative took place on March 21, and the main theme was well-being.

Commercial offer – jewellery segment:

In the first quarter of 2024, W.KRUK introduced numerous new products and product proposals, in accordance with the seasonal calendar, starting with the January carnival offer. In February, the Valentine's Day collection "Tenderness" appeared with gold, silver and pearl jewellery. The following month, as part of Women's Day, the brand presented the "Preludium Paradise Birds" collection, which offers jewellery rich in various colours.

Clothes To Donate:

The VRG Group continued its commitment to sustainability. In the first quarter of 2024, Wólczanka ran the #Poczujradośćpomagania campaign, implemented with the Clothes to donate brand. As part of this activity, in selected Wólczanka stores, customers can return clothes of any brand, which are sent to circular boutiques and companies purchasing used clothing. For each kilogram of items collected, Clothes to Donate donates PLN 1 to support the "Zdążyć z Pomocą" Foundation. As part of the campaign, the brand has so far collected approximately 5.3 tons of clothing.

8.2. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Motion from the Management Board of VRG S.A. to the Ordinary General Meeting on the method of distribution of the Company's net profit for the financial year 2023 and payment of dividend:

On May 17, 2024, the Management Board of VRG S.A. adopted a resolution on accepting the request of the Management Board of VRG S.A. in Cracow to the Ordinary General Meeting of the Company regarding the method of distribution of the Company's net profit for the financial year 2023 and the payment of dividend.

The above proposal includes the following proposals:

- 1) a proposal to allocate the net profit shown in the Company's financial statements for the financial year 2023 in the amount of PLN 28,193,220.51 in its entirety to supplementary capital;
- 2) a proposal to pay a dividend in the amount of PLN 0.09 per share, i.e. in the total amount of PLN 21,101,025.60 from the supplementary capital (in the part created from profits - Article 348 § 1 of the Commercial Companies Code).

At the same time, in the said application, the Management Board requested the Ordinary General Meeting of the Company to determine that the Company's shareholders as of September 20, 2024 (dividend day) will be entitled to the dividend, and the dividend will be paid on December 16, 2024. The dividend will cover 234,455,840 shares of the Company.

The proposal for the division of net profit shown in the Company's financial statements for 2023, referred to in point 1) above meets the requirements of Art. 395 § 2 point 2) in connection with Art. 396 of the Commercial Companies Code.

The proposal to pay dividend to the Company's Shareholders referred to in point 2) above constitutes the implementation of the assumptions of the Company's Dividend Policy adopted by the Management Board on May 18, 2022, about which the Company informed in current report No. 18/2022.

At its meeting on May 17, 2024, the Company's Supervisory Board adopted a resolution based on which it positively assessed the above request of the Management Board.

Appointment of the Company's Management Board for the new joint term of office:

At the meeting held on May 17, 2024, the Supervisory Board of VRG S.A. elected the Company's Management Board for the period of a new joint term of office starting at the end of the Ordinary General Meeting of the Company approving the Company's financial statements for the financial year 2023.

In accordance with the resolutions adopted by the Supervisory Board, the following persons were appointed to the Company's Management Board for the new joint term of office:

- Mr. Mateusz Kolański for the position of President of the Management Board;
- Mrs. Marta Fryzowska for the position of Executive Vice-President of the Management Board;
- Mr. Łukasz Bernacki for the position of Executive Vice-President of the Management Board;
- Mr. Michał Zimnicki for the position of Executive Vice-President of the Management Board.

Biographical notes of the persons appointed to the Company's Management Board for the new joint term of office are included in the Company's current report No. 14/2024.

8.3. ISSUANCE, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES

In the first quarter of 2024, the Parent Company did not issue, redeem or repay any equity securities.

8.4. DIVIDENDS PAID AND DECLARED

The Capital Group has a Dividend Policy adopted by the Management Board of the parent company on May 18, 2022, with the following content:

Dividend policy of VRG S.A. based in Cracow.

One of the main goals of the Management Board of VRG S.A. with its registered office in Cracow (the "Company") is to share profits with shareholders through the payment of dividends. The Company's Management Board intends to recommend the payment of dividend to shareholders in accordance with this dividend policy.

The Company's Management Board intends to annually recommend to the Company's General Meeting the payment of a dividend in the range of 20% to 70% of the consolidated net profit resulting from the audited consolidated financial statements of the Company, assuming that the net debt/EBITDA ratio at the end of the financial year will be less than 2.5.

Each time before presenting a recommendation to the Company's general meeting, the Company's Management Board will take into account the following factors:

- financial situation of the Company and its capital group,
- investment needs,
- liquidity situation,
- development prospects of the Company's capital group in a given market and macroeconomic situation,
- acquisition plans,
- banking covenants.

Motion from the Management Board of VRG S.A. to the Ordinary General Meeting regarding the method of distribution of the Company's net profit for the financial year 2023 and payment of dividend:

On May 17, 2024, the Management Board of VRG S.A. adopted a resolution on accepting the motion of the Management Board of VRG S.A. in Cracow to the Ordinary General Meeting of the Company regarding the method of distribution of the Company's net profit for the financial year 2023 and the payment of dividend.

The above proposal includes the following proposals:

1) a proposal to allocate the net profit shown in the Company's financial statements for the financial year 2023 in the amount of PLN 28,193,220.51 in its entirety to supplementary capital;

2) a proposal to pay a dividend in the amount of PLN 0.09 per share, i.e. in the total amount of PLN 21,101,025.60 from the supplementary capital (in the part created from profits - Article 348 § 1 of the Code of Commercial Companies)

At the same time, in the said application, the Management Board requested the Ordinary General Meeting of the Company to determine that the Company's shareholders as of September 20, 2024 (dividend day) will be entitled to the dividend, and the dividend will be paid on December 16, 2024. The dividend will cover 234,455,840 Company shares.

The proposal for the division of net profit disclosed in the Company's financial statements for 2023, referred to in point 1) above meets the requirements of Art. 395 § 2 point 2) in connection with Art. 396 of the Code of Commercial Companies.

The proposal to pay dividend to the Company's Shareholders referred to in point 2) above constitutes the implementation of the assumptions of the Company's Dividend Policy adopted by the Management Board on May 18, 2022, about which the Company informed in current report No. 18/2022.

At its meeting on May 17, 2024, the Company's Supervisory Board adopted a resolution based on which it positively assessed the above request of the Management Board.

8.5. PROCEEDINGS PENDING BEFORE COURTS OR PUBLIC ADMINISTRATION AUTHORITIES

There are no proceedings pending before a court, body competent for arbitration proceedings or public administration body regarding the Group's liabilities or receivables, the value of which would have a significant impact on the assessment of the Group's situation.

8.6. TAX SETTLEMENTS

Tax regulations in force in Poland are subject to frequent changes, causing significant differences in their interpretation and significant doubts in their application. Tax authorities have control instruments enabling them to verify the tax bases (in most cases during the previous 5 financial years) and to impose penalties and fines. From July 15, 2016, the Tax Ordinance also includes the provisions of the General Anti-Abuse Clause (GAAR), which is intended to prevent the creation and use of artificial legal structures created to avoid taxation. The GAAR clause should be applied both to transactions concluded after its entry into force and to transactions that were carried out before the entry into force of the GAAR clause, but for which benefits were or are still being achieved after the date of entry into force of the clause. As a result, determining tax liabilities, assets and deferred tax liabilities may require significant judgment, including those regarding transactions that have already occurred, and the amounts presented and disclosed in financial statements may change in the future as a result of audits by tax authorities.

8.7. RELATED PARTY TRANSACTIONS

The following entities are considered to be related to the Group:

- key management personnel of the VRG S.A. Capital Group.
- entities in which persons classified as key management personnel exercise control or over which they exercise significant influence, as defined in IAS 24.

The Group's key management personnel include members of the Management Board and the Supervisory Board of the parent company.

The value of short-term benefits of members of the Parent Company's Management Board paid in the period from January 1, 2024 to March 31, 2024 amounted to PLN 592.5 thousand.

The value of short-term benefits of members of the Parent Company's Supervisory Board paid in the period from January 1, 2024 to March 31, 2024 amounted to PLN 420.6 thousand.

Additionally, members of the Supervisory Board of VRG S.A. sitting on the Supervisory Board of KRUK S.A. they collected the amount of PLN 72.3 thousand on this account.

Two members of the Management Board of VRG sit on the Management Board of W.KRUK S.A. and for this they collected the amount of PLN 243 thousand.

8.8. INFORMATION ON GRANTING BY THE ISSUER OR BY A SUBSIDIARY OF A CREDIT OR LOAN OR GUARANTEE GRANTING A TOTAL TO ONE ENTITY OR A SUBSIDIARY OF SUCH ENTITY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS SIGNIFICANT

In the first quarter of 2024, the Parent Company did not grant additional sureties to subsidiaries in relation to those described in the annual report and consolidated annual report for 2023.

