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VISTULA



VRG
VISTULA RETAIL GROUP

2Q21 RESULTS PRESENTATION

AUGUST 26, 2021

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INTRODUCTION



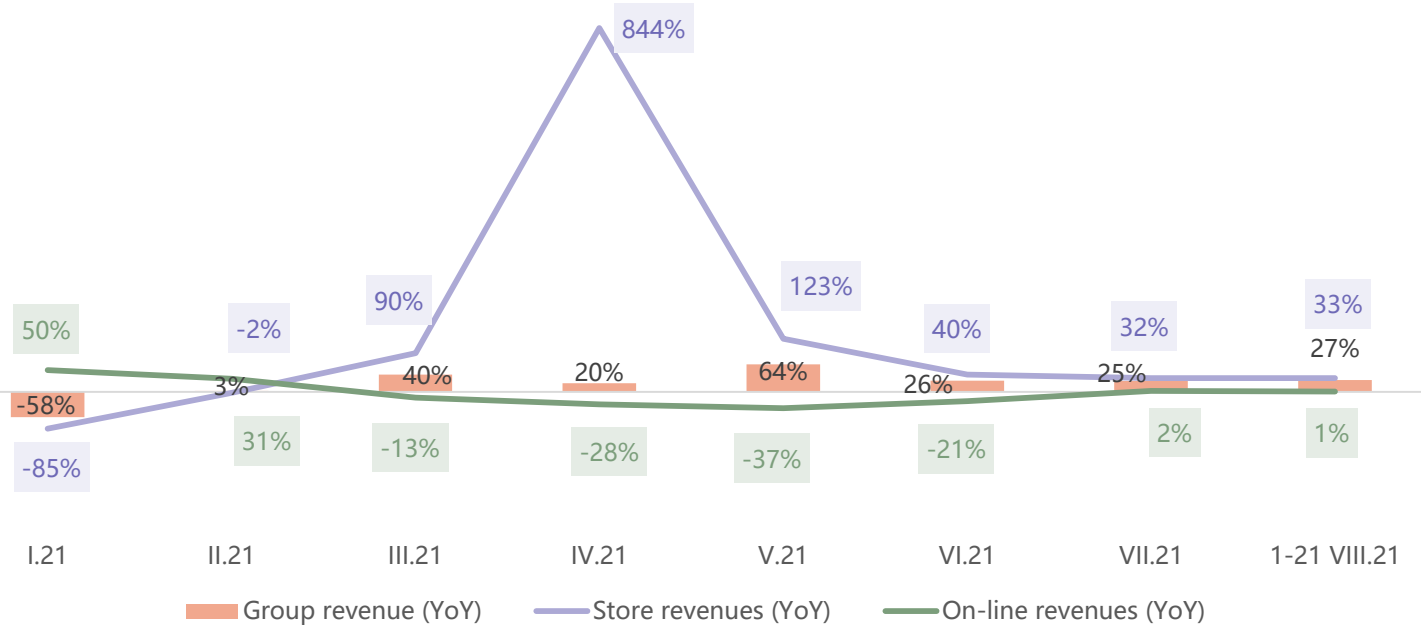
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HALF OF THE YEAR AFFECTED BY PANDEMICS

	2020	2021
JANUARY	Information from China about the virus, increasing uncertainty about the supply chain	Shopping malls closed all month
FEBRUARY	Growing uncertainty about the situation in Poland, delays in deliveries from China	Shopping malls open all month
MARCH	Pandemic situation, lock-down from March 14 to March 31	Local restrictions, closed shopping malls in selected regions and from March 20 throughout the country
APRIL	Lock-down throughout April (first wave of pandemic)	Lock-down throughout April (third wave of pandemic)
MAY	Opening of shopping malls from May 4, negotiations with shopping malls, slow recovery in demand	Opening of shopping malls from May 4, recovery in demand faster than a year ago
JUNE	Negotiations with shopping centers, slow recovery in demand	Rebuild in demand in traditional stores faster than a year before



I RECOVERY IN DEMAND AFTER STORE OPENING



1 E-stores

High growth rate in the first months of the year, especially during the time traditional stores were closed. Weakening of dynamics YoY in 2Q21. Return to growths in the summer months.

2 Stores

Sales in traditional stores affected by lock-down in January, March and April 2021. Rebound of traffic in May and June 2021 faster than a year ago and stabilization of conversion ratio. Continuation of positive trends in the summer months.

3 Group

Rebound in Group's revenues at the time of opening of traditional stores. Continuation of favorable trends in June 2021. High double-digit results also during the sell-off months.

FURTHER NETWORK OPTIMISATION

NUMBER OF STORES EOP 2Q21 YoY

VISTULA	148	+ 3
BYTOM <small>SZTUKA KRAWIECTWA OD 1945</small>	116	-4
WÓLCZANKA	121	-11
DENICLER <small>MILANO</small>	30	0
W.KRUK <small>1 8 4 0</small>	142	+2
VRG <small>VISTULA RETAIL GROUP</small>	557	- 10



| GROWTH IN BOTH SEGMENTS

Apparel segment

return of favorable sales dynamics in formal clothing

development of the casual offer and eco collections

positive trends in sales of each of the brands

Jewellery segment

favorable trends in off-line sales

positive trends in sales of watches

demand for gold and silver jewellery



BETTER YOY RESULTS IN 2Q21 AND 1H21

2Q21 IFRS16

REVENUES

PLN 244.0m

39.5% YoY

EBIT

PLN 16.7m

2Q20: PLN (10.4)m

GROSS PROFIT MARGIN

53.7%

6.8 pp. YoY

NET PROFIT (LOSS)

PLN 23.0m

2Q20: PLN 0.2m

1H21 IFRS16

REVENUES

PLN 416.1m

11.8% YoY

EBIT

PLN 0.9m

1H20: PLN (22.3)m

GROSS PROFIT MARGIN

51.1%

3.9 pp. YoY

NET PROFIT (LOSS)

PLN 2.8m

1H20: PLN (31.8)m

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PERFORMANCE
BY BRANDS





V I S T U L A



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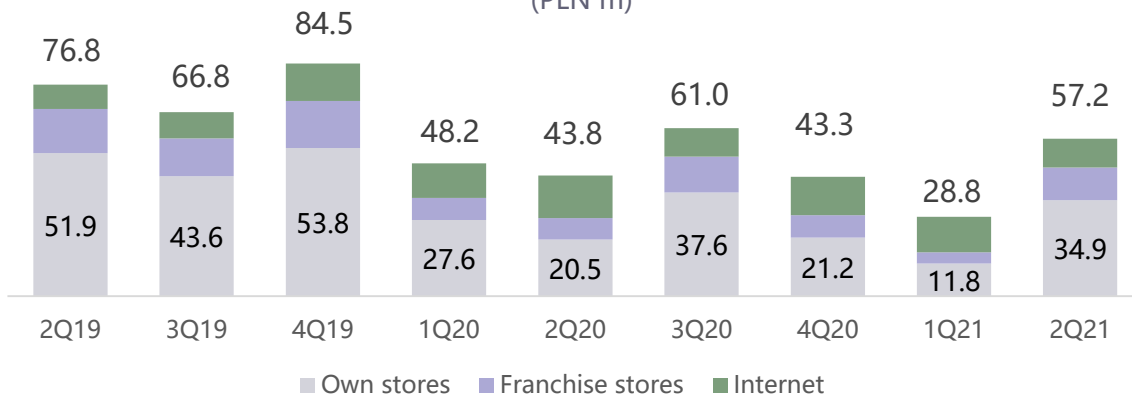
VISTULA: REBOUND IN BRAND'S REVENUES

Vistula brand network

	2Q20	2Q21	YoY
Number of stores	145	148	+ 3
incl. franchise	60	64	+ 4
Floorspace (m2)	18,291	18,593	2%
incl. franchise	6,094	6,532	7%
Internet % sales	35.2%	18.3%	-16.9pp.

- Vistula brand floorspace was stable YoY at the end of 2Q21, while the number of stores of the brand increased by 3 net YoY.
- Both franchise floorspace and number of stores grew YoY at the end of 2Q21. There were 4 new franchise stores of the brand YoY, while floorspace increased 7% YoY.
- Vistula brand revenues reached PLN 57.2m in 2Q21 (up 30.5% YoY) due to faster YoY recovery in demand in traditional stores.

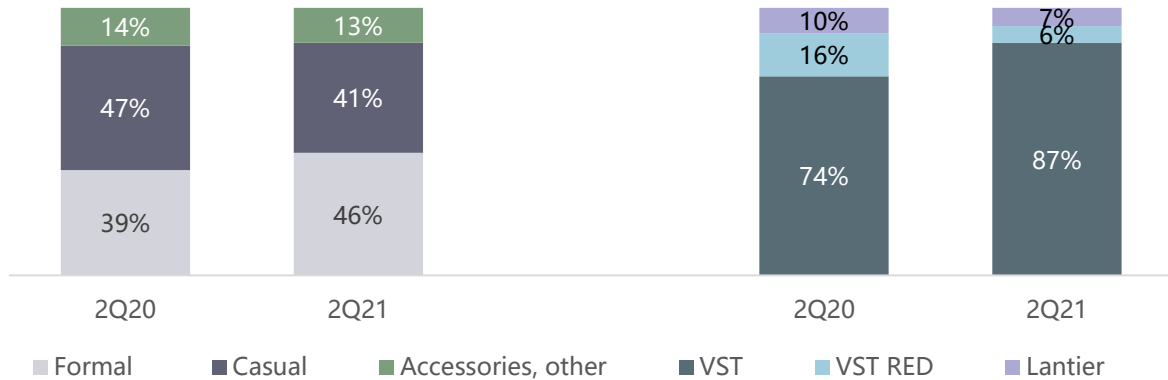
Vistula brand revenues (PLN m)



- Internet revenues amounted to PLN 10.4m in 2Q21, down 32.3% YoY, due to stronger YoY sales in traditional stores.
- Share of internet in sales at 18.3% in 2Q21 compared to 35.2% in 2Q20 – decline due to changes in customer behavior.
- Franchise revenues reached PLN 11.8m in 2Q21 (+49.8% YoY).
- Share of franchise in revenues increased from 18.0% in 2Q20 to 20.7% in 2Q21.

VISTULA: REBOUND IN FORMAL CLOTHING SALES

Vistula brand revenue split



- Significant increase in share of formal w 2Q21 along with a stronger demand for formal clothing at the expense of casual clothing, due to the return of celebrations, i.e. communions, weddings.
- Stable share of accessories in sales.
- Increase in share of main Vistula line in sales at the expense of the modern Vistula Red and the higher priced Lantier line.

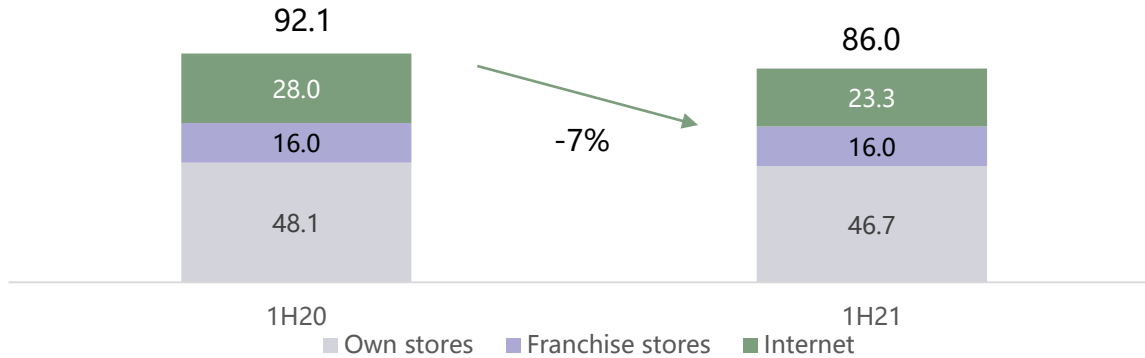
Vistula brand efficiency

	2Q20	2Q21	YoY
Revenues (PLN/m2 per month)	788	1,031	30.8%
Gross profit margin (%)	48.3%	58.1%	9.7pp.
Cost of stores (PLN/m2 per month)	280	409	45.9%
Store EBIT (PLN m)	5.6	10.5	87.8%

- YoY growth in sales/ m2 due to rebound in sales in traditional stores.
- Sizeable gross margin YoY growth – lower YoY sell-offs, lower share of on-line channel.
- Growth in store costs/ m2 higher than sales/ m2 – higher YoY rentals, salaries and commissions.

VISTULA: DOUBLE-DIGIT STORE EBIT GROWTH

Vistula brand revenues
(PLN m)



- Revenues of the Vistula brand amounted to PLN 86.0m in 1H21, down 6.6% YoY. The brand's stores in shopping centers were closed for over 2 months due to COVID-19.
- Internet revenues amounted to PLN 23.3m in 1H21, -16.5% YoY. The internet's share in 1H21 sales at 27.1% vs 30.4% in 1H20.
- Franchise revenues amounted to PLN 16.0m in 1H21, stable YoY. The franchise share increased from 17.4% in 1H20 to 18.6% in 1H21.