As at March 31, 2024, the balance of sureties granted by the parent company to subsidiaries of W.KRUK S.A. in previous periods and DCG S.A. for the liabilities of W.KRUK S.A. and DCG S.A. towards Bank PKO BP S.A. resulting from loan agreements is:

- Term loan agreement (Loan B) up to the amount of PLN 71,400,000.00 concluded by the Company on March 9, 2015, as amended, transferred to W.KRUK S.A. after the takeover of an organized part of the Company's enterprise by W.KRUK S.A. as a result, there was a change in the borrower in the B Loan Agreement, i.e. W.KRUK S.A. replaced the Company with full rights and obligations of the borrower. As a result, the debt was taken over by W.KRUK S.A. After the rights and obligations of the borrower are transferred to W.KRUK S.A., the Company is responsible for the repayment of Loan B under the guarantee up to a maximum amount not exceeding PLN 107,100,000, with the possibility of its release after 3 years.
- Multi-purpose credit limit agreement up to PLN 18,000,000.00 concluded by the subsidiary DCG S.A. on June 26, 2015, as amended One of the security measures for the repayment of DCG S.A. liabilities. the bank under this agreement is a surety provided by the Parent Company up to a maximum amount not exceeding PLN 27,000,000, the surety is valid until July 11, 2027.

8.9. INFORMATION ON SIGNIFICANT PURCHASE AND SALE TRANSACTIONS OF PROPERTY, FIXED AND FIXED ASSETS

The total amount of capital expenditure in the consolidated statement of financial flows shown in the reporting period amounted to PLN 11,439 thousand.

No significant sales transactions.

8.10. INFORMATION ON A SIGNIFICANT LIABILITY FOR THE PURCHASE OF PROPERTY, PLANT AND FIXED ASSETS

Not applicable.

8.11. INDICATION OF FACTORS WHICH, IN THE ISSUER'S OPINION, WILL HAVE AN IMPACT ON THE RESULTS ACHIEVED BY THE CAPITAL GROUP IN THE PERSPECTIVE OF AT LEAST THE NEXT QUARTER

Below is a summary of the most important factors that may affect the results and economic and financial situation of the Group. The factors listed below may have a significant impact on the development prospects, results achieved and financial situation of the Capital Group.

The following may have a negative impact on the Group's financial results over the next few quarters:

- Inflation and price increases.
- Limiting consumption.
- Armed conflict in Ukraine and unstable political situation in the Middle East.
- Decrease in the PLN exchange rate against USD, EUR, CHF.
- Economic and social situation in Poland.

The following may have a positive impact on the Group's financial results in the next quarter:

- Further development of the Group's offer.
- Increasing the level of stock in the network.
- Improving the cost efficiency of the sales network.
- Development of the online channel, omnichannel-oriented activities.

- Increase in the PLN exchange rate in relation to USD, EUR, CHF.

8.12. OTHER INFORMATION THAT IS RELEVANT FOR THE ASSESSMENT OF THE SITUATION OF THE VRG S.A. CAPITAL GROUP

The risk management process is implemented based on the Risk Management Policy of the VRG Capital Group. It supports the implementation of the Group's strategy and aims to guarantee an appropriate level of security of business activities and financial reporting. The Capital Group strives to recognize and manage risks related to the activities of the Group's companies at an early stage. The risk management process and methods are adequate to the scale of the Group's operations and adapted to the level of a given risk. The risk management process is systematic and subject to improvement - it is adapted to new factors and sources of risk, as well as the changing legal and economic environment. Risk management methods are periodically verified.

The Management Board is responsible for effective risk management. The Audit Committee, as a permanent collective body of the Supervisory Board, exercises constant supervision over the Management Board's activities in the field of risk management.

Below is a summary of the most important risk factors that may affect the results and economic and financial situation of the Group. The factors listed below may have a significant negative impact on the development prospects, results achieved and financial situation of the Capital Group.

Risk	Risk management
Strategic risks	
Risk related to the macroeconomic and geopolitical situation	<p>Risk related to the lack of a flexible response to the dynamically changing, unstable macroeconomic and geopolitical situation. Risk factors include in particular: weak economic growth, increasing unemployment, decline in individual consumption, rising inflation, energy crisis, increase in the minimum wage in Poland, conflict in Ukraine, crisis in the Red Sea.</p> <p>Risk mitigation mechanisms include: cost optimization; constant monitoring of the economic situation (analysis of the impact of the environment on operations) and, on this basis, verification of development directions and goals; withdrawal from high-risk projects.</p>
Incorrect strategy	<p>There is a risk that the objectives have been incorrectly defined and/or the incorrect method of achieving the outlined objectives has been adopted. The Group's assumptions will prove to be inappropriate to changing customer expectations or market conditions. There is a risk that the implementation of tasks will be delayed or that some elements will not be possible to implement or will not produce the expected results.</p> <p>Risk mitigation mechanisms include: cancellation of the strategy announced for 2023-2025 and adoption of new assumptions; ongoing and cyclical monitoring by the Management Boards and Supervisory Boards of the Group's companies of the implementation of new assumptions based on indicators and defined goals; based on monitoring, verifying development directions and goals; obtaining and analysing data about the market, customers and competition; change of organizational structure and areas of responsibility; withdrawal from high-risk projects; optimization of store stocking and inventory levels; implementation of new initiatives.</p>

<p>Unsuccessful collection and its suboptimal introduction</p>	<p>VRG operates on a very competitive, changeable and demanding clothing market. An incorrectly planned collection, an unsuccessful collection or its suboptimal introduction may have a significant impact on the Company's financial result.</p> <p>Risk mitigation mechanisms include: monitoring and analysing the latest fashion trends; defining the target group for each brand; diversification of brand IDs; periodic verification of the adopted strategic creation assumptions; adjusting the assortment plan to the budget and sales peaks; sales ranking analysis; analysing the opinions of customers and store managers and developing new products on this basis; collection pyramid - optimal distribution of basic, commercial and trend products; controlling primary prices and discounts; permanent stock, ensuring availability of basic products; permanent ecological line; competition analysis.</p>
<p>Suboptimal sales and purchasing budget planning</p>	<p>Risk related to the sales and purchasing budget planning process. Errors in planning can have a key impact on the financial result.</p> <p>Risk mitigation mechanisms include: Sales budget (turnover and margin plan). Constant monitoring and analysis of results, adapting the plan to the size of the retail space. Optimize the resale percentage of your new collection. Dedicated team of experts.</p>

Financial risks

<p>Currency risk</p>	<p>The Group generates revenues mainly in PLN, but incurs significant costs in EUR, US dollars and Swiss francs, which exposes the financial result to exchange rate risk. In periods of weakening of the Polish zloty in relation to the main settlement currencies, the Group incurs higher costs. At the same time, a potentially negative valuation of liabilities in foreign currencies results in a deterioration of the balance sheet structure. An important element of risk is the valuation of accumulated lease liabilities for the rental of commercial premises.</p> <p>Risk mitigation mechanisms include: creating a forecast of currency flows; use of hedging instruments (in the event of negative forecasts regarding future exchange rates); securing the reserve for currency risk at the budget level; purchasing currency as part of negotiated transactions (spot transactions); price management taking into account variable exchange rates; using forecasts regarding future exchange rates; use of reverse factoring in currencies; maintaining active treasury limits in order to conclude futures transactions.</p>
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Credit risk	<p>The Group's companies are parties to bank loan agreements. These agreements contain a number of conditions and covenants that the Companies are obliged to implement. If the economic situation deteriorates and demand for the Company's products weakens, the fulfilment of covenants may be at risk, which causes the risk of termination of bank loans by financing banks. Due to the large amount of financing, it may turn out that the Company will not be able to obtain refinancing in a short-time.</p> <p>Risk mitigation mechanisms include: timely settlement of liabilities to banks; monitoring compliance with covenants (including monitoring the valuation of collateral, e.g. trademarks, inventories); providing the financing banks with information on the financial situation on an ongoing basis; external audits of financial statements (annual and semi-annual) confirming the reliability of data.</p>
Liquidity risk	<p>The Group has liabilities under bank loan agreements and trade liabilities. The above liabilities are serviced primarily using current operating cash flows. In the extreme case of a sudden, simultaneous drop in demand and an increase in costs (especially in the event of a deep weakening of the Polish zloty) or a temporary loss of revenues as a result of extraordinary events, the Group may experience difficulties in maintaining financial liquidity.</p> <p>Risk mitigation mechanisms include: developing a budget for a given year, monitoring the cash flow process and managing payment deadlines.</p>
Operating risks	
Cybersecurity risk	<p>Cybersecurity risk is the risk of attack, damage or unauthorized access to an enterprise's data, IT networks, devices and programs. Technical safeguards do not eliminate risk. The human factor may be a weak point leading to risk.</p> <p>Risk mitigation mechanisms include: the process of granting permissions to systems and procedures for managing access to internal systems; continuous system update of technical and anti-virus security; employee training, awareness building, information materials and procedures; external security audits.</p>
Delays in supplies	<p>Risk related to delays in deliveries of finished products, raw materials and accessories. Potential delays may result in loss of sales potential and affect the financial result.</p> <p>Risk mitigation mechanisms include: supply monitoring; verification of logistics operators, cooperation with proven suppliers of goods and transport services; requirements for suppliers of goods and transport services and quality control; if necessary, changing the means of transport or service; insurance.</p>

8.13. FACTORS AND EVENTS, INCLUDING UNUSUAL CHARACTER, HAVING A SIGNIFICANT EFFECT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

During the reporting period, there were no unusual items that would have a significant impact on assets, liabilities, equity, net profit or cash flows and which were not described in this report.

MANAGEMENT'S COMMENTARY TO FINANCIAL INFORMATION IN CONDENSED INTERIM CONSOLIDATED REPORT FOR 1Q24

1. 1Q24 FINANCIAL RESULTS

The consolidated financial results of the VRG Capital Group for the first quarter of 2024 include the results of the parent company VRG S.A. and the results of subsidiaries, including, among others: W.KRUK S.A. and DCG S.A.

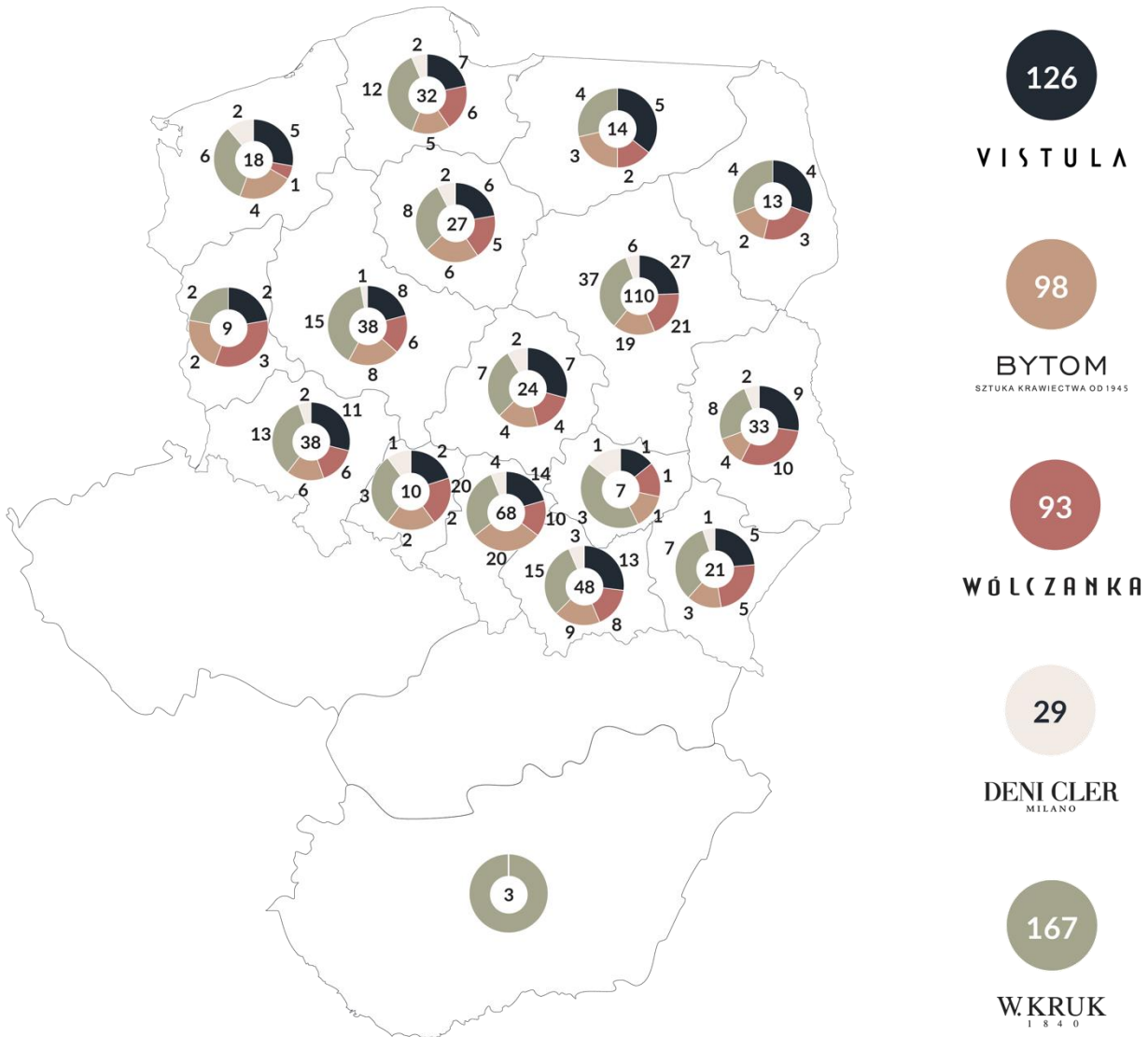
At the end of the first quarter of 2024, compared to the same period in 2023, the sales area of the Group's retail network increased by 0.9%, while in the apparel segment the area decreased by 1.0%, while in the jewellery segment it increased by 6.8%.

RETAIL FLOORSPACE (END OF PERIOD):

Retail floorspace (end of period, ths m2):	31.03.2024	31.03.2023
Apparel segment	39.0	39.3
Jewellery segment	13.4	12.6
Total floorspace	52.4	51.9

As at the date of preparation of this report, the dominant part of sales is carried out through the retail network of stores of individual brands belonging to the Capital Group. As at the date of preparation of this report, the Capital Group has a retail sales network of 513 locations, including franchise stores of the Vistula, Wólczanka, Bytom, Deni Cler and W.KRUK brands. Among the operating stores, the Group owns only 1 location. The Group uses the remaining locations on the basis of medium/long-term lease agreements concluded for a period of generally 5 years, a small part of the agreements is concluded for an indefinite period. Most of the premises are located in modern large-scale shopping centers.

The figure below shows the location and number of the Capital Group's stores at the end of the first quarter of 2024 by individual brands.



SELECTED FINANCIAL DATA OF VRG GROUP

(PLN ths)			IAS17*	IAS17*
	1 quarter 2024 01-01-2024 to 31-03-2024	1 quarter 2023 01-01-2023 to 31-03-2023	1 quarter 2024 01-01-2024 to 31-03-2024	1 quarter 2023 01-01-2023 to 31-03-2023
Revenues	278,229	267,017	278,229	267,017
EBITDA	36,090	35,327	7,038	4,750
EBIT	2,680	4,727	248	-530
Net result	2,216	3,224	-423	-742

* Key financial items of the Group show the impact of IAS17 as the previous standard

The difference between the operating result (EBIT) under IAS17 and the operating result according to applicable standards in 2024 resulted from the fact that the costs of rents under IAS17, recognized in net payment amounts, were higher than depreciation

write-offs of assets related to the right to use commercial premises, recognized on a straight-line basis. for the period of the applicable contract.

Revenues of the Capital Group in the first quarter of 2024 amounted to PLN 278 million and were PLN 11.2 million (4.2%) higher than the revenues achieved in the same period of the previous year.

Consolidated EBITDA for the first quarter of 2024 amounted to PLN 36.1 million and was 2.2% higher than in the previous year. EBITDA calculated excluding the impact of IFRS 16 amounted to PLN 7.0 million.

In the first quarter of 2024, the Capital Group achieved a net profit of PLN 2.2 million compared to the net profit of PLN 3.2 million in the first quarter of 2023. Excluding the impact of IFRS 16, the Group realized a loss of -PLN 0.4 million (Q1 2023: -PLN 0.7 million).

The Group's financial results in the first quarter of 2024 were the result of, among others, increase in sales revenues compared to the previous year. The negative sales dynamics of the clothing segment in January and February resulted from limited acceptance of the changes introduced in the collections and the unfavourable market environment. In March, the Group recorded improvement in sales results in the clothing segment year-on-year.

APPAREL SEGMENT

Apparel segment (PLN ths)			IAS17*	IAS17*
	1 quarter 2024 01-01-2024 to 31-03-2024	1 quarter 2023 01-01-2023 to 31-03-2023	1 quarter 2024 01-01-2024 to 31-03-2024	1 quarter 2023 01-01-2023 to 31-03-2023
Revenues	122,205	125,015	122,205	125,015
Cost of sales	54,876	61,497	54,876	61,497
Gross profit on sales	67,329	63,518	67,329	63,518
Selling costs	74,161	68,639	75,544	71,606
Administrative expenses	13,914	14,169	13,960	14,278
Gain on sale of non-financial assets	0	3	0	3
Other operating income	1,009	829	990	171
Loss on sale of non-financial assets	-146	0	-146	0
Other operating costs	1,727	563	1,727	526
Profit (loss) from operations	-21,610	-19,021	-23,058	-22,718
Financial income / costs	90	-185	-384	26
Pre-tax profit (loss)	-21,520	-19,206	-23,442	-22,691
Income tax	-3,828	-3,462	-4,194	-4,124
Net profit (loss)	-17,692	-15,744	-19,248	-18,567

*The table above presents the basic financial positions of the Group, showing the impact of IAS 17 as the previously applicable standard

REVENUES

Revenues from sales of the apparel segment in the first quarter of 2024 amounted to PLN 122.2 million and were PLN 2.8 million (i.e. 2.2%) lower than the revenues achieved in the corresponding period of 2023. This is the result of a YoY decline in other and wholesale sales, which in 2023 was mainly related to the activities of the subsidiary in Ostrowiec Świętokrzyski, whose bankruptcy was announced in June 2023.