Vistula brand efficiency

	1H20	1H21	YoY
Revenues (PLN/m2 per month)	819	773	-5.7%
Gross profit margin (%)	48.0%	54.2%	6.2pp.
Cost of stores (PLN/m2 per month)	336	345	2.7%
Store EBIT (PLN m)	6.4	8.3	28.4%

- YoY drop in sales/ m2 due to longer YoY administrative closure of stores due to the COVID-19 pandemic.
- Gross margin YoY growth due to lower YoY sell-offs and lower share of on-line channel.
- Stable costs of stores/ m2 despite a slight fall in sales / m2 - higher salaries YoY, higher rents, but lower depreciation.



BYTOM

SZTUKA KRAWIECTWA OD 1945



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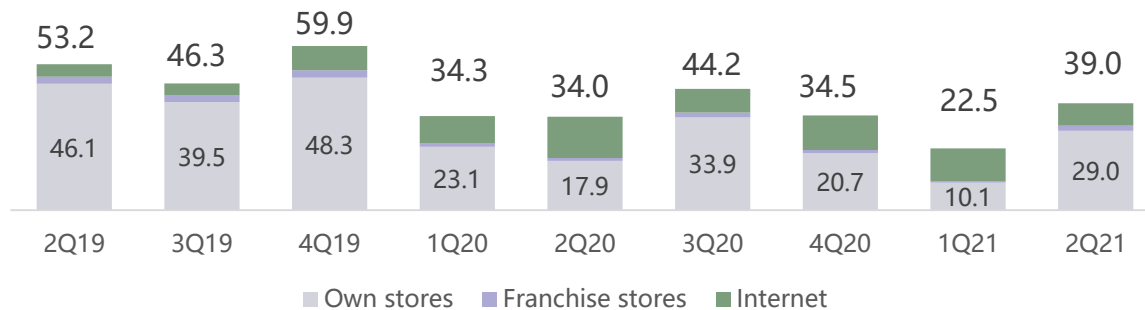
BYTOM: GROWTH IN OFFLINE REVENUES

Bytom brand network

	2Q20	2Q21	YoY
Number of stores	120	116	- 4
incl. franchise	8	11	+ 3
Floorspace (m2)	16,000	15,417	-4%
incl. franchise	908	1,135	25%
Internet % sales	44.1%	21.0%	-23.1pp.

- Number of Bytom stores decreased by 4 net YoY, while the number of franchise stores increased by 3 net YoY.
- Floorspace decreased by 4% YoY. Sizeable changes in floorspace also took place at the level of franchise stores, whose floorspace grew 25% YoY.
- Retail revenues of Bytom brand amounted to PLN 39.0m in 2Q21 (+14.5% YoY).

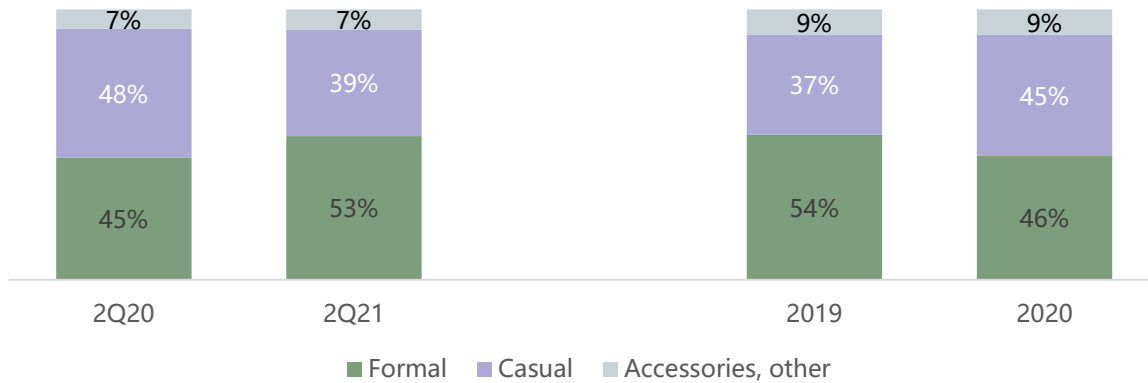
Bytom brand retail revenues (PLN m)



- Internet revenues amounted to PLN 8.2m in 2Q21 (-45.4% YoY), accounting for 21.0% of sales.
- Fall in on-line sales resulted from the return of customers to traditional stores after the lock-down.
- Franchise revenues amounted to PLN 1.8m in 2Q21 (+56.4% YoY).
- Share of franchise in sales declined YoY from 3.4% in 2Q20 to 4.6% in 2Q21.

BYTOM: STABLE STORE EBIT

Bytom brand revenue split



Bytom brand efficiency

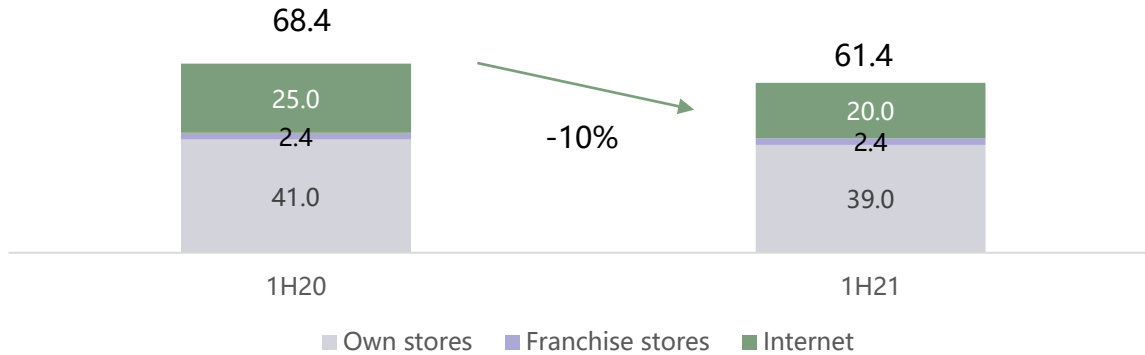
	2Q20	2Q21	YoY
Revenues (PLN/m2 per month)	694	842	21.4%
Gross profit margin (%)	47.7%	56.2%	8.4pp.
Cost of stores (PLN/m2 per month)	266	407	52.8%
Store EBIT (PLN m)	3.2	3.1	-3.6%

- Growing share of formal sales in 2Q21, due to growing interest in suits with the return to weddings and communion.
- As a result, a decrease in sales and share in sales of the casual collections. High share of knitted fabrics, but also high sales of suits and shirts.
- Stable share of accessories in the sales structure in 2Q21 at the expense of casual clothing.

- Increase in sales/ m2 - improvement in offline sales thanks to an increase in formal (higher transaction prices, higher average receipt).
- Significantly higher YoY gross margin due to lower YoY promotions.
- Increase in store costs/ m2 higher than sales costs/ m2: higher rents and commission costs, due to significant share of fixed costs and higher on-line marketing costs.

BYTOM: GROSS PROFIT MARGIN IMPROVEMENT

Bytom brand retail revenues
(PLN m)



- Revenues of the Bytom brand amounted to PLN 61.4m in 1H21, falling by 10% YoY. The brand's stores in shopping centers were closed for more than 2 months due to the COVID-19 pandemic.
- Internet revenues amounted to PLN 20.0m in 1H21, -19.9% YoY. The internet's share in 1H20 sales was 36.6% compared to 32.6% in 1H21.
- Franchise revenues amounted to PLN 2.4m in 1H21, stable YoY. The franchise share increased from 3.5% in 1H20 to 3.8% in 1H21.

Bytom brand efficiency

	1H20	1H21	YoY
Revenues (PLN/m2 per month)	696	665	-4.5%
Gross profit margin (%)	46.8%	51.4%	4.6%
Cost of stores (PLN/m2 per month)	331	370	11.5%
Store EBIT (PLN m)	-0.6	-2.6	N/M

- Fall in sales/ m2 due to the negative impact of the pandemic.
- Higher YoY gross margin due to lower YoY promotions in both on-line and off-line channels.
- Increase in store costs/ m2 despite the decrease in sales/ m2 due to a significant share of fixed costs.



WÓLCZANKA

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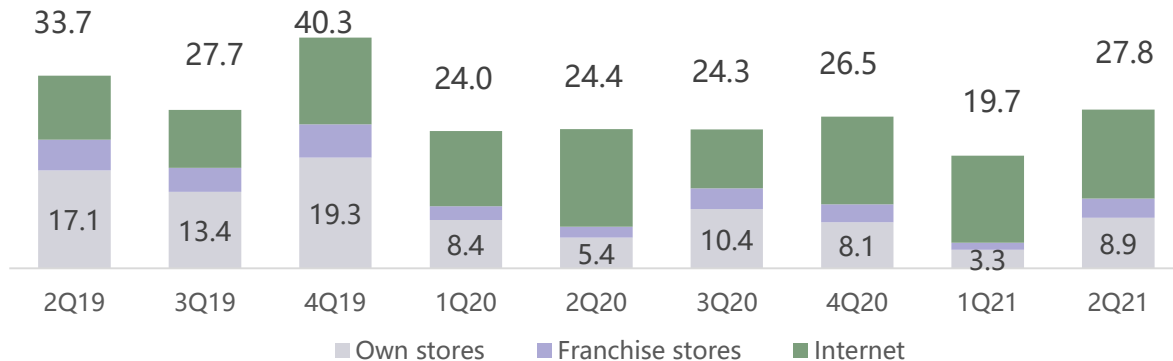
WÓLCZANKA: AN ON-LINE BRAND

Wólczanka brand network

	2Q20	2Q21	r/r
Number of stores	132	121	-11
incl. franchise	49	53	+ 4
Floorspace (m2)	4,716	4,430	-6%
incl. franchise	1,473	1,625	10%
Internet % sales	70.2%	56.0%	-14.2pp.

- Wólczanka network contracted by 11 stores net YoY. Optimisation affected mostly own stores – there were 4 more franchise stores YoY.
- Brand's floorspace fell 6% YoY, while franchise store floorspace grew by 10% YoY.
- Wólczanka revenues reached PLN 27.8m in 2Q21 (+14.0% YoY), due to a balanced share of on-line and off-line in sales.

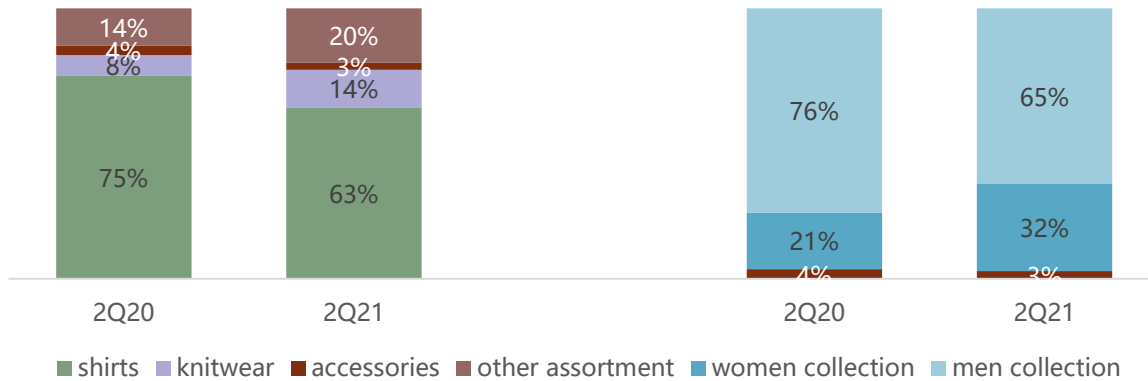
Wólczanka brand revenues (PLN m)



- Internet revenues amounted to PLN 15.5m in 2Q21 (down 9.1% YoY), stable QoQ, constituting already 56.0% of revenues.
- Franchise revenues reached PLN 3.4m in 2Q21 (up 78.0% YoY).
- Share of franchise in revenues came in at 12.1% in 2Q21, up 4.4 pp. YoY.

A GROWING SHARE OF NEW ASSORTMENT

Wólczanka brand revenue split



- Increase in sales of knitted fabrics due to broadened range of polo shirts, t-shirts and sweaters. A higher share of the remaining assortment due to a wider range of trousers (for men and women) and introduction of dresses to the brand's offer.
- Fall in share of shirts is the result of development of new product groups, the impact of the pandemic and remote work.
- Growing share of women's collection results from further diversification of the brand's offer and very good acceptance by customers of broadened range of the brand.

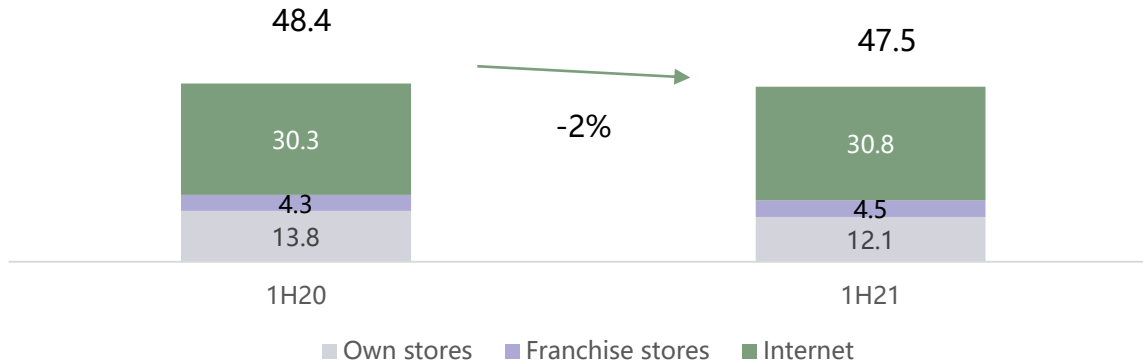
Wólczanka brand efficiency

	2Q20	2Q21	YoY
Revenues (PLN/m2 per month)	1,672	2,084	24.6%
Gross profit margin (%)	43.0%	56.5%	13.5pp.
Cost of stores (PLN/m2 per month)	563	770	36.8%
Store EBIT (PLN m)	2.3	5.4	138.6%

- Significant increase in revenues/ m2: growing sales both on-line and off-line.
- Significantly higher YoY gross margin due to a higher share of traditional sales and lower YoY promotions.
- Increase in costs / m2 higher than revenues due to higher rents as well as commissions and salaries.
- Triple-digit store EBIT increases in 2Q21.