Apparel segment PLN m	1 quarter 2024 from 01-01-2024 to 31-03-2024	1 quarter 2023 from 01-01-2023 to 31-03-2023
Revenue	122.2	125.0
Retail sales	120.3	117.4
Processing	1.5	5.8
B2B	0.4	1.8

In 1Q24, the Group recorded the following results in the following retail channels:

VISTULA ↓ PLN 46.9m (-1.6% YoY)	BYTOM ↑ PLN 34.6m (1.9% YoY)	WÓLCZANKA ↑ PLN 25.2m (16.2% YoY)	DENI CLER MILANO ↓ PLN 13.7m (-3.4% YoY)
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Increase in sales in retail channels by 6.3% was the result of growth in the offer including formal clothing and a more stable macroeconomic situation (inflation, interest rates), which in the first quarter of the previous year had a negative impact on customer purchasing decisions.

In the first quarter of 2024, there was a decline in off-line retail sales by 4.3% and an increase in on-line sales by 25.6% compared to the same period last year. Decline in off-line retail sales is, among other things, the result of a decline in customer visits.

Share of on-line sales in the revenues of the apparel segment was 27.5% in the first quarter of 2024 compared to 21.4% of on-line sales in the corresponding period of 2023.

GROSS PROFIT ON SALES

Gross profit on sales of the clothing segment in the first quarter of 2024 amounted to PLN 67.3 million and was 6.0% higher than that generated in the same period of the previous year. Gross margin was 55.1% in the first quarter of 2024, an increase of 4.3 percentage points, compared to the same period in 2023.

In the first quarter of 2024, the Group recorded the following changes in gross profit margin on sales on brands:

VISTULA ↑ 55.1 % (up 3.8 pp.)	BYTOM ↑ 54.9 % (up 0.8 pp.)	WÓLCZANKA ↑ 56.5 % (up 2.1 pp.)	DENI CLER MILANO ↓ 60,9 % (down 0.1 pp.)
--	--	--	---

Increase in margin is the result of smaller discounts YoY.

SELLING COSTS

Selling costs in the first quarter of 2024 amounted to PLN 74.2 million and were higher by PLN 5.5 million (8.0%) compared to costs incurred in the corresponding period of 2023. Increase in selling costs was caused by, among others, an increase in basic salaries (increase in the minimum wage) and an increase in sales-related costs, i.e. commissions for franchisees, logistics costs and marketing costs.

Share of selling costs in revenues in the first quarter of 2024 was 60.7% compared to 54.9% in the corresponding period of 2023.

GENERAL ADMINISTRATION COSTS

General and administrative expenses in the first quarter of 2024 amounted to PLN 13.9 million compared to PLN 14.2 million in the first quarter of 2023, which means a decrease in costs by PLN 0.3 million (-1.8%). At the same time, the share of general and administrative expenses in sales revenues remained at the level from last year, i.e. 11.4% compared to 11.3% in the same period of 2023.

OPERATING RESULT OF THE APPAREL SEGMENT

In the first quarter of 2024, an operating loss of PLN 21.6 million was incurred compared to a loss of PLN 19.0 million in the first quarter of 2023. The higher year-on-year loss is the result of a faster increase in costs compared to revenues, partially compensated by an increase in the margin.

The operating profitability of the apparel segment in the first quarter of 2024 was negative and amounted to -17.7% (Q1 2023: -15.2%). In previous years, during the first quarter, the apparel segment also experienced negative operating profitability, which resulted, among others, from: due to the sell-off nature of this part of the year. Deterioration in operating profitability was the result of lower sales YoY combined with an increase in costs.

FINANCIAL INCOME AND COSTS

The balance of the result on financial activities in the apparel segment amounted to PLN 0.1 million in the first quarter of 2024 compared to PLN -0.2 million in the corresponding period of 2023. The IFRS 16 standard had a positive impact on the balance of financial activities of the apparel segment in the first quarter of 2024, as it resulted in an increase in net financial revenues by PLN 0.5 million. The balance of FX differences (excluding IFRS 16) was positive and amounted to PLN 0.2 million compared to PLN 0.5 million in the first quarter of 2023.

Apparel segment (PLN ths)	1 quarter 2024 from 01-01-2024 to 31-03-2024	1 quarter 2023 from 01-01-2023 to 31-03-2023
Financial costs net	-555	-521
FX differences net (excl. IFRS 16)	171	547
IFRS 16 impact	474	-211
[±] incl. FX differences	1,708	507
[±] incl. interest	-1,234	-718
Financial income/ costs	98	-185

NET RESULT IN THE APPAREL SEGMENT

In the apparel segment, the group reported a net loss of PLN 17.7 million in the first quarter of 2024 compared to a net loss of PLN 15.7 million in the corresponding period of 2023.

JEWELLERY SEGMENT

Jewellery segment PLN ths			IAS17*	IAS17*
	1 quarter 2024 01-01-2024 to 31-03-2024	1 quarter 2023 01-01-2023 to 31-03-2023	1 quarter 2024 01-01-2024 to 31-03-2024	1 quarter 2023 01-01-2023 to 31-03-2023
Revenues	156,024	142,002	156,024	142,002
Cost of sales	73,924	68,213	73,924	68,213
Gross profit on sales	82,100	73,789	82,100	73,789
Selling costs	47,103	41,172	47,978	42,577
Administrative expenses	10,295	8,731	10,404	8,886
Gain on sale of non-financial assets	6	57	6	57
Other operating income	72	46	72	46
Loss on sale of non-financial assets	0	0	0	0
Other operating costs	490	241	490	241
Profit (loss) from operations	24,290	23,748	23,306	22,188
Financial income / costs	435	-224	54	-74
Pre-tax profit (loss)	24,725	23,524	23,360	22,114
Income tax	4,817	4,556	4,535	4,288
Net profit (loss)	19,908	18,968	18,825	17,826

REVENUES

Revenues in the first quarter of 2024 in the jewellery segment amounted to PLN 156.0 million and were higher than the segment results recorded in the corresponding period of 2023 by PLN 14.0 million (9.9%). Increase in revenues was the result of maintaining a positive sales trend of luxury watches and gold and silver jewellery (higher growth dynamics in jewellery sales than in watches).

Despite the continuing upward trend, we notice that the market situation is slightly weaker than in the previous period, which in particular concerns the demand for watches from renowned Swiss brands.

GROSS PROFIT FROM SALES

Gross profit from sales of the jewellery segment in the first quarter of 2024 amounted to PLN 82.1 million and was 11.3% higher than that generated in the same period of the previous year, which was a consequence of increase in sales. Moreover, in the first quarter of 2024, the gross margin increased by 0.6 percentage points. to 52.6% compared to 52.0% in the same period of 2023.

SELLING COSTS

Sales costs in the first quarter of 2024 amounted to PLN 47.1 million compared to PLN 41.2 million in the previous year, which means an increase in selling costs by PLN 5.9 million (14.4%). Increase in selling costs was caused by, among others, an increase in basic salaries and an increase in sales-related costs, i.e. commissions for franchisees and bonuses for employees.

In the jewellery segment, the share of selling costs in total sales increased to 30.2% in the first quarter of 2024 from 29.0% in the corresponding period of the previous year.

GENERAL ADMINISTRATIVE COSTS

In the first quarter of 2024, general and administrative expenses were higher by PLN 1.6 million (17.9%) compared to the same period of the previous year. The share of general and administrative expenses in sales amounted to 6.6% and was higher by 0.5 percentage points. compared to the same period of the previous year.

OPERATING RESULT OF THE JEWELLERY SEGMENT

In the jewellery segment, the group recorded an operating profit of PLN 24.3 million in the first quarter of 2024, which means an increase in operating profit by PLN 0.5 million (2.3%) compared to the same period of the previous year. Slight increase in the operating result was a consequence of a higher increase in sales and general administrative costs in relation to the increase in sales revenues, which was partially amortized by an increase in the percentage margin.

Operating profitability in the first quarter of 2024 amounted to 15.6% and was lower by 1.2 percentage points. compared to the same period of the previous year. Decline in profitability was a consequence of increase in share of selling and general administrative costs in relation to sales.

FINANCIAL INCOME AND COSTS

Net financial activity in the jewellery segment amounted to PLN 0.4 million in the first quarter of 2024, which was PLN 0.7 million more favourable YoY.

The IFRS 16 standard had a positive impact on the operating balance of the jewellery segment in 2024, as it resulted in an increase in net financial revenues by PLN 0.4 million.