THE HIGHEST SHARE OF ON-LINE IN SALES

Wólczanka brand revenues
(PLN m)



- Revenues of the Wólczanka brand amounted to PLN 47.5m in 1H21, falling by 1.9% YoY. The brand's stores in shopping centers were closed for more than 2 months due to COVID-19.
- Internet revenues amounted to PLN 30.8m in 1H21, + 1.7% YoY. The internet's share in 1H21 sales is 64.9% compared to 62.6% in 1H20.
- Revenues from franchise amounted to PLN 4.5m in 1H21, an increase of 5.8% YoY. The share of franchise increased from 8.9% in 1H20 to 9.6% in 1H21.

Wólczanka brand efficiency

	1H20	1H21	YoY
Revenues (PLN/m2 per month)	1,655	1,743	5.3%
Gross profit margin (%)	46.1%	52.9%	6.8pp.
Cost of stores (PLN/m2 per month)	647	696	7.6%
Store EBIT (PLN m)	3.4	6.1	82.6%

- Increase in revenues/ m2 despite longer administrative lock-downs due to the significant share of the Internet.
- Higher gross margin due to increase in gross profit margin on sales in the on-line and off-line channels.
- Increase in costs/ m2 comparable to increase in sales due to the significant share of the Internet and related variable costs.
- High dynamics of EBIT growth of stores in H121.



DENI CLER
MILANO

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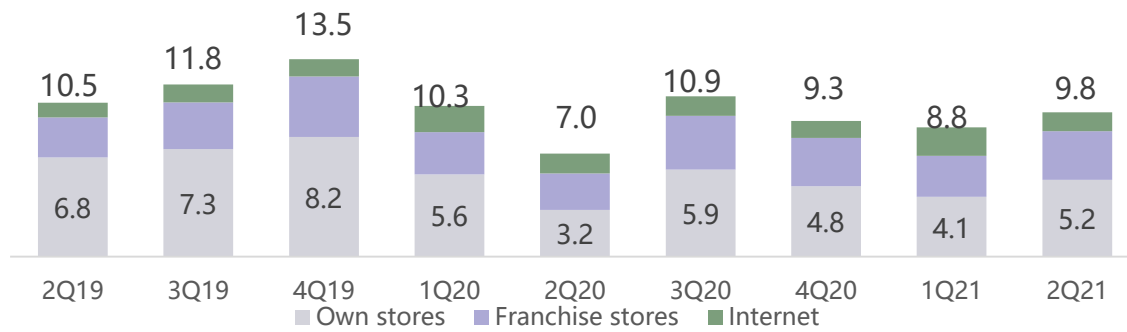
DENI CLER: STABLE NETWORK, SHOP-IN-SHOP DEVELOPMENT

Deni Cler brand network

	2Q20	2Q21	YoY
Number of stores	30	30	0
incl. franchise	9	7	-2
Floorspace (m2)	2,947	2,897	-2%
incl. franchise	720	502	-30%
Internet % sales	19.4%	13.1%	-6.3pp.

- Deni Cler network encompasses 30 monobrand stores (both own and franchise) in top shopping malls in Poland.
- Development of shop-in-shop concept. Deni Cler collections available at selected partners running multibrand stores in 18 towns in the country (+3 QoQ).
- Overall, a total number of 48 points of sales all over the country.

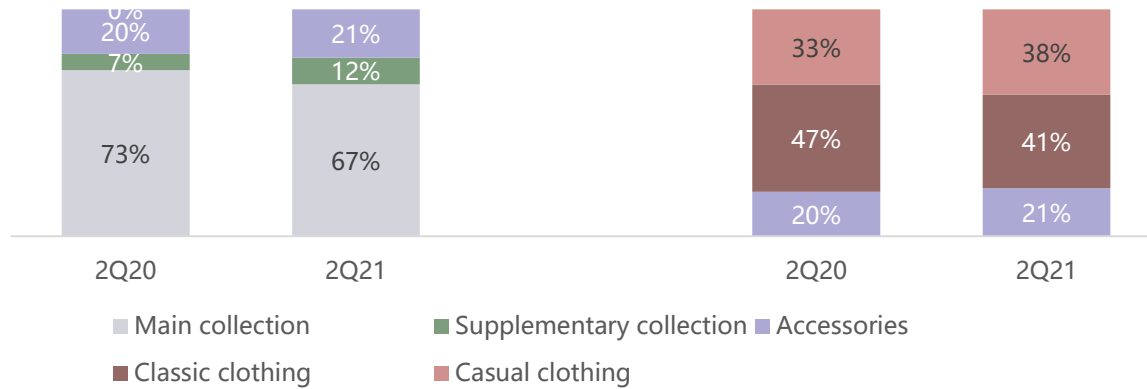
Deni Cler brand revenues (PLN m)



- In 2Q21, Deni Cler brand revenues amounted to PLN 9.8m, up 40.1% YoY.
- Internet generated PLN 1.3m in revenues in 2Q21 (down 5.6% YoY) and accounted for 13.1% of the brand's revenues.
- Revenues from franchises and multibrands amounted to PLN 3.3m in 2Q21 (+33.8% YoY). Franchise and multibrands accounted for 33.7% of sales in 2Q21.

DENI CLER: TRIPLE DIGIT GROWING STORE EBIT

Deni Cler brand revenue split



- Emphasis on capsule collections. Stable share of accessories and growth in complementary collections - products that used to be more of a supplement are growing stronger (including casual).
- Classic clothing is still the biggest element of the collection. Casual clothing is growing in strength.
- Increase in share of e-commerce in sales, yet the level remains below other brands of the apparel segment due to the nature of clothing and the target group (higher price segment).

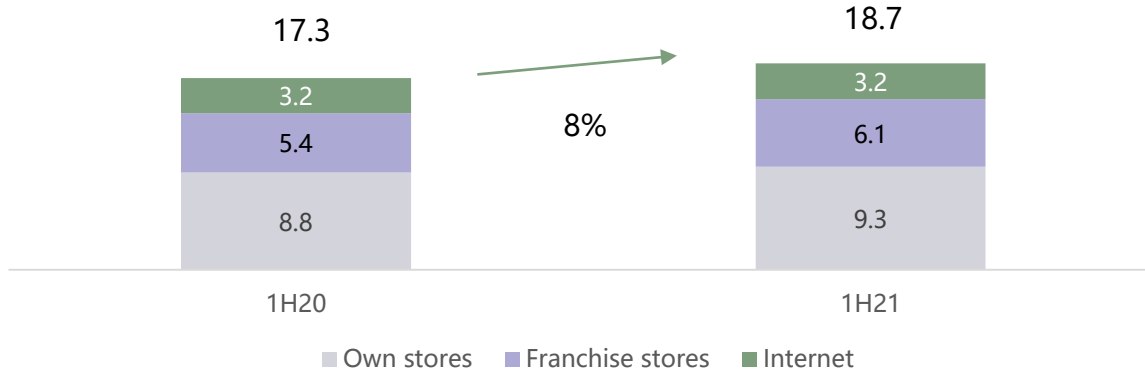
Deni Cler brand efficiency

	2Q20	2Q21	YoY
Revenues (PLN/m2 per month)	773	1,143	47.9%
Gross profit margin (%)	52.0%	62.3%	10.3pp.
Cost of stores (PLN/m2 per month)	324	444	36.8%
Store EBIT (PLN m)	0.7	2.3	227.6%

- Significant growth in revenues/ m2 due to development of the multi-brand network, which operated to a large extent during the closings of shopping centers.
- Gross margin increase YoY due to lesser YoY promotions.
- Lower YoY costs/ m2 than sales growth/ m2 due to higher share of franchise and multibrand sales, with variable costs. Fixed costs are mainly own stores. As a result, positive and growing EBIT of stores.

DENI CLER: DOUBLING STORE EBIT

Deni Cler brand revenues
(PLN m)



- Revenues of the Deni Cler brand amounted to PLN 18.7m in 1H21, growing by 7.7% YoY. The brand's stores in shopping centers were closed for more than 2 months due to the COVID-19 pandemic.
- Internet revenues amounted to PLN 3.2m in 1H21, + 1.9% YoY. The internet's share in 1H21 sales was 17.3% versus 18.3% in 1H20.
- Revenues from franchise and multibrand amounted to PLN 6.1m in 1H21, an increase of 14.3% YoY. The franchise share increased from 30.9% in 1H20 to 32.8% in 1H21.

Deni Cler brand efficiency

	1H20	1H21	YoY
Revenues (PLN/m2 per month)	957	1,062	11.0%
Gross profit margin (%)	51.2%	57.5%	6.3pp.
Cost of stores (PLN/m2 per month)	398	417	4.8%
Store EBIT (PLN m)	1.7	3.4	105.0%

- Sales/ m2 increased less YoY in 2Q21 due to unfavorable trends in 1Q21.
- Increase in gross margin YoY in 1H21 due to lower promotions and sales as well as improvement in the margin in the on-line channel.
- Single-digit growth in costs/ m2 lower than sales growth / m2 due to the large share of variable costs (franchise, multi-brand stores) directly dependent on sales.



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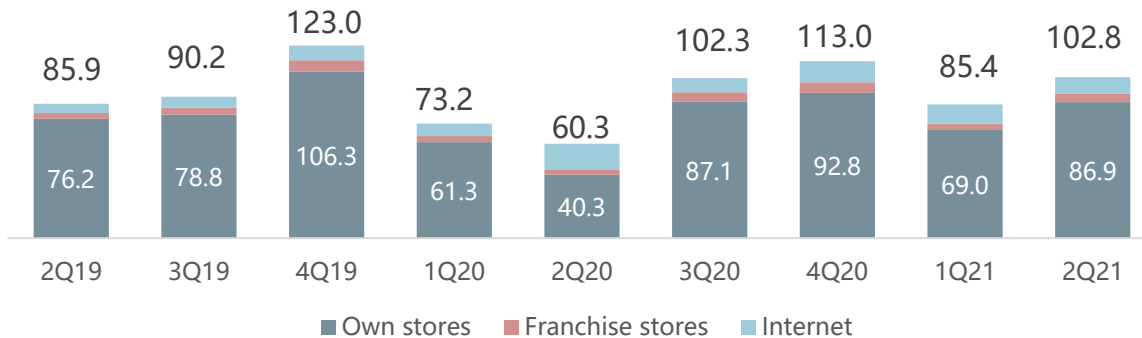
W.KRUK: OVER PLN 100M REVENUES IN 2Q21

W.KRUK brand network

	2Q20	2Q21	YoY
Number of stores	140	142	+2
incl. franchise	15	20	+5
Floorspace (m2)	10,749	11,060	3%
incl. franchise	896	1,255	40%
Internet % sales	27.9%	10.3%	-17.6pp.

- Continuation of W.KRUK brand development. Growth in number of net stores by 2 YoY translated into a 3% YoY increase in brand's floorspace.
- The brand had 20 franchise stores at the end of 2Q21, 5 more YoY. Franchise store floorspace increased by 40% YoY.
- W.KRUK retail revenues in 2Q21 reached PLN 102.8m (growth by 70.5% YoY).

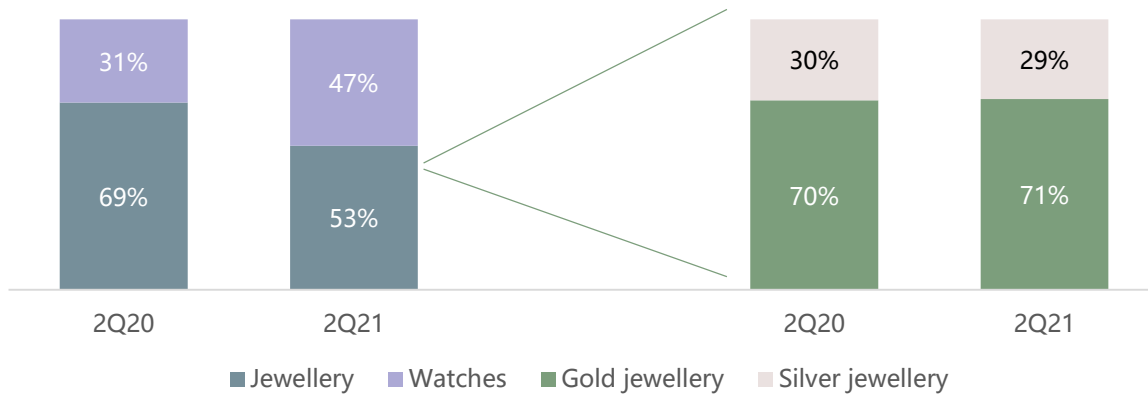
W.KRUK brand retail revenues (PLN m)



- Revenues from W.KRUK brand traditional stores in 2Q21 amounted to PLN 86.9m (an increase of 115.4% YoY).
- Internet revenues amounted to PLN 10.6m, -36.7% YoY. In 2Q21, internet accounted for 10.3% of sales compared to 27.9% in 2Q20.
- Franchise revenues amounted to PLN 5.3m in 2Q21, an increase of 67.5% YoY, and their share in sales in 2Q21 amounted to 5.1%, stable YoY.