Segment Jubilerski (tys. zł)	1 quarter 2024 from 01-01-2024 to 31-03-2024	1 quarter 2023 from 01-01-2023 to 31-03-2023
Financial costs net	-484	-454
FX differences net (excl. IFRS 16)	539	379
IFRS 16 impact	380	-150
‘ incl. FX differences	1,220	405
‘ incl. interest	-840	-554
Financial income/ costs	435	-224

NET PROFIT IN THE JEWELLERY SEGMENT

The net profit of the jewellery segment in the first quarter of 2024 amounted to PLN 19.9 million compared to PLN 19.0 million in the same period of the previous year, which means an increase in profit by 5.0% y/y. The increase in net profit in the first quarter of 2024 was the result of a further increase in sales (positive sales trends), an improvement in the percentage of the gross margin and, consequently, an increase in gross profit on sales, with simultaneously lower financial costs YoY.

STRUCTURE AND CHARACTERISTICS OF STATEMENT OF FINANCIAL POSITION

CONSOLIDATED BALANCE SHEET	31.03.2024	31.03.2024	31.03.2023	31.03.2023
	value (PLN ths)	share (%)	value (PLN ths)	share (%)
Non-current assets, including:	882,105	58.4%	870,595	58.8%
Intangible assets	501,648	33.2%	502,266	33.9%
Fixed assets	77,033	5.1%	63,354	4.3%
Right-of-use asset	280,500	18.6%	279,801	18.9%
Current assets, including:	628,372	41.6%	610,467	41.2%
Inventory	590,658	39.1%	555,262	37.5%
Receivables	22,352	1.5%	18,195	1.2%
Cash and cash equivalents	15,260	1.0%	36,776	2.5%
Total assets	1,510,477		1,481,062	
Equity attributable to dominating entity, including:	999,771	66.2%	945,989	63.9%
Share capital	49,122	3.3%	49,122	3.3%
Net profit (loss) for the current period	2,216	0.1%	3,224	0.2%
Long-term liabilities and provisions:	185,335	12.3%	226,161	15.3%
Long-term loans and borrowings	0	0.0%	16,580	1.1%
Lease liabilities	181,778	12.0%	206,350	13.9%
<i>' incl. leases in shopping malls and office floorspace</i>	<i>179,508</i>	<i>11.9%</i>	<i>204,634</i>	<i>13.8%</i>
Short-term liabilities and provisions, including:	325,371	21.5%	308,912	20.9%
Trade liabilities	143,548	9.5%	154,074	10.4%
Short-term loans and borrowings	54,932	3.6%	28,753	1.9%
Lease liabilities	105,617	7.0%	109,999	7.4%
<i>' incl. leases in shopping malls and office floorspace</i>	<i>104,644</i>	<i>6.9%</i>	<i>109,252</i>	<i>7.4%</i>
Total equity and liabilities	1,510,477		1,481,062	

ASSETS

The value of assets as of March 31, 2024 increased by 2% compared to the level as of March 31, 2023.

PROPERTY, PLANT, EQUIPMENT

Increase in property, plant and equipment is related to investments made in opening new showrooms and their equipment.

RIGHT OF USE ASSETS

Slight increase in the right-of-use asset is the net result of calculating depreciation for the first quarter of 2024 and the extension or negotiation of lease agreements.

INVENTORY

The value of inventories as of March 31, 2024 amounted to PLN 590.7 million, which means an increase compared to March 31, 2023 by 6.4%. In the apparel segment, value of inventories decreased by 9.1% YoY due to order optimization and further liquidation

of collections from previous quarters, while in the jewellery segment it increased by 16.4% YoY due to the expected increase in the network area and sales in the following quarters.

The Group's inventories per m2 amounted to PLN 11,276, which means an increase of 5.4% YoY:

INVENTORY / [PLN/m2]	1Q24	1Q23	YoY
VRG	11,276	10,697	5.4%
Apparel segment	5,107	5,563	-8.2%
Jewellery segment	29,165	26,757	9.0%

EQUITY AND LIABILITIES

EQUITY

In the first quarter of 2024, changes in capital result from the profit recorded in the reporting period.

LONG-TERM AND SHORT-TERM DEBT

As at March 31, 2024, the Group had no debt under long-term loans, because the maturity date of long-term loans is December 31, 2024. Lease liabilities under the lease of commercial premises and office space amount to a total of PLN 284.2 million, of which PLN 179.5 million PLN is the long-term part and PLN 104.6 million is the short-term part.

The table below shows the development of financial liabilities as of March 31, 2024 and March 31, 2023 and net debt. Moreover, data on net debt were presented, also without the impact of IFRS 16, which significantly changes its value.

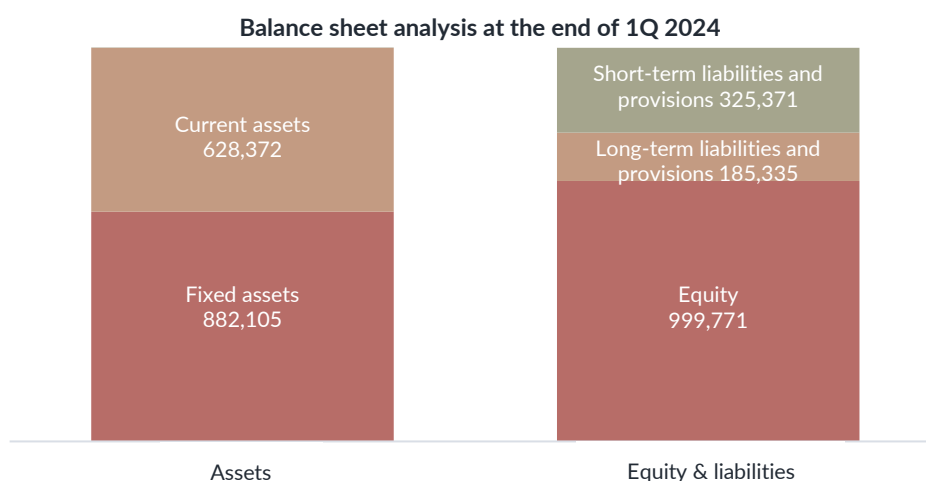
The amount of net debt decreased compared to last year as a result of increasing sales revenues and reducing debt under long-term loans.

Net debt	31.03.2024	31.03.2023
Long-term debt	181,778	222,930
Long-term loans and borrowings	0	16,580
Finance lease liabilities	181,778	206,350
<i>-incl. leases in shopping malls and office floorspace</i>	179,508	204,634
Short-term debt	161,675	153,107
Loans and borrowings	35,346	15,134
Short-term part of long-term loans	19,586	13,619
Reverse factoring	7,930	14,355
Finance lease liabilities	105,617	109,999
<i>- incl. leases in shopping malls and office floorspace</i>	104,644	109,252
Cash	15,260	36,776
Net debt	334,997	339,261
EBITDA annualised	240,124	253,113
Net debt/EBITDA	1.4	1.3

Net debt IAS 17*	31.03.2024	31.03.2023
Long-term debt	2,270	18,296
Long-term loans and borrowings	0	16,580
Finance lease liabilities	2,270	1,716
Short-term debt	63,835	43,855
Loans and borrowings	35,346	15,134
Short-term part of long-term loans	19,586	13,619
Reverse factoring	7,930	14,355
Finance lease liabilities	973	747
Cash	15,260	36,776
Net debt	50,845	25,375
EBITDA annualised	121,923	141,548
Net debt/EBITDA	0.4	0.2

*The table above presents the basic financial positions of the Group, showing the impact of IAS 17 as the previously applicable standard

The diagram below presents the structure of the balance sheet, taking into account the most important components of assets and liabilities.



2. PLANNED DEVELOPMENT ACTIVITIES

According to the information provided by the Company in the annual report and consolidated annual report for 2023, in 2024 the development prospects of the VRG Group will be largely determined by the changing macroeconomic environment.

In 2024, the VRG Group intends to make every effort to improve the sales level of fashion brands. The Group's further development will be built by focusing on improving operational activities, implementing changes in the apparel segment brands aimed at increasing efficiency and increasing the attractiveness of the offer for consumers (with an emphasis on the leading Vistula brand) and searching for opportunities for sales synergies within the VRG Group's brand portfolio (intensification of activities in the area of cross-branding, sales and promotion).

The Group will continue the intensive development of the jewellery segment, strengthening its position in Poland, but also through careful operation on foreign markets. They will be aimed at further development of the distribution network and retail space and at increasing revenues from new markets.

At the same time, in the third quarter of 2024, the Management Board plans to launch a pilot project addressed to current and new franchisees of VRG brands. It will include multi-brand franchise stores of three brands: Vistula, Bytom and Wólczanka, which will be adapted to smaller towns where there are no own stores or mono-brand franchise stores.

The Group, striving to create conditions for achieving the priority goal of gradual increase in the value of the VRG Group, does not rule out the possibility of development through acquisition activities, therefore it will look for potential targets, including brands that fit the Group's portfolio.

In 2024, W.KRUK will continue to develop its own jewellery offer, introduce further ambassador and original collections (prepared by its own design team and the W.KRUK Manufaktura Team), as well as collections prepared for special occasions. Introduction of new products will be accompanied, just like last year, by the "Craft is beautiful" campaign, which emphasizes the uniqueness of jewellery craftsmanship. The brand will continue to develop its business in the premium area. It will achieve this by developing distribution, improving service standards and further expanding the portfolio of watch brands and jewellery from global factories.