W.KRUK: DOUBLING THE STORE EBIT

W.KRUK brand revenue split



- Significant changes in the sales structure - growing share of watches in relation to jewellery. Advantageous effect of exclusivity on the sale of luxury Rolex and Patek Philippe watches.
- In the jewellery section, in 2Q21 a stable share of silver jewellery in the sales structure.
- High sales growth/ m2 in the quarter due to high demand for jewellery and watches during the communion and wedding season.

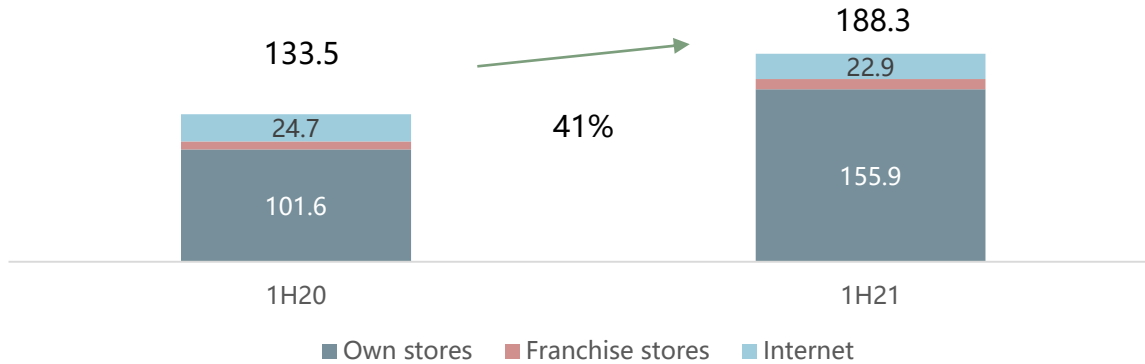
W.KRUK brand efficiency

	2Q20	2Q21	YoY
Revenues (PLN/m2 per month)	1,864	3,101	66.8%
Gross profit margin (%)	49.1%	51.4%	2.3pp.
Cost of stores (PLN/m2 per month)	559	876	56.7%
Store EBIT (PLN m)	11.5	23.9	107.9%

- Improvement in gross margin despite the growing share of watches in sales due to the policy of a fixed margin, lower YoY promotions and a lower online share.
- Increase in cost/ m2 lower than revenue/ m2 growth: higher rental costs, personnel costs and commissions, but stable level of depreciation.
- As a result, the EBIT of stores doubled.

W.KRUK: DOUBLING STORE EBIT

W.KRUK brand retail revenues
(PLN m)



- W.KRUK brand's retail revenues amounted to PLN 188.3m in 1H21, growing by 41.0% YoY. The brand's stores in shopping centers were closed for more than 2 months due to COVID-19.
- Internet revenues amounted to PLN 22.9m in 1H21, -7.6% YoY. The internet's share in 1H21 sales was 12.1% compared to 18.5% in 1H20.
- Revenues from franchise amounted to PLN 9.5m in 1H21, an increase by 33.4% YoY. The franchise share fell from 5.3% in 1H20 to 5.0% in 1H21.

W.KRUK brand efficiency

	1H20	1H21	YoY
Revenues (PLN/m2 per month)	2,073	2,859	37.9%
Gross profit margin (%)	49.6%	50.9%	1.3pp.
Cost of stores (PLN/m2 per month)	688	808	17.5%
Store EBIT (PLN m)	22.0	42.7	94.0%

- Double-digit growth in sales/ m2 in 1H21 more favorable than in clothing brands.
- Stabilization of the gross margin due to the higher share of watches.
- Increase in costs/ m2 significantly below the increase in sales/ m2 due to cost savings, incl. lower costs of traditional marketing in 1Q21 YoY.

VISTULA

BYTOM

SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER

MILANO

WKURK

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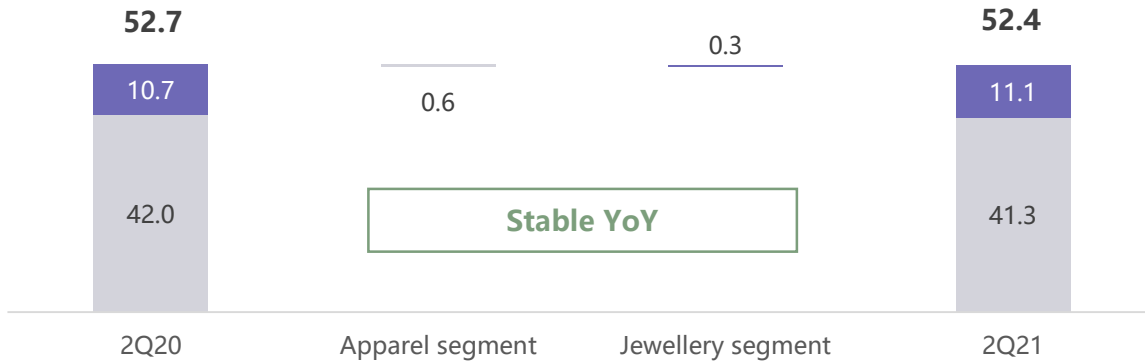
GROUP RESULTS



VRG
VISTULA RETAIL GROUP

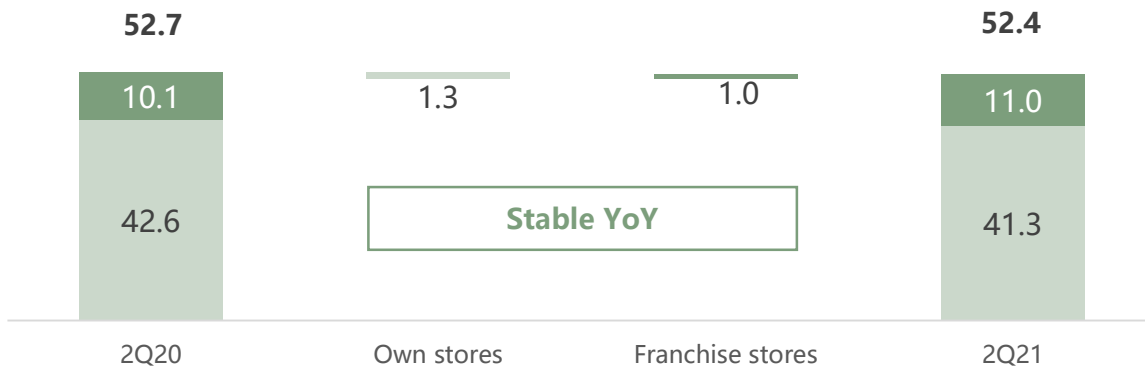
STABLE GROUP FLOORSPACE

Group floorspace change YoY
(ths m2)



- Group floorspace reached 52.4 ths m2 at the end of 2Q21, down 0.6% YoY.
- The apparel segment floorspace fell 0.6 ths m2, down 1.5% YoY, due to closing down of unprofitable stores.
- The jewellery segment floorspace grew 0.3 ths m2 net, up 2.9% YoY, due to development of franchise stores.

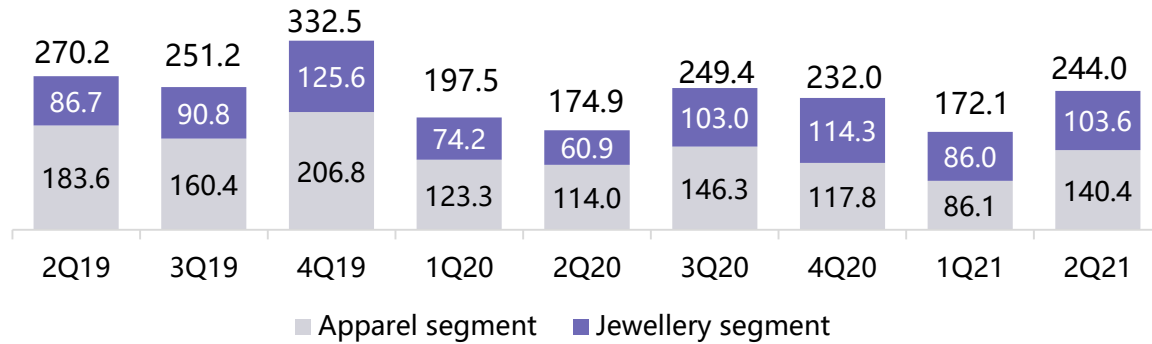
Group floorspace change YoY
(ths m2)



- Over the course of the year, own stores were closed while franchise stores were opened.
- Own stores floorspace fell by 1.3 ths m2, down 3.0% YoY.
- Growth in franchise floorspace amounted to 1.0 ths m2, up 9.5% YoY.

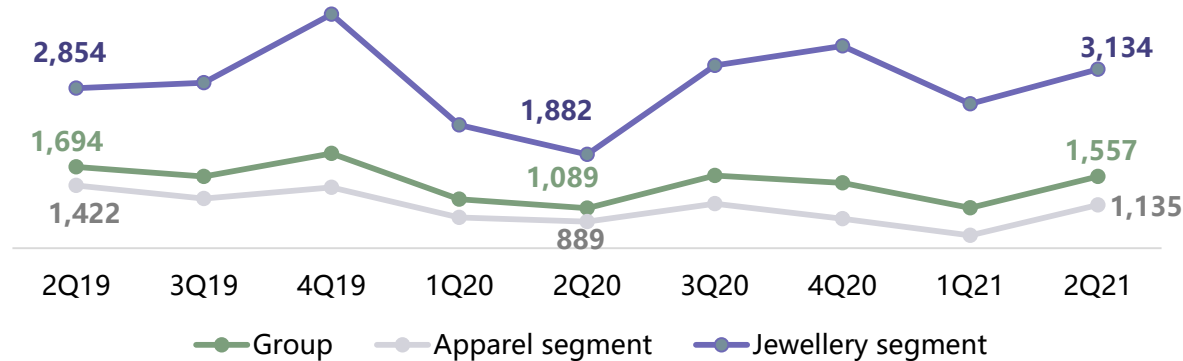
REBOUND IN JEWELLERY AND APPAREL SEGMENT

Group revenues
(PLN m)



- Group revenues reached PLN 244.0m in 2Q21 (up 39.5% YoY), due to rebound in traditional stores of both segments.
- Apparel segment revenues grew 23.1% YoY, reaching PLN 140.4m, in 2Q21.
- Jewellery segment revenues amounted to PLN 103.6m, up 70.2% YoY in 2Q21. Growth in share of this segment in revenues from 34.8% in 2Q20 to 42.5% in 2Q21.

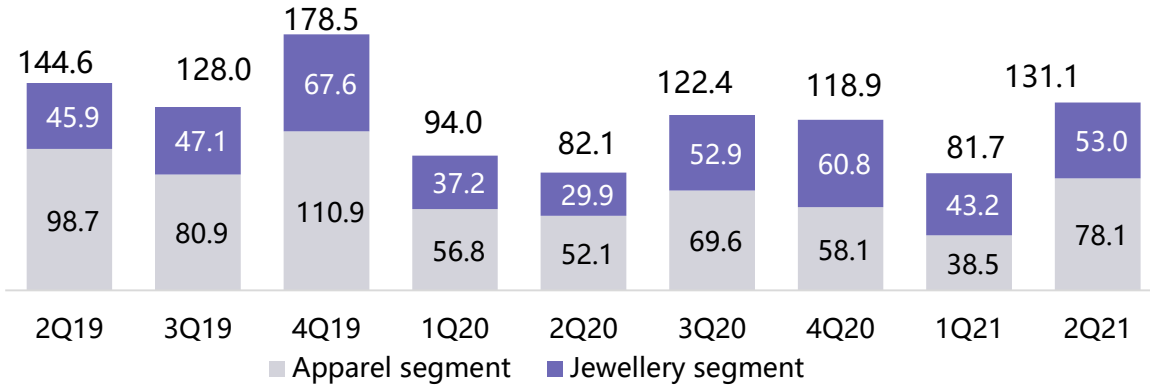
Revenues per m2
(PLN monthly)



- In 2Q21 group sales/ m2 reached PLN 1,557, up 43.0% YoY.
- Revenues/ m2 for the apparel segment amounted to PLN 1,135 in 2Q21, up 27.8% YoY.
- Jewellery segment revenues/ m2 reached PLN 3,134 in 2Q21, up 66.5% YoY.

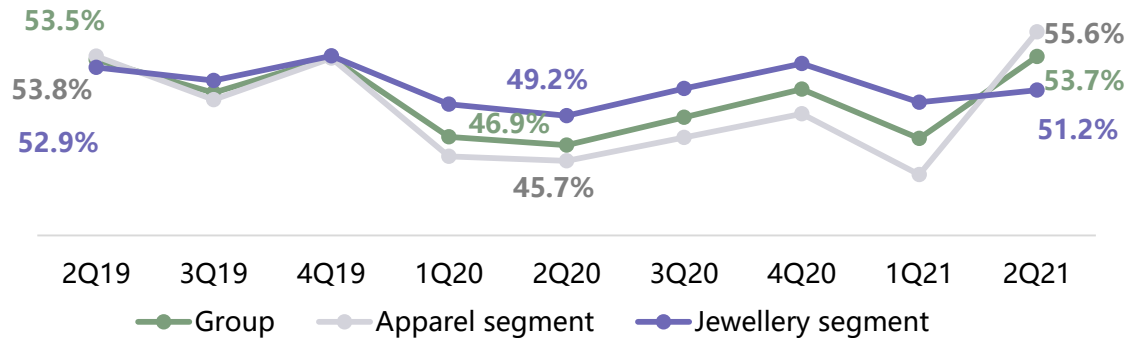
MORE FAVOURABLE TRENDS IN THE APPAREL SEGMENT

Gross profit on sales
(PLN m)



- Group gross profit on sales amounted to PLN 131.1m in 2Q21 (up 59.8% YoY).
- In 2Q21 gross profit on sales of the apparel segment reached PLN 78.1m, up 49.9% YoY.
- Gross profit on sales of the jewellery segment amounted to PLN 53.0m, +77.1% YoY, in 2Q21.

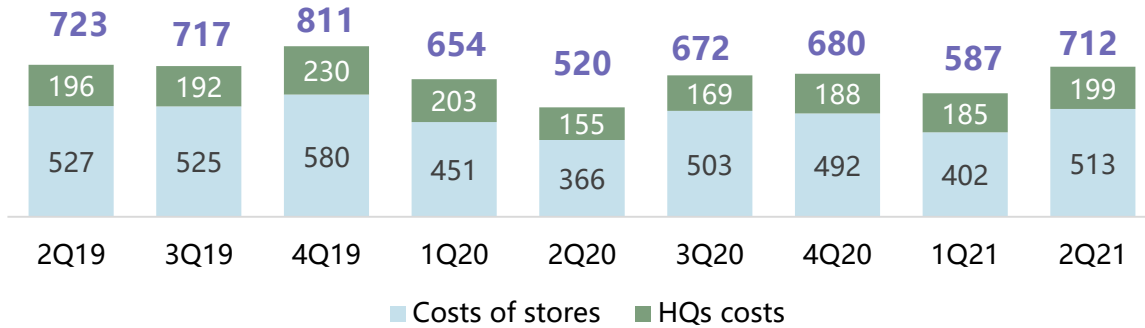
Gross profit on sales margin



- Group gross profit margin reached 53.7% in 2Q21, up 6.8 pp. YoY.
- The apparel segment gross profit margin increased 9.9 pp. YoY to 55.6% in 2Q21, due to lower share of internet. Gross profit margin on on-line sales was higher YoY for all brands.
- The jewellery segment noted a 2.0 pp. YoY growth in 2Q21 gross profit margin, to 51.2% level, due to lower YoY promotions.

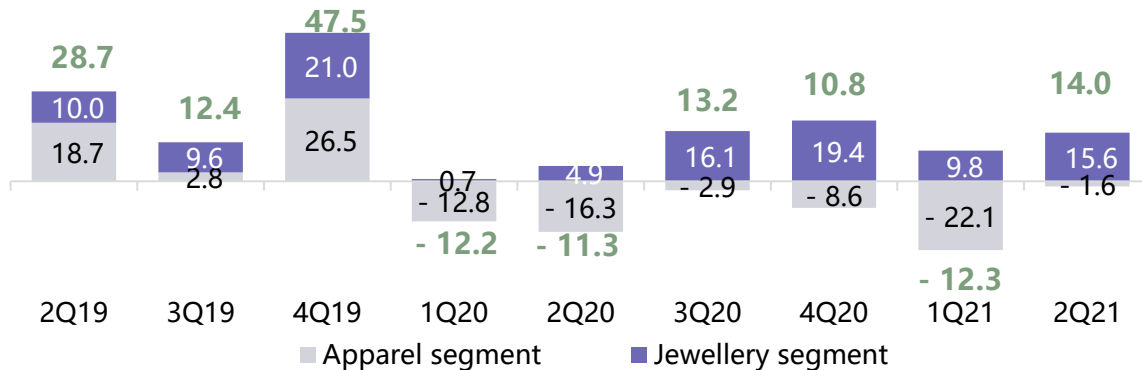
OPERATING COSTS/ M2 UNDER CONTROL

Monthly operating costs per m2
(PLN, excl. IFRS16)



- Group operating costs/ m2 (IAS17) reached PLN 712/ m2 monthly and up 36.9% YoY in 2Q21 due to rising rent costs and a shorter YoY period of reducing FTEs to 4/5 due to COVID-19.
- Costs of stores at PLN 513/ m2 (+40.3% YoY), while HQs costs/ m2 at PLN 199/ m2, +29.0% YoY (under IAS17).
- Under IAS17, the apparel segment costs reached PLN 593/m2 in 2Q21, up 35.3% YoY, while the jewellery segment costs amounted to PLN 1,158/m2 per month, up 36.7% YoY in 2Q21.

Operating profit
(PLN m, excl. IFRS16)



- Group operating profit reached PLN 14.0m in 2Q21 under IAS17, compared to PLN 11.3m loss in 2Q20. Loss under IFRS16 amounted to PLN 16.7m.
- 2Q21 EBIT loss of the apparel segment amounted to PLN 1.6m under IAS17 (PLN 0.1m loss under IFRS16) compared to PLN 16.3m income in 2Q20.
- Operating profit of the jewellery segment reached PLN 15.6m in 2Q21 (PLN 16.8m under IFRS16), sizably higher than PLN 4.9m in 2Q20.

| INVENTORY WRITE-OFF

SEMI-ANNUAL INVENTORY VALUATION

Decision made after the analysis and review as well as recognition of inventory write-off, including:

- **PLN 5.3m** – clothing intended for sale in the wholesale channel,
- **PLN 3.5m** – write-off of commercial goods and finished products,
- **PLN 0.4m** – write-off of raw material for clothing production,
- **PLN 0.2m** – allowance for inventories in Deni Cler (not included in current report 50/2021).



Write-off of **PLN 1.9m** in other operating line resulting from the revaluation of the property.

PLN 9.4m write-downs of inventories in the results for 2Q21 and 1H21 at the level of the Capital Group

2Q21 RESULTS SIZEABLY BETTER YOY

PLN m, IFRS16	2Q20	2Q21	YoY
Revenues	174.9	244.0	39.5%
Gross profit on sales	82.1	131.1	59.8%
<i>Gross profit on sales margin</i>	<i>46.9%</i>	<i>53.7%</i>	<i>6.8pp.</i>
SG&A costs	82.7	109.7	32.0%
EBIT	-10.4	16.7	N/M
<i>EBIT margin</i>	<i>-5.9%</i>	<i>6.9%</i>	<i>12.8pp.</i>
Net financial activity	7.1	10.1	
Net profit	0.2	23.0	N/M
<i>Net margin</i>	<i>0.1%</i>	<i>9.4%</i>	<i>9.3pp.</i>
EBITDA	18.5	43.5	135.0%
<i>EBITDA margin</i>	<i>10.6%</i>	<i>17.8%</i>	<i>7.2pp.</i>
PLN m, IAS17	2Q20	2Q21	YoY
SG&A costs	83.6	112.3	34.3%
EBIT	-11.3	14.0	N/M
Net profit	-8.3	11.5	N/M
EBITDA	-5.7	19.2	N/M

- Higher YoY revenues due to favorable sales trends in both segments. Gross margin increase YoY due to lower YoY promotions in all brands. SG&A costs higher YoY due to increased sales and salary costs.
- More positive impact of other operating activities YoY: PLN 9.4m write-offs on inventories in 2Q21 compared to PLN 13.9m in 2Q20. Additionally, PLN 1.9m impairment loss on real estate and fixed assets in 2Q21 (no similar charge in 2Q20).
- PLN 7.7m in co-financing from the Social Security (ZUS) in 2Q21, compared to PLN 7.8m in other operating income in 2Q20.
- The difference between the result in IFRS16 and IAS17 comes from method of rental recognition - straight-line amortization under IFRS16 while no rebates under IAS17.
- More favorable YoY net financial activity than in 2Q20. PLN 10.8m in FX gains under IFRS16 versus PLN 6.1m in 2Q20. Interest on IFRS16 amounted to PLN 1.3m in 2Q21, compared to PLN 1.1m in 2Q20.
- Net profit of PLN 23.0m in 2Q21 compared to PLN 0.2m profit in 2Q20.

1H21 RESULTS SIZEABLY BETTER YOY

PLN m, IFRS16	1H20	1H21	YoY
Revenues	372.3	416.1	11.8%
Gross profit on sales	176.0	212.8	20.9%
<i>Gross profit on sales margin</i>	<i>47.3%</i>	<i>51.1%</i>	<i>3.9pp.</i>
SG&A costs	188.2	205.9	9.1%
EBIT	-22.3	0.9	N/M
<i>EBIT margin</i>	<i>-6.0%</i>	<i>0.2%</i>	<i>6.8pp.</i>
Net financial activity	-16.1	3.3	
Net profit	-31.8	2.8	N/M
<i>Net margin</i>	<i>-9.2%</i>	<i>1.4%</i>	<i>10.6pp.</i>

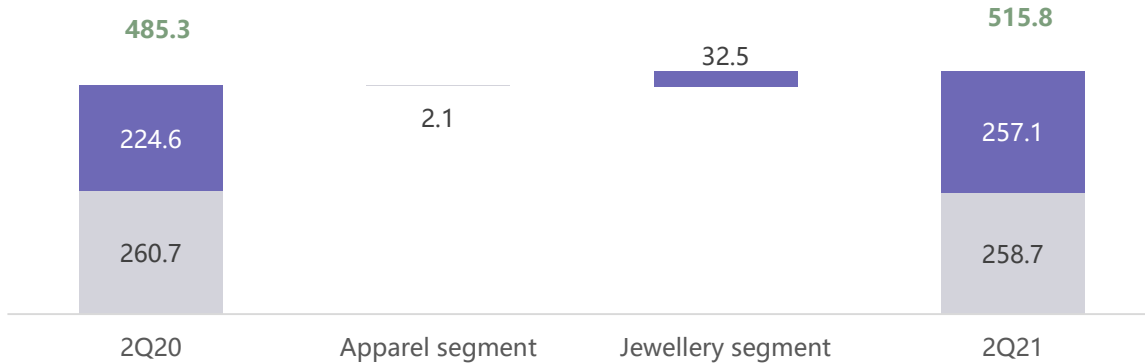
EBITDA	35.8	54.2	51.4%
<i>EBITDA margin</i>	<i>9.6%</i>	<i>13.0%</i>	<i>3.4pp.</i>

PLN m, IAS17	1H20	1H21	YoY
SG&A costs	189.4	204.8	8.2%
EBIT	-23.5	1.7	N/M
Net profit	-22.3	-0.4	N/M
EBITDA	-11.9	12.2	N/M

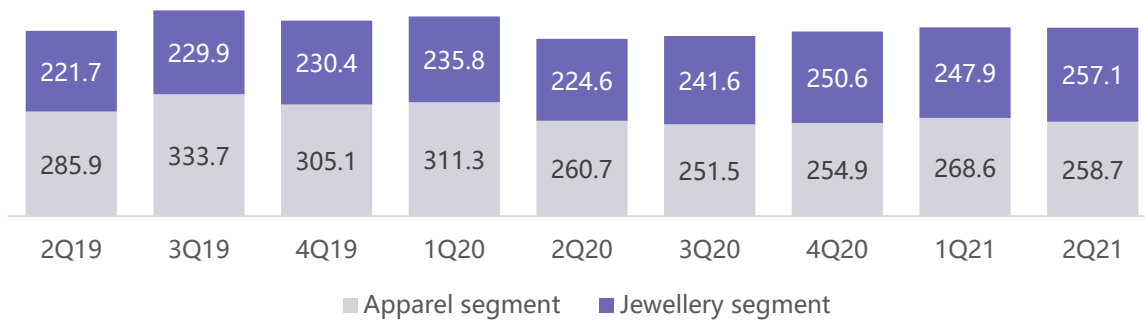
- Higher YoY revenues due to favorable sales trends in both segments. Gross margin increase YoY due to lower YoY promotions in all brands. SG&A costs higher YoY due to increased sales and salary costs.
- More favourable impact of other operating activities YoY: PLN 9.4m write-offs on inventories in 2Q21 compared to PLN 13.9m in 2Q20. Additionally, PLN 1.9m impairment loss on real estate and fixed assets in 2Q21 (no similar charge in 2Q20).
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- The difference between the result in IFRS16 and IAS17 comes from method of rental recognition - straight-line amortization under IFRS16 while no rebates under IAS17.
- PLN 7.6m of FX gains on IFRS16 in 1H21 compared to PLN 11.2m of FX losses on IFRS16 in 1H20. Interest on IFRS16 amounted to PLN 2.8m in 1H21, compared to PLN 2.0m in 1H20.
- As a result, the net profit compared to the significant loss in H120.