In all apparel brands, the Group works to improve products and implement collections that best meet market needs. It focuses on adapting the offer to the most loyal customers, while simultaneously acquiring new brand recipients. VRG will continue to strengthen the presence of its brands in on-line and traditional sales as part of its omnichannel development.

Our goal is to strengthen Vistula as the Group's flagship brand by revising its marketing and product strategy. The new design team works on the design and quality of the offer, especially in the area of formal clothing, adapted to market needs. The traditional roots of the brand will be reflected in elegant products made of high-quality materials. There will also be clothing items corresponding to current trends, but they will be consistent with the long-standing tradition of the brand.

At the beginning of 2024, the brand presented the Vistula ICONS campaign focused on suits. Another version of the iconic Vistula Celebrations collection has also appeared, with styling designs addressed to women and men, prepared to celebrate important occasions (e.g. weddings or family occasions). The offer includes suits for men and timeless products for women.

In the Wólczanka brand, we will develop a range of shirts that strengthen the brand's recognition in this segment of the fashion market. The collection offer for the entire 2024 will be based on formal shirts for women and men. The addition will be knitted products, for example high-quality T-shirts or polo shirts. The brand's offer will be available in small and comfortable traditional boutiques in a new, refreshed concept.

Bytom plans to continue the development of products for men who appreciate timeless elegance with authentic comfort. The tone of the activities announced by the brand for the Spring-Summer 2024 season is a minimalist and timeless style of clothes made of quality fabrics. The brand will communicate its offer to customers who appreciate the upper mainstream segment and to regular recipients, as well as to men who are not yet users of the brand.

Deni Cler will continue to develop elegant and timeless formal wear for women. These will be classic products that also correspond to international trends. The brand presented its latest collection, "Giardino dell'Eden" for the Spring-Summer 2024 season, at the beginning of February during a fashion show at Varso Place in Warsaw. These are primarily products of various forms and colours. In 2024, the brand will also continue image activities aimed at customer loyalty, for example through the Deni Cler Academy launched in 2023.

In addition to developing the brands' product offer, the Group is planning a number of activities aimed at improving the results of the apparel segment. The main initiatives include:

- significant improvement in revenues in the apparel segment;
- limiting or withdrawing from business projects carrying too high a risk (such as the concept of larger Wólczanka stores, which negatively contributed to the Group's result);
- implementation of recovery plans for permanently unprofitable traditional stores;
- optimization of logistics processes;
- focusing on improving the quality of planning and maximizing activities supporting the best possible resale.

The above-mentioned activities and initiatives will be implemented with a view to increasing cost and management efficiency, and as a result, they should lead to a significant improvement in the result in the Group's apparel segment.

The company will also work to increase its competitiveness as an employer and to reduce undesirable employee turnover.

An integral element of VRG's growth are activities in on-line and off-line sales channels within the omnichannel framework. The company will improve the one basket project implemented at the end of 2023, which will support sales by combining the possibilities of selling assortments in traditional stores and e-commerce, thanks to the integration of information on the availability of goods regardless of the channel in which they are offered. Customers of the brands: Vistula, Bytom and Wólczanka thus gain access to a wide range of available products in all sales channels.

In the first half of 2024, the Company plans to complete the project started in 2023, which aims to implement processes aimed at improving on-line inventory management in the Vistula, Bytom, Wólczanka brands with the support of artificial intelligence (AI) and machine learning (ML). This will allow you to observe changing sales during the season and respond flexibly to changes in line with customer expectations.

The VRG Group is also introducing ESG-related activities. Since 2023, the # Poczujradośćpomagania campaign has been successfully running, carried out in cooperation between the Wólczanka brand and the Clothes to Donate brand. As part of the project, the VRG brand encourages customers to donate used clothes so that they can then be sent to circular boutiques and companies sourcing such clothing. Activities related to corporate social responsibility are also important for the Company, which is why in 2024 the W.KRUK offer will continue to include inclusive collections that meet the needs of various customers.

At the end of 2024, the Group plans to operate in ca. 53 ths m2 of floorspace. Ca. 38.6 thousand m2 will be the area of apparel segment stores, and ca. 14.4 thousand m2 area of jewellery segment stores.

The planned capital expenditures in 2024 is estimated by the Company at ca. PLN 50 million. They will be earmarked for the development of the apparel and jewellery segment, as well as for opening new or renovating existing retail areas of stationary stores of VRG brands.

3. FINANCIAL FORECASTS

VRG S.A. has not published forecast of financial results for 2024.

4. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved for publication and signed by the Parent's Management Board on May 20, 2024.

5. STATEMENT OF THE MANAGEMENT BOARD

The Management Board of the Parent Company declares that, to the best of its knowledge, the financial statements and comparable data have been prepared in accordance with the applicable accounting principles and that they reflect in a true, fair and clear manner the proper-ty and financial position of the issuer and its financial result, and that the financial statements contain a true picture of the development and financial performance of the issuer. the situation and achievements of the Issuer, including a description of the basic risks and threats.

Mateusz Kolański
President of the Management
Board

Marta Fryzowska
Executive Vice-President of
the Management Board

Michał Zimnicki
Executive Vice-President of
the Management Board

Łukasz Bernacki
Executive Vice-President of
the Management Board

Cracow, May 20, 2024

SELECTED FINANCIAL DATA TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

FOR 3 MONTHS ENDING MARCH 31, 2024

	PLN ths	PLN ths	EUR ths	EUR ths
	1 quarter / 2024 period 01-01-2024 to 31-03-2024	1 quarter / 2023 period 01-01-2023 to 31-03-2023	1 quarter / 2024 period 01-01-2024 to 31-03-2024	1 quarter / 2023 period 01-01-2023 to 31-03-2023
Revenues	110,292	108,227	25,524	23,289
EBITDA	-4,421	-2,951	-1,023	-635
Profit (loss) from operations	-21,402	-19,558	-4,953	-4,209
Pre-tax profit (loss)	-21,210	-19,473	-4,908	-4,190
Net profit (loss)	-17,410	-15,898	-4,029	-3,421
Net cash flows from operating activities	-32,896	-11,939	-7,613	-2,569
Net cash flows from investing activities	-7,307	-2,660	-1,691	-572
Net cash flows from financing activities	-4,075	-19,745	-943	-4,249
Total net cash flows	-44,278	-34,344	-10,247	-7,390
Earnings (loss) per ordinary share (in PLN/EUR)	-0.07	-0.07	-0.02	-0.01
Diluted earnings (loss) per share (in PLN/EUR)	-0.07	-0.07	-0.02	-0.01
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
Total assets	907,959	936,134	211,109	215,302
Liabilities and provisions	243,976	254,741	56,727	58,588
Long-term liabilities	85,211	87,444	19,812	20,111
Short-term liabilities	143,741	152,289	33,421	35,025
Total equity	663,983	681,393	154,382	156,714
Share capital	49,122	49,122	11,421	11,298
Shares outstanding	234,455,840	234,455,840	234,455,840	234,455,840
Diluted number of shares	235,630,831	235,630,831	235,630,831	235,630,831
Book value per share (in PLN/EUR)	2.83	2.91	0.66	0.67
Diluted book value per share (in PLN/EUR)	2.82	2.89	0.66	0.67
Declared or paid dividend per share (in PLN/EUR)	0.00	0.20	0.00	0.04

CONDENSED INTERIM SEPARATE STATEMENT OF FINACIAL POSITION

AS AT MARCH 31, 2024

(PLN ths)	as at 31-03-2024 / end of quarter 2024	as at 31-12-2023 / end of previous quarter 2023	as at 31-03-2023 / end of quarter 2023	as at 31-12-2022 / end of previous quarter 2022
Non-current assets	708,399	702,959	702,467	687,216
Goodwill	120,855	120,855	120,855	120,855
Other intangibles	116,368	116,373	117,139	117,058
Fixed assets	29,917	29,615	22,646	21,545
Investment property	874	874	874	874
Right of use assets	136,239	134,962	138,279	128,075
Long-term receivables	138	147	85	65
Long-term loans granted	3,491	3,416	2,237	1,967
Shares and stakes	283,829	283,829	283,834	283,834
Deferred tax assets	16,688	12,888	16,518	12,943
Current assets	199,560	233,175	238,018	277,959
Inventory	175,464	170,096	195,650	205,614
Short-term security deposit receivables	102	102	132	73
Trade and other receivables and other current assets	14,620	9,268	10,528	6,220
Short-term loans and short-term part of long-term loans granted	1,000	1,000	0	0
Cash and equivalents	8,374	52,652	31,708	66,052
Other short-term assets	0	57	0	0
Total assets	907,959	936,134	940,485	965,175