INVENTORY FOR THE KEY SEASON

Change in inventories
(PLN m)



Inventory by segments
(PLN m)

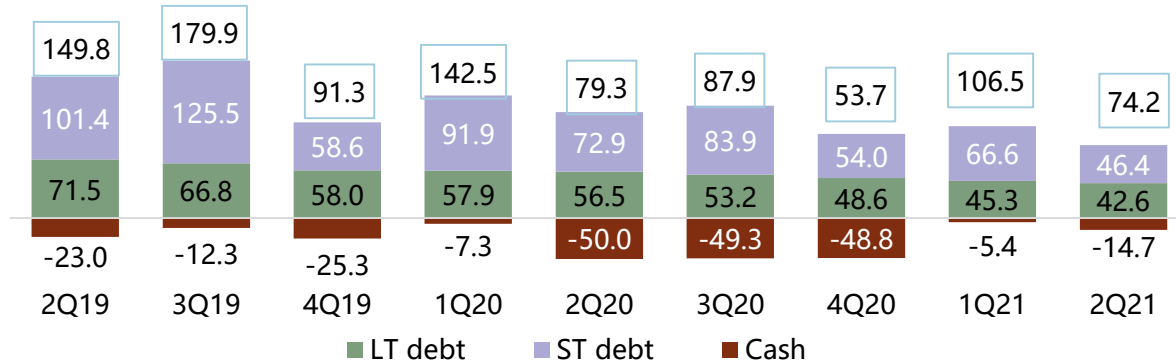


- Increase in inventories by 6.3% YoY to PLN 515.8m in 2Q21 results from higher inventories in the jewellery segment and the impact of write-downs on inventories in the apparel segment.
- Apparel segment inventory fell 0.8% YoY, due to lower orders and conducted promotions/ sell-offs.
- Inventories in the jewellery segment increased by 14.5% YoY, due to the opening of stores with watches and a larger inventory of watches (mainly luxury watches) as well as faster stocking up on 2H21.

- Group inventory/ m2 reached PLN 9,844 at the end of 2Q21, up 6.9% YoY.
- Apparel segment inventory per m2 reached PLN 6,257, up 0.7% YoY.
- Due to the market characteristics, inventory per m2 in the jewellery segment amounted to PLN 23,248, up 11.3% YoY.

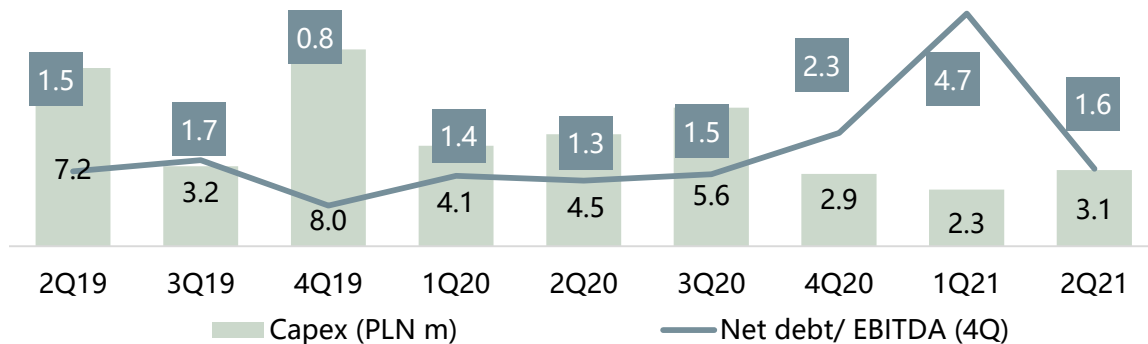
NET DEBT CONTINUES TO FALL

Net debt
(PLN m, excl. IFRS16 plus reverse factoring)



- Long-term and short-term indebtedness shown together with reverse factoring and financial leases, yet excluding leases from IFRS16. Financial leases under IFRS16 at PLN 345.1m in 2Q21.
- Planned reduction of long-term debt. Usage of reverse factoring for supply chain financing reached PLN 24.5m at the end of 2Q21.
- Group's net debt under IAS17 came in at PLN 74.2m at the end of 2Q21, down by 6.5% YoY.

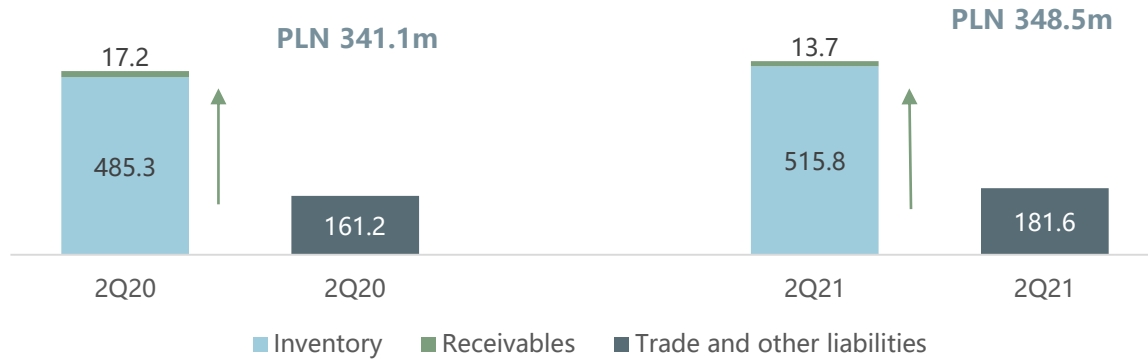
Capex vs. net debt/EBITDA
(IAS17)



- Net debt/ EBITDA (4Q, IAS17) at 1.6x – stable YoY due to improved financial results in 2Q21.
- Excluding reverse factoring, the ratio would come at 1.0x.
- Lower YoY capex in 2Q21 due to optimisation of own stores network and investments planned for 2H21.

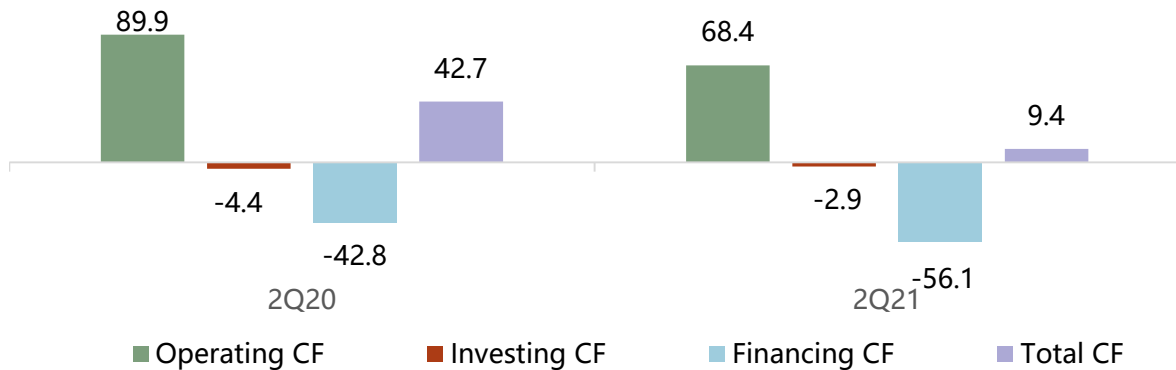
SEASONAL ENGAGEMENT OF CASH

Net working capital
(PLN m)



- YoY growth in inventories due to earlier reductions in orders for collections.
- YoY decrease in receivables due to lower prepayments for goods purchased on Asian markets (using reverse factoring).
- Higher YoY level of liabilities due to higher inventory in 2Q21.

Quarterly cash flows
(PLN m)



- Positive but lower YoY operating cash flow in 2Q21 due to significant inventory release in 2Q20.
- Lower YoY level of net capital expenditures - YoY reduction due to network optimization. Part of capex is planned for 2H21.
- Financial flows show lower YoY debt utilization due to working capital financing.

VISTULA

BYTOM
SZTUKA KRAPIECIWA OD 1945

WÓLCZANKA

DENICLER
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2021 OUTLOOK



STABLE FLOORSPACE IN 2021

		2020	2021 former target	2021 target	YoY
APPAREL SEGMENT	stores	427	415	416	-11
	m2	42,021	41,400	41,591	-1%
VISTULA	stores	149	149	150	1
	m2	18,695	18,653	18,805	1%
WÓLCZANKA	stores	129	121	122	-7
	m2	4,658	4,624	4,710	1%
BYTOM	stores	117	114	115	-2
	m2	15,604	15,136	15,207	-3%
DENI CLER	stores	32	31	29	-3
	m2	3,064	2,986	2,869	-6%
JEWELLEY SEGMENT	stores	143	147	147	+ 4
	m2	11,027	11,703	11,712	6%
TOTAL	stores	570	562	563	-7
	m2	53,048	53,103	53,303	0%

In 2021, floorspace of traditional stores should be stable YoY.

Floorspace of franchise stores at the end of 2021 should amount to 11.6 ths m2.

Capital expenditures in 2021 should amount to some PLN 28m (the amount includes capex for IT).

FAVOURABLE TRENDS IN 3Q21



07.21

- + 25.3% Group revenue growth
- +16.8% growth in apparel segment
- + 37.6% growth in the jewellery segment

08.21

- Continuation of positive trends from July 2021
- Good reception of first elements of new collections

09.21

- Good preparation of apparel brands for the new season
- Announcement of the new W.KRUK campaign in mid-September 2021

TWO STRONG PILLARS: CASUAL AND FORMAL

FORMAL

Increased interest in formal clothing

Formal offer adapted to the latest fashion trends

The latest trends in the formal offer



CASUAL

A broad casual offer in all the Group's apparel brands

Jeans, sweatpants, sweatshirts, dresses, jackets, sweaters

More casual in women's collections - development of the Vistula, Wólczanka, Deni Cler collections



| A STRONGER ACCENT OF WOMEN COLLECTION

VISTULA

VISTULA WOMAN the first full women's collection with new branding.

A varied offer, suitable for both formal and everyday stylizations.

Elegant models such as suits, skirts or shirts, and every day models - jeans, dresses and sweaters.

The design is balanced, timeless but modern. We focus on modern look, high quality of workmanship and comfort of use.



WÓLCZANKA

In Autumn/Winter season, Wólczanka offers warm coats for women for the first time - elegant women's coats with a wool blend and elegant jackets insulated with natural down.

Thick sweaters with braids, turtlenecks, flannel shirts made of melange fabrics and woolen marine jackets - make a winter must-have for women. The accessories include large bags made of natural fabrics and thick scarves made of recycled yarn.

| FURTHER ON-LINE DEVELOPMENT

OWN E-STORES

Sales application is available in the Vistula and Wólczanka brands.

Introduction of deferred payments for on-line customers in May 2021.

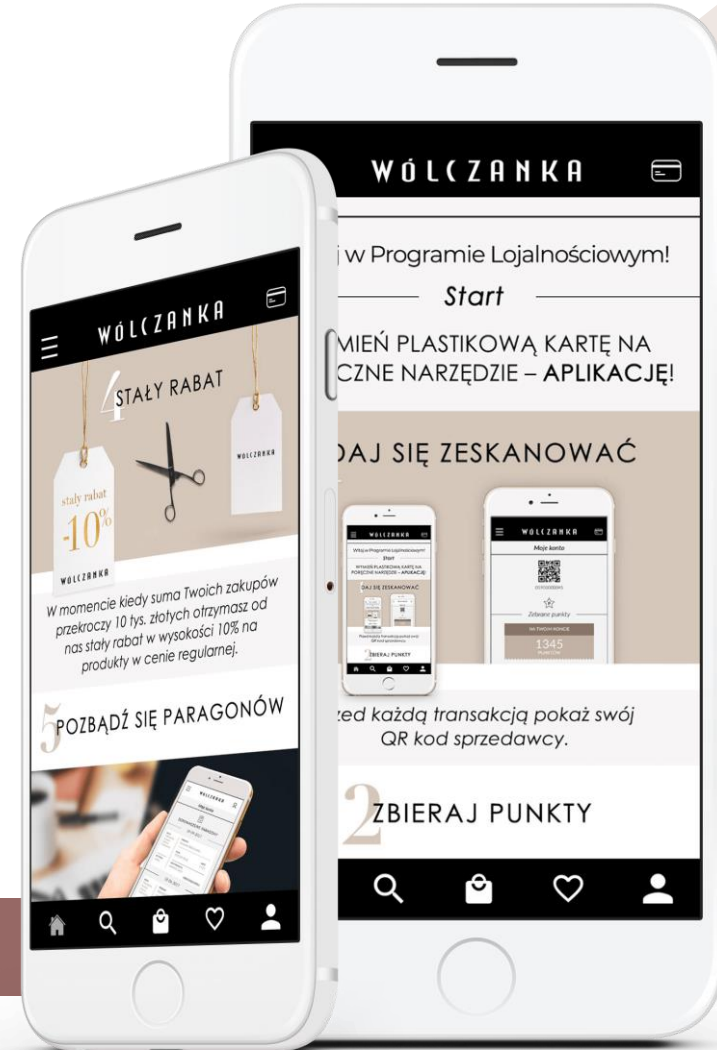
Completion of implementation of the new engine in Bytom.

ENTRY ON EXTERNAL PLATFORMS

Vistula on Modivo (eObuwie) and Zalando platforms

Deni Cler on Zalando platform

Wólczanka on Zalando platform



TWO COMPLEMENTARY CHANNELS

| 2021 TARGETS MAINTAINED

YoY growth in revenues, both off-line and on-line.

Gross profit margin higher YoY, despite inventory reduction.

Maintaining cost efficiency.

E-commerce share at 20% +.

Sizeably better YoY financial results.

Maintenance of safe liquidity position.



RISK AND OPPORTUNITIES FOR 2021



OPPORTUNITIES

- new collections with a broader casual offer
- development of jewellery offer
- on-line growth
- further working capital improvements

RISK

- another wave of COVID-19 and stronger sanitary restrictions
- lowering consumer demand
- disturbances in supply chain and resultant growth in costs
- volatility of FX

| EXECUTIVE SUMMARY



1

Group is well prepared for the Autumn/ Winter season, both in the apparel and jewellery segments.

2

Continuation of development of new product lines in both segments.

3

Opportunity to take advantage of opportunities in 2H21 offered by both the on-line and off-line channel.

4

Plan to end the year with a safe liquidity and financial situation at the level of the Capital Group.

5

The Management Board's focus on development activities for 2022+.

VISTULA

BYTOM
SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER
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Q&A



VISTULA

BYTOM

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WÓLCZANKA

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BACK-UP



VRG
VISTULA RETAIL GROUP

VISTULA: EXECUTIVE SUMMARY

VISTULA (MENSWEAR, ELEMENTS OF LADIES COLLECTION)

- VISTULA is a brand that combines traditional tailoring and global trends, inspiring customers looking for a modern, original and individual style.
- Within the VISTULA brand, we distinguish VISTULA, VISTULA RED, and LANTIER collections. Collection includes lines such as active MOVE and capsule collections.
- "Made to Measure": personalised service dedicated to the most demanding customers. Available in selected brand's stores.

AUTUMN/WINTER 2021 COLLECTION

- Norrsken, or aurora in Swedish, is the name of the VISTULA collection for Autumn/Winter 2021 season, inspired by the Scandinavian style. The brand focuses on variety, but in a subdued style. The collection will include suits, jackets and coats, both formal and more casual.
- The VISTULA RED collection is a classic in new forms with typically casual models. The colors are navy blue, dusty blue, beige, brown, olive green, black and white.
- The first complete VISTULA WOMAN collection with new branding. The VISTULA WOMAN collection is a diverse offer, suitable for both formal and everyday stylizations. It includes elegant models such as suits, skirts or shirts, and every day - jeans, dresses and sweaters.
- The VISTULA collection includes the VISTULA ECO capsule collection made of certified materials. The products are made of organic cotton and recycled yarn. The main labels are made of recycled yarn. The collection includes sweatshirts, t-shirts, trousers, a sweater and a shirt.

NETWORK DEVELOPMENT

- In 2Q21, the number of the brand's stores, both own and franchised, remained stable.



VISTULA

| BYTOM: EXECUTIVE SUMMARY

BYTOM (MENSWEAR)

- Bytom – a Polish brand with origin dating back to 1945.
- The brand offers men's formalwear and smart casual and casual assortment.
- "Made to Measure" – personalised men's tailoring offered in selected stores.

AUTUMN/WINTER 2021 COLLECTION

- BYTOM Autumn/Winter collection is a continuation of the Retro Future style combining vintage style with modern forms. This time the flashback goes back to the 1960s and is inspired by Polish industrial design from that era. The leitmotif of the new collection is eclecticism. It dominates the individual elements of the collection, but also, and perhaps above all, in the proposed styles.
- The main line of the collection combines the tradition of classic tailoring with modern thinking about a jacket or a suit. The brand combines fabric patterns, characteristic of past decades, with a modern cut. In addition to standard formal suits, we can find, among others models with a clear and eye-catching grille inspired by the 1960s.
- When creating the collection, high-quality fabrics from renowned Italian manufacturers were used. The collection also includes a variety of patterns and colors of shirts, sweaters of various weaves and colors, sweatshirts and a wide range of winter jackets.
- Bytom has been supporting Polish culture and art for years. This time it is the work of one of the most original Polish painters of the 20th century - Zdzisław Beksiński. The collection inspired by the dreamlike and surreal world known from Beksiński's paintings is a series of products presenting selected works by the artist. The reproductions of the paintings were directly translated into t-shirts, sweatshirts and jackets in the form of a large, uniform print, as well as cut, rescaled elements of the works.

NETWORK DEVELOPMENT

- In 2Q21, the number of stores increased by 1 net store QoQ, it was a franchise store.



BYTOM

SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA: EXECUTIVE SUMMARY

WÓLCZANKA (FASHION FOR MEN AND WOMEN)

- Wólczanka runs a chain of its own and franchise boutiques with women's and men's clothing in Poland. The offer includes, among others shirts, sweaters, pants, dresses, t-shirts, jackets and accessories. Wólczanka also owns the Lambert brand, offering high-quality formal shirts and accessories.

AUTUMN/WINTER 2021 COLLECTION

- Autumn/ Winter 2021 collection has a full range of clothing and accessories for women and men in a modern, casual style. It consists of the city's autumn and winter collection and two capsules: Christmas and carnival. Referring to the roots, the brand also offers a semi-formal collection, which is a response to the contemporary office dress code.
- The color palette includes shades of gray, navy blue as well as black and white with elements of warm beige. Easy-to-style shirts, sweaters, pants, skirts, dresses and jackets form the basis for countless everyday office sets. This season, Wólczanka, for the first time, offers warm coats - elegant women's coats with a wool blend and elegant jackets insulated with natural down.
- For full comfort and protection of the surrounding environment, Wólczanka chose natural fabrics and ecological materials, including those from recycling. Some 10% of the winter collection consists of products made of ecological materials, including sweaters, made of yarn obtained from recycled fishing nets, certified by Inrest, as well as scarves made of recycled polyester and formal shirts and t-shirts made of organic cotton.

NETWORK DEVELOPMENT

- In 2Q21, the number of boutiques decreased by 6 net q / q. - these were own boutiques. A new concept store has been opened in a shopping center in Bonarka in Cracow. The opening of a new format store in Silesia in Katowice is planned for October.



WÓLCZANKA

DENI CLER: EXECUTIVE SUMMARY

DENI CLER (WOMEN'S FASHION)

- Women's fashion brand with Italian origin, established in Italy in 1971.
- A network of stores for women over 35 years of age who value high quality and elegance.
- Collections created from highest quality fabrics with superior accessories and designer cut.

JUBILEE YEAR – 50th ANNIVERSARY SINCE CREATION, 30th ANNIVERSARY OF PRESENCE ON POLISH MARKET

- The jubilee collection for the Autumn/ Winter 2021/22 season, "La vita è bella,, is about the love of life, and the outfits are distinguished by comfort and sophisticated style. The models are dominated by soft materials, and the collection also offers a wide range of accessories.
- Autumn/Winter collection consists of six capsules. The first one, "Let's party", is a response to the need to leave the house and spend time with friends and relatives. Another "Back to office" capsule is a return to office reality, forgotten in the days of working in the home office system. The designers also did not forget about immortal elegance, creating costumes for the "Black label" capsule, characterized by monochrome black and white elements.
- The "Happy shopping" capsule contains elegant coats made of excellent wool and cashmere, and the "Give me a hug" capsule is based on the colors of ashen and melange gray, cozy beige, emerald and strong green. The capsule also offers soft cashmere caps, scarves and gloves, and soft bags. The sixth capsule of "I can and I will" featuring cuts and colors that are fashionable this season.

NETWORK DEVELOPMENT

- The number of own stores decreased by 1 net store QoQ - it was a franchise salon. 3 multi-brand stores were opened in the quarter.



DENI CLER
MILANO

| W.KRUK: EXECUTIVE SUMMARY

THE OLDEST JEWELRY BRAND IN POLAND

- The jewellery offer includes gold and silver jewellery, diamonds, precious stones and original collections.
- W.KRUK's offer also includes global watches brands, such as Rolex and Patek Philippe (sole distributor in Poland), Cartier, Jaeger-LeCoultre, Hublot, Panerai, Chopard, Breitling, Girard-Perregaux, Omega, Tudor, Tag Heuer, Longines, Rado, Swatch and many more. W.KRUK offer also includes perfumes and a collection of accessories with the brand's logo: leather handbags, silk scarves, leather accessories.

NEW ELEMENTS IN COLLECTIONS

- W.KRUK Spring collection was inspired by the hummingbird motif. The original Preludium collection is a combination of jewellery craftsmanship with the latest trends and the freshness of the upcoming season. Preludium jewellery made of silver is decorated with colorful cubic zirconia, and selected elements are covered with precious pink gold. A beautiful gradation of navy blue, green, pink and white stones gives a unique depth of color. The unusual play of light and shadows makes the jewellery come to life, and the multicolored hummingbird delights with every movement and shines with a beautiful glow.
- W.KRUK introduced a new version of the brand's accessories. Also in this collection, in the original silk scarves, created by the brand's designers, consumers can find beautiful hummingbirds. Both the scarves and leather bags of the brand were prepared in Spring pastel colors.
- In the first half of the year, W.KRUK offers its customers a number of other attractive novelties, both jewellery and Swiss watches.

NETWORK DEVELOPMENT

- In 2Q21, the number of brand stores increased by 2 QoQ net. These were franchise stores, the number of own stores remained stable QoQ.



W. KRUK
1 8 4 0

| SUMMARY OF BRANDS' 2Q21 RESULTS

VISTULA

GROWTH IN FORMAL
REVENUES.

BYTOM

SZTUKA KRAWIECTWA OD 1945

DOUBLE-DIGIT
REVENUE GROWTH.

WÓLCZANKA

THE HIGHEST SHARE
OF INTERNET.

DENI CLER
MILANO

THE HIGHEST GROSS
PROFIT MARGIN.

W. KRUK
1 8 4 0

OVER PLN 100M
REVENUES IN QUARTER.



GROUP STRUCTURE

VRG

COMPANIES INCLUDED IN THE CONSOLIDATED STATEMENTS FOR 2Q21

JEWELLERY SEGMENT

W.KRUK S.A.

Jewellery, watches, accessories

APPAREL SEGMENT

VRG S.A.
parent company

Vistula, Wólczanka, Bytom brands,
trademark *

November 30, 2018 **Vistula Group S.A.**
parent company merged with **Bytom S.A.**,
creating **VRG S.A.**

DCG S.A.

Deni Cler brand

OTHER ACTIVITY

WSM sp. z o.o. ,VG Property sp. z o.o.

Production, real estate

*July 1st, 2019 BTM 2 sp. z o.o. was merged
with VRG S.A.

OPTIMISATION OF NUMBER OF STORES CONTINUES

NUMBER OF STORES

		2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
APPAREL SEGMENT	total	452	451	451	440	427	426	427	421	415
	franchise	126	129	132	126	126	129	136	135	135
VISTULA	total	154	152	154	148	145	147	149	148	148
	franchise	60	60	62	59	60	62	65	64	64
WÓLCZANKA	total	142	142	140	137	132	130	129	127	121
	franchise	50	51	52	50	49	50	53	53	53
BYTOM	total	125	126	126	125	120	117	117	115	116
	franchise	8	9	9	8	8	8	9	10	11
DENI CLER	total	31	31	31	30	30	32	32	31	30
	franchise	8	9	9	9	9	9	9	8	7
JEWELLERY SEGMENT	total	134	135	139	140	140	140	143	140	142
	franchise	11	13	14	14	15	16	18	18	20
TOTAL	total	586	586	590	580	567	566	570	561	557
	franchise	137	142	146	140	141	145	154	153	155

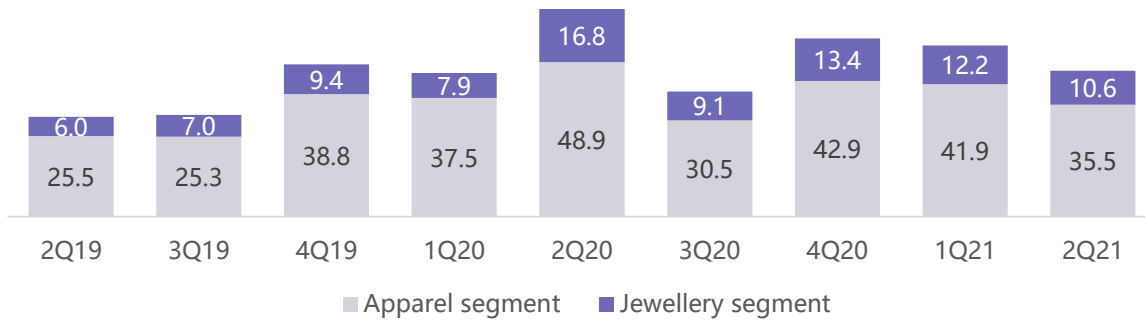
STABLE YOY FLOORSPACE

M2 OF FLOORSPACE

		2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
APPAREL SEGMENT	total	43,207	43,461	43,731	42,962	41,953	41,891	42,021	41,564	41,337
	franchise	9,223	9,322	9,590	9,123	9,195	9,368	9,882	9,789	9,794
VISTULA	total	19,007	19,058	19,320	18,650	18,291	18,508	18,695	18,586	18,593
	franchise	6,084	6,065	6,283	5,991	6,094	6,311	6,633	6,525	6,532
WÓLCZANKA	total	4,978	4,985	4,954	4,877	4,716	4,685	4,658	4,662	4,430
	franchise	1,528	1,546	1,576	1,504	1,473	1,530	1,626	1,625	1,625
BYTOM	total	16,175	16,402	16,421	16,487	16,000	15,634	15,604	15,327	15,417
	franchise	1,011	1,011	1,011	908	908	859	954	1,045	1,135
DENI CLER	total	3,047	3,017	3,037	2,947	2,947	3,064	3,064	2,989	2,897
	franchise	600	700	720	720	720	669	669	594	502
JEWELLERY SEGMENT	total	10,215	10,347	10,647	10,732	10,749	10,756	11,027	10,918	11,060
	franchise	680	802	856	856	896	965	1,121	1,113	1,255
TOTAL	total	53,422	53,809	54,378	53,693	52,702	52,647	53,048	52,482	52,397
	franchise	9,903	10,124	10,446	9,979	10,091	10,333	11,003	10,902	11,049