(PLN ths)	as at 31-03-2024 / end of quarter 2024	as at 31-12-2023 / end of previous quarter 2023	as at 31-03-2023 / end of quarter 2023	as at 31-12-2022 / end of previous quarter 2022
Equity	663,983	681,393	684,193	700,091
Share capital	49,122	49,122	49,122	49,122
Capital reserves	581,496	581,496	580,028	580,028
Other reserves	17,390	17,390	17,390	17,390
Undistributed net profit from previous years	33,385	5,192	53,551	5,192
Retained earnings	-17,410	28,193	-15,898	48,359
Long-term liabilities and provisions	85,660	87,893	104,531	101,992
Long-term security deposit liabilities	5	5	11	11
Lease liabilities	85,206	87,439	97,203	93,284
<i>incl.: lease liabilities related to retail and office space</i>	84,332	86,449	96,473	92,807
Long-term loans and borrowings	0	0	6,860	8,240
Long-term provisions	449	449	457	457
Short-term liabilities total	158,316	166,848	151,761	163,092
Finance lease liabilities	54,194	52,498	60,801	57,865
<i>incl.: lease liabilities related to retail and office space</i>	53,725	52,042	60,471	57,621
Trade and other liabilities	68,538	91,548	75,159	89,588
Loans and borrowings and short-term portion of long-term loans and borrowings	21,009	8,243	5,449	5,449
Short-term provisions	14,575	14,559	10,352	10,190
Total liabilities and provisions	243,976	254,741	256,292	265,084
Total equity and liabilities	907,959	936,134	940,485	965,175

CONDENSED INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
Revenues	110,292	108,227
Cost of sales	49,411	51,886
Gross profit (loss) on sales	60,881	56,341
Selling costs	67,351	62,149
Administrative expenses	14,158	14,093
Other operating income	904	792
Gain on sale of non-financial non-current assets	0	3
Other operating costs	1,479	452
Loss on sale of non-financial non-current assets	199	0
Profit (loss) from operations	-21,402	-19,558
Financial income	1,893	1,570
<i>incl.: lease liabilities related to retail and office space</i>	1,534	460
Financial costs	1,701	1,485
<i>incl.: lease liabilities related to retail and office space</i>	1,096	630
Pre-tax profit (loss)	-21,210	-19,473
Income tax	-3,800	-3,575
Net profit (loss) for the period from continued operations	-17,410	-15,898
DISCONTINUED OPERATIONS		
Gain (loss) on discontinued operations	0	0
Net profit (loss) for the period	-17,410	-15,898
Net profit (loss) per ordinary share from continued and discontinued operations		
- basic	-0.07	-0.07
- diluted	-0.07	-0.07

CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
Net profit (loss) for the period	-17,410	-15,898
Other comprehensive income, including:	0	0
That can be reclassified to net income	0	0
That cannot be reclassified to net income	0	0
Total comprehensive income	-17,410	-15,898

CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	Share capital	Reserve capital	Other reserves	Retained earnings	Total equity
1 quarter 2023 period from 01-01-2023 to 31-03-2023					
Balance at 01.01.2023	49,122	580,028	17,390	53,551	700,091
Changes in equity 1 quarter 2023 period from 01-01-2023 to 31-03-2023	0	0	0	-15,898	-15,898
Net profit (loss) for the period	0	0	0	-15,898	-15,898
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	-15,898	-15,898
Dividends	0	0	0	0	0
Balance at 31.03.2023	49,122	580,028	17,390	37,653	684,193
2023 period from 01-01-2023 to 31-12-2023					
Saldo na 01.01.2023	49,122	580,028	17,390	53,551	700,091
Changes in equity in 2023	0	48,359	0	-20,166	28,193
Distribution of net profit	0	48,359	0	-48,359	0
Net profit (loss) for the period	0	0	0	28,193	28,193
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	48,359	0	-20,166	28,193
Dividends	0	-46,891	0	0	-46,891
Balance at 31.12.2023	49,122	581,496	17,390	33,385	681,393
1 quarter 2024 period from 01-01-2024 to 31-03-2024					
Balance at 01.01.2024	49,122	581,496	17,390	33,385	681,393
Changes in equity 1 quarter 2024 period from 01-01-2024 do 31-03-2024	0	0	0	-17,410	-17,410
Net profit (loss) for the period	0	0	0	-17,410	-17,410
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	-17,410	-17,410
Dividends	0	0	0	0	0
Balance at 31.03.2024	49,122	581,496	17,390	15,975	663,983

CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS

FOR 3 MONTHS ENDING MARCH 31, 2024

(PLN ths)	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
Pre-tax profit (loss)	-21,210	-19,473
Adjustments:		
Amortization and depreciation	16,981	16,607
Profit (loss) on investing activities	199	-3
Income tax paid	0	0
Interest costs	1,363	1,124
Change in provisions	16	162
Change in inventories	-5,368	9,965
Change in receivables	-5,341	-4,387
Change in short-term liabilities, excluding bank loans and borrowings	-19,246	-15,293
Other adjustments	-290	-641
Net cash flows from operating activities	-32,896	-11,939
Interest received	193	583
Inflows from sale of fixed assets	46	154
Purchase of intangible assets	-232	-297
Purchase of fixed assets	-7,239	-2,830
Loans granted to subsidiaries	-75	-270
Net cash flows from investing activities	-7,307	-2,660
Inflows from loans and borrowings	12,714	0
Repayment of bank loans and borrowings	0	-1,380
Finance lease payments related to retail and office space	-103	-70
Other interest paid	-188	-476
Interest paid lease liabilities related to retail and office space	-1,122	-648
Finance lease payments related to retail and office space	-15,376	-17,171
Net cash flows from financing activity	-4,075	-19,745
Increase (decrease) in cash and cash equivalents in the balance sheet	-44,278	-34,344
Change in cash due to foreign currency translation	0	0
Balance sheet change in cash taking into account the effects of changes in exchange rates	-44,278	-34,344
Opening balance of cash	52,652	66,052
Closing balance of cash	8,374	31,708

Value shown in the "Other adjustments" item consists of: (in PLN ths)	1 quarter / 2024 period from 01-01-2024 to 31-03-2024	1 quarter / 2023 period from 01-01-2023 to 31-03-2023
fixed assets - write-offs - liquidations	-154	-86
interest received	-193	-583
forward transactions valuation	57	28
Total	-290	-641

INFORMATION AND EXPLANATIONS TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR 1Q24

1. SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 OPERATING SEGMENTS BY TYPE OF ACTIVITY AND GEOGRAPHICAL BREAKDOWN

The company operates one business segment: apparel.

GEOGRAPHIC SEGMENTS OF CONTINUED OPERATIONS:

Revenues related to geographical segments for the period from January 1, 2024 to March 31, 2024 and for the comparable period are presented in the table below.

Revenues from various markets in terms of geographic location (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Poland	109,882	108,227
EURO zone	410	0
Total	110,292	108,227

In terms of geographical segments, the entire activity of the Capital Group is carried out in the Republic of Poland.

NOTE 2 OTHER OPERATING REVENUES

Other operating income (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Gain on sale of non-financial fixed assets	0	3
Other operating revenues including:	904	792
<i>due to write-ups for goods and materials</i>	5	0
<i>due to provision release</i>	663	0
<i>due to liquidation of agreements in line with IFRS16</i>	19	658
Total	904	795

NOTE 3 OTHER OPERATING COSTS

Other operating costs (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Loss on sale of non-financial fixed assets	199	0
Donations	705	246
Fixed asset liquidation costs	0	1
Other operating costs including:	774	205
<i>costs related to liquidation (large format Wólczanka stores)</i>	342	0
<i>severance pay</i>	202	10

Total	1,678	452
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NOTE 4 FINANCIAL INCOME

Financial income (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Interest on bank deposits	193	578
FX gains	1,680	992
<i>incl.: lease liabilities for commercial and office space</i>	1,534	460
Forward transaction valuation	20	0
Total	1,893	1,570

NOTE 4A FINANCIAL COSTS

Financial costs (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Interest on overdrafts and bank loans.	191	292
Interest from factoring	49	184
Finance lease interest	26	18
Interest on lease liabilities for commercial and office space	1,096	630
Commissions on loans and guarantees	239	324
Forward transaction valuation	77	28
Other	23	9
Total	1,701	1,485

NOTE 5 INCOME TAX

Continued operations (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Income tax:	-3,800	-3,575
Current income tax	0	0
Deferred income tax (Note 6)	-3,800	-3,575

Current income tax (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Pre-tax profit (loss)	-21,210	-19,473
Difference between pre-tax profit (loss) and tax base	-843	-2,582
- the difference between pre-tax profit and taxable income resulting from non-deductible expenses according to tax regulations and income which is not revenue according to tax regulations and additional income and tax expenses	-843	-2,582
- other differences (including retained losses)	0	0
Income/loss	-22,053	-22,055
Income tax base	0	0

Income tax at the applicable rate of 19%	0	0
Income tax adjustments for prior periods	0	0
Current income tax	0	0

Income tax at effective interest rate (PLN ths)	1 Q 2024 from 01-01-2024 to 31-03-2024	1 Q 2023 from 01-01-2023 to 31-03-2023
Profit (loss) before tax	-21,210	-19,473
Income tax at a rate of 19%	-4,030	-3,700
Effect of tax recognition:	-161	-491
Utilisation of tax losses carried forward	0	0
Costs not constituting tax deductible costs	7	-161
Income which is not revenue according to tax regulations	291	330
Non-balance sheet taxable expenses	-18	0
Non-balance sheet tax revenue	105	0
Revaluation of deferred tax assets (loss)	4,191	4,191
Deferred tax	-3,800	-3,575
Deferred tax assets adjustments for prior periods	0	0
Other income tax adjustments	0	0
Income tax at effective tax rate	-3,800	-3,575
<i>Effective tax rate</i>	17.92%	18.36%

NOTE 6 DEFERRED TAX ASSET AND LIABILITIES

Off-balance sheet items (PLN ths)	Balance sheet	Balance sheet	Profit or loss	Profit or loss
	31.03.2024	31.12.2023	1 Q 2024 01-01-2024 to 31-03-2024	1 Q 2023 01-01-2023 to 31-03-2023
Deferred tax provisions	24	258	-234	-73
Balance sheet values – FX gains	17	240	-223	-73
Valuation of loans at amortized cost	7	7	0	0
Forward transactions valuation	0	11	-11	0
Transferred to financial result	24	258	-234	-73
Transferred directly to goodwill				
Deferred tax assets	16,712	13,146	3,566	3 502
Accelerated balance sheet depreciation	1,183	1,220	-37	-56
Write-offs	2,811	2,812	-1	0
Provisions, remuneration and social security	690	783	-93	-81
Salaries, unpaid social security	80	83	-3	-333
Balance sheet values – FX losses	0	20	-20	-3
Tax loss carryforward	9,454	5,263	4,191	4,191
Impairment of receivables from customers	184	289	-105	86
Provision for future liabilities	152	172	-20	328
Provision for customer returns	1,315	1,315	0	0
Forward transaction valuation	0	0	0	5
Loyalty programme valuation	254	254	0	0
Lease liabilities for commercial and office floorspace	589	935	-346	-635

Transferred to financial result	16,712	13,146	3,566	3,502
Transferred directly to equity				
Transferred to financial result - persaldo	-16,688	-12,888	-3,800	-3,575

NOTE 7 CHANGE IN WRITE-DOWNS ON SHORT-TERM RECEIVABLES, INVENTORY AND IMPAIRMENT OF FIXED ASSETS

Write-offs (PLN ths)	Balance at 01.01.2024	Creation	Release/ Usage	Restatement	Balance at 31.03.2024
Intangible assets write-offs	6	0	0	0	6
Fixed assets write-offs	5,481	0	0	0	5,481
Inventory write-offs	14,800	0	5	0	14,795
Stakes write-offs	5	0	0	0	5
Receivables write-offs	1,278	19	33	0	1,264
Write-offs for proceeds from loans granted	400	0	0	0	400
Total write-offs	21,970	19	38	0	21,951

Write-offs (PLN ths)	Balance at 01.01.2023	Creation	Release/ Usage	Restatement	Balance at 31.12.2023
Intangible assets write-offs	3,150	0	3,144	0	6
Fixed assets write-offs	1,818	3,663	0	0	5,481
Inventory write-offs	17,861	5	3,066	0	14,800
Stakes write-offs	0	5	0	0	5
Receivables write-offs	1,666	319	707	0	1,278
Write-offs for proceeds from loans granted	0	400	0	0	400
Total write-offs	24,495	4,392	6,917	0	21,970

NOTE 8 PROVISIONS

(PLN ths)	Provision for employee costs	Provision for future liabilities	Provision for work in progress (sub-contracting services)	Returns from customers	Other	Total
Balance at January 1, 2023	3,918	3,650	564	2,515	0	10,647
provisions created during the year	1,304	3,790	1,080	1,231	0	7,405
provisions released/ used	-1,105	-509	-717	-713	0	-3,044
Balance at December 31, 2023	4,117	6,931	927	3,033	0	15,008
presented in short-term liabilities	3,668	6,931	927	3,033	0	14,559
presented in long-term liabilities	449	0	0	0	0	449
Balance at January 1, 2024	4,117	6,931	927	3,033	0	15,008
provisions created during the year	0	0	940	0	0	940
provisions released/ used	-491	-433	0	0	0	-924

Balance at March 31, 2024	3,626	6,498	1,867	3,033	0	15,024
presented in short-term liabilities	3,177	6,498	1,867	3,033	0	14,575
presented in long-term liabilities	449	0	0	0	0	449

Balance of provisions as at 31.03.2024 consists of:

	Total PLN 15,024 ths
long-term provision for retirement benefits	PLN 449 ths
short-term provision for retirement benefits	PLN 81 ths
short-term provision for overdue holidays	PLN 2,835 ths
provision for bonuses	PLN 261 ths
provision for customer returns	PLN 3,033 ths
short-term provisions for work in progress	PLN 1,867 ths
provision for future liabilities	PLN 6,498 ths

NOTE 9 CONDITIONAL ASSETS AND LIABILITIES

(PLN ths)	balance at 31-03-2024/ end of quarter 2024	balance at 31-12-2023 / end of previ- ous quarter 2023
- issued bank guarantees for rentals of store premises	30,236	29,863
- open letters of credit	14,257	17,794
Conditional liabilities, total	44,493	47,657

There are no conditional receivables in the Group.

NOTE 10 INFORMATION ON FINANCIAL INSTRUMENTS

In the reporting period, there was no change in the method of measuring financial instruments at fair value and there was no change in the classification of financial assets.

NOTA 10A FINANCIAL INSTRUMENTS BY CLASS

Balance sheet items measured at amortized cost (PLN ths)	31.03.2024	31.03.2024	31.12.2023	31.12.2023	31.03.2023	31.03.2023
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Loans granted	4,491	0	4,416	0	2,237	0
Trade and other receivables and cur- rent assets	14,860	0	9,517	0	10,613	0
Cash and equivalents	8,374	0	52,652	0	31,708	0
Long-term liabilities due to. bank loans, loans and leases	0	85,206	0	87,439	0	104,063
<i>incl.: leases for commercial and office space</i>	0	84,332	0	86,449	0	96,473
Short-term liabilities due to bank loans, loans and leases	0	75,203	0	60,741	0	66,250
<i>incl.: leases for commercial and office space</i>	0	53,725	0	52,042	0	60,471

Trade, other liabilities and liabilities due to deposits	0	68,543	0	91,553	0	75,170
Total	27,725	228,952	66,585	239,733	44,558	245,483

The above financial assets and liabilities have been measured at amortized cost.

NOTE 10B FINANCIAL INSTRUMENTS – INCOME AND COSTS AND GAINS AND LOSSES FROM IMPAIRMENT

Balance sheet items 1 quarter / 2024 period from 01-01-2024 to 31-03-2024 (PLN ths)	Interest income	Interest cost	Gains/losses due to amortised cost valuation	Gains/losses due to fair value valuation	Write-offs created	Write-offs release	FX gains/losses
Loans granted	0	0	0	0	0	0	0
Trade and other receivables	0	0	0	0	19	33	22
Cash and equivalents	193	0	0	0	0	0	290
Forward transactions	0	0	0	-57	0	0	0
Liabilities due to bank loans, loans and leases	0	217	0	0	0	0	0
Lease liabilities for commercial and office space	0	1,096	0	0	0	0	1,534
Trade and other liabilities	0	23	0	0	0	0	-166
Total	193	1,336	0	-57	19	33	1,680

2. OTHER EXPLANATORY NOTES

2.1. INFORMATION ON SIGNIFICANT PURCHASE AND SALE TRANSACTIONS OF PROPERTY, FIXED AND FIXED ASSETS

The total amount of investment outlays in the financial statement from financial flows shown in the reporting period amounted to PLN 7,239 thousand. PLN.

No significant sales transactions.

2.2. OTHER INFORMATION

The information and explanations to the consolidated interim financial statements include information that is material to the preparation of these separate condensed interim financial statements:

- General information
- Basis for preparation and applied accounting principles
- Changes in accounting standards
- Seasonality and cyclicity of activities
- Factors and events, including those of an unusual nature
- Rates used to value assets and liabilities
- Significant risk and threat factors
- Information about financial instruments
- Information about a significant liability for the purchase of property, plant and equipment
- Issuance, redemption and repayment of debt and equity securities

- Dividends paid and declared
- Proceedings pending before a court, a body competent for arbitration proceedings or a public administration body
- Tax settlements
- Transactions with related entities
- Information about granting credit or loan guarantees by the issuer or its subsidiary or granting guarantees jointly to one entity or a subsidiary of this entity, if the total value of the existing sureties or guarantees is significant
- Significant events in the first quarter of 2024
- Significant events after the balance sheet date.

VRG S.A. MANAGEMENT BOARD SIGNATURES

Mateusz Kolański
President of the Management
Board

Marta Fryzowska
Executive Vice-President of the
Management Board

Michał Zimnicki
Executive Vice-President of the
Management Board

Łukasz Bernacki
Executive Vice-President of the
Management Board

Cracow, May 20, 2024



VRG
VISTULA RETAIL GROUP

VISTULA

BYTOM
SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

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