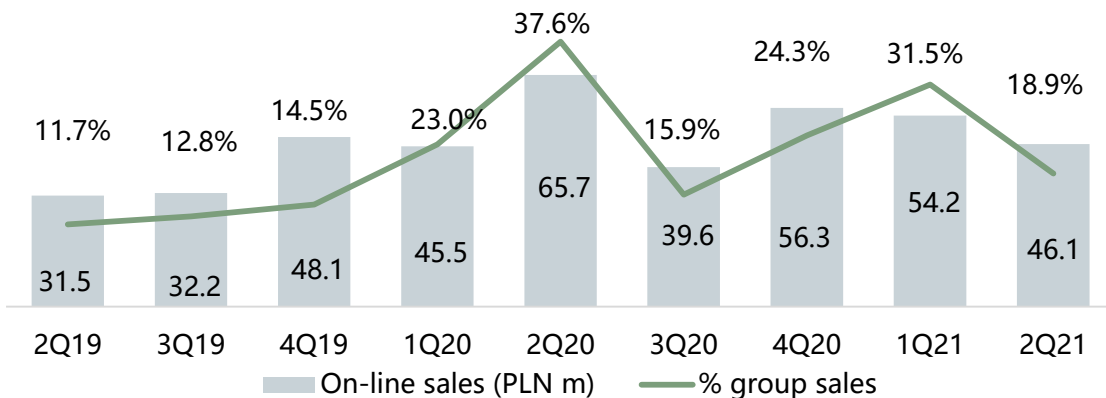
OWN E-STORES OF FIVE BRANDS

On-line sales by segments
(PLN m)



- We have own e-stores for all five retail brands. Our aim is to develop on-line stores of own brands (monoshops).
- Selected products of Vistula available on multibrand platform eObuwie, while Deni Cler and Wólczanka products on Zalando platform.
- Revenues and costs of on-line stores are allocated directly to the brands.

Group on-line sales



- E-commerce logistics for Bytom brand is conducted from the same distribution centre as this of Vistula and Wólczanka brands.
- In 2Q21, on-line sales amounted to PLN 46.1m, falling 29.8% YoY due to the rebound in sales in traditional stores.
- Internet share fell from 37.6% in 2Q20 to 18.9% in 2Q21, due to changes in customer shopping habits and the positive impact of lock-downs.

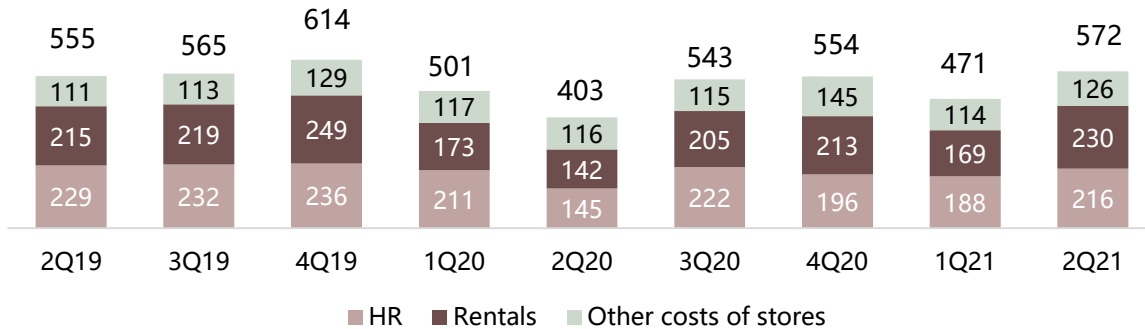
FALL IN COSTS/ M2

Koszty operacyjne m-c/m2
(PLN, bez MSSF16)



- Differences in SG&A costs/ m2 between segments result from different business models.
- The jewellery segment is characterised by higher revenues and costs/ m2 than these of the apparel segment.
- Segmental costs/ m2 are calculated based on average working floorspace for each segment. Bytom brand's costs are included since XII 2018.

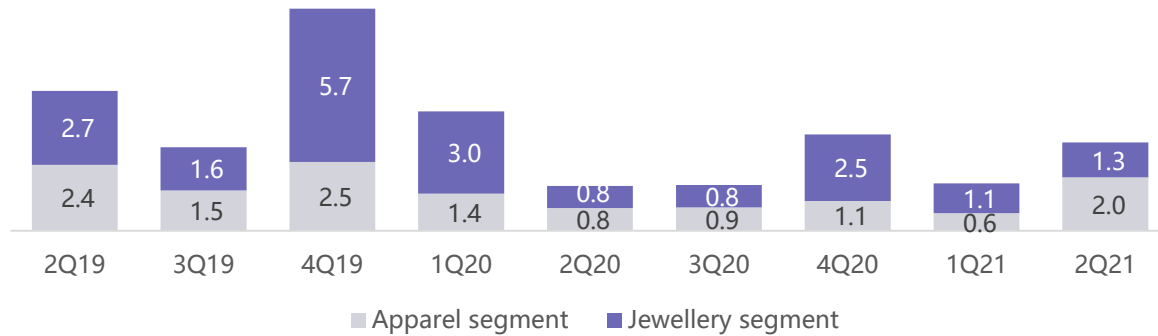
Costs of own stores/ m2
(PLN, excl. IFRS16)



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

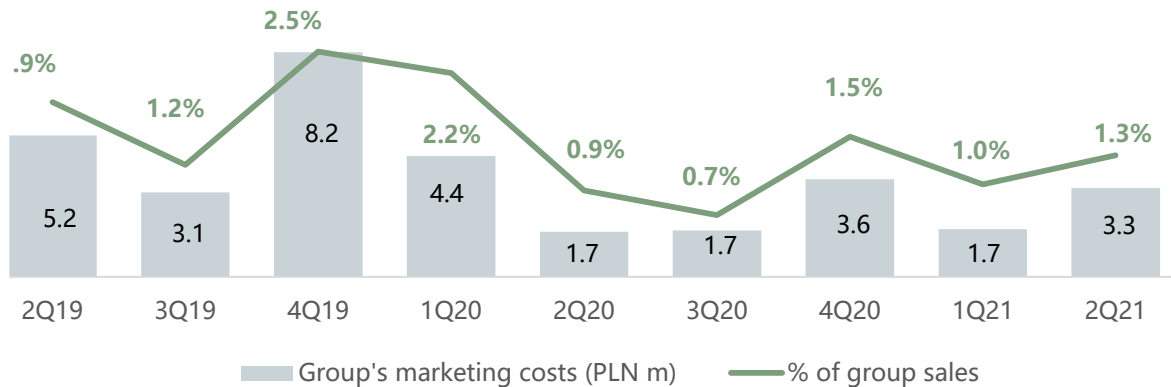
SEASONAL GROWTH IN MARKETING COSTS

Off-line marketing costs by segments
(PLN m)



- Marketing costs are part of group selling costs.
- These encompass: recurring advertising spending (catalogues, photoshoots) and nationwide marketing campaigns in editorial, internet and TV with celebrities.
- In 2Q21, off-line marketing expenses amounted to PLN 3.3m, an increase of 96.8% YoY due to the low base for 2Q20.

Group off-line marketing costs



- In 1H21, off-line marketing expenses amounted to PLN 5.0m, down by 17.6% YoY.
- The apparel segment: marketing outlays are related to campaigns, which typically cumulate in the second and fourth quarter. W 2018 Bytom's marketing costs were shown only for XII.
- Marketing costs within the jewellery segment cumulate in 4Q (seasonally best), before Christmas.

HISTORICAL QUARTERLY RESULTS, IFRS16

PLN m	3Q19	3Q20	YoY	4Q19	4Q20	YoY	1Q20	1Q21	YoY	2Q20	2Q21	YoY
Revenues	251.2	249.4	-0.7%	332.5	232.0	-30.2%	197.5	172.1	-12.8%	174.9	244.0	39.5%
Gross profit on sales	128.0	122.4	-4.4%	178.5	118.9	-33.4%	94.0	81.7	-13.1%	82.1	131.1	59.8%
Gross profit on sales margin	<i>51.0%</i>	<i>49.1%</i>	<i>-1.9pp.</i>	<i>53.7%</i>	<i>51.2%</i>	<i>-2.5pp.</i>	<i>47.6%</i>	<i>47.5%</i>	<i>-0.1pp.</i>	<i>46.9%</i>	<i>53.7%</i>	<i>6.8pp.</i>
SG&A costs	115.5	106.8	-7.6%	132.1	121.9	-7.7%	105.5	96.1	-8.9%	82.7	109.7	32.8%
Net other operating line	0.1	-2.4		1.4	0.1		-0.3	-1.4		-9.8	-4.7	
EBIT	12.6	13.3	5.2%	47.6	-2.9	N/M	-11.9	-15.8	N/M	-10.4	16.7	N/M
EBIT margin	<i>5.0%</i>	<i>5.3%</i>	<i>0.3pp.</i>	<i>14.3%</i>	<i>-1.2%</i>	<i>-15.5pp.</i>	<i>-6.0%</i>	<i>-9.2%</i>	<i>-3.2pp.</i>	<i>-5.9%</i>	<i>6.9%</i>	<i>12.8pp.</i>
Net financial line	-12.4	-6.2		6.3	-13.8		-23.2	-6.7		7.1	10.1	
Pre-tax profit	0.2	7.0	N/M	53.9	-16.7	N/M	-35.1	-18.9	N/M	-3.3	26.8	N/M
Taxes	2.0	2.0		9.5	2.2		-3.1	-2.5		-1.0	3.8	
Net income	-1.8	5.0	N/M	44.3	-18.9	N/M	-32.0	-20.1	N/M	0.2	23.0	N/M
Net margin	<i>-0.7%</i>	<i>2.0%</i>	<i>2.7pp.</i>	<i>13.3%</i>	<i>-8.1%</i>	<i>-21.4pp.</i>	<i>-16.2%</i>	<i>-11.7%</i>	<i>4.5pp.</i>	<i>0.1%</i>	<i>9.4%</i>	<i>9.3pp.</i>
EBITDA	40.9	20.1	-50.8%	76.1	22.8	-70.0%	17.4	10.7	-38.4%	18.5	43.5	N/M
EBITDA margin	<i>16.3%</i>	<i>8.1%</i>	<i>-8.2pp.</i>	<i>22.9%</i>	<i>9.8%</i>	<i>-13.1pp.</i>	<i>8.8%</i>	<i>6.2%</i>	<i>-2.6pp.</i>	<i>10.6%</i>	<i>17.8%</i>	<i>7.2pp.</i>

RESULTS UNDER IAS17

PLN m, IAS17	2Q20	2Q21	YoY
Revenues	174.9	244.0	39.5%
Gross profit on sales	82.1	131.1	59.8%
<i>Gross profit on sales margin</i>	<i>46.9%</i>	<i>53.7%</i>	<i>6.8pp.</i>
SG&A costs	83.6	112.3	34.3%
EBIT	-11.3	14.0	N/M
<i>EBIT margin</i>	<i>-6.5%</i>	<i>5.7%</i>	<i>12.2pp.</i>
Net financial line	2.1	0.6	
Net income	-8.3	11.5	N/M
<i>Net margin</i>	<i>-4.8%</i>	<i>4.7%</i>	<i>9.5pp.</i>

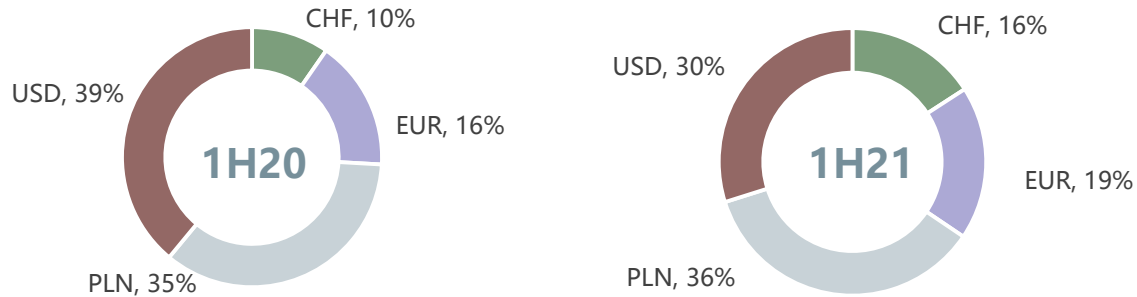
EBITDA	-5.7	19.2	N/M
<i>EBITDA margin</i>	<i>-3.2%</i>	<i>7.9%</i>	<i>11.1pp.</i>

PLN m, IAS17	1H20	1H21	YoY
Revenues	372.3	416.1	11.8%
Gross profit on sales	176.0	212.8	20.9%
<i>Gross profit on sales margin</i>	<i>47.3%</i>	<i>51.5%</i>	<i>3.9pp.</i>
SG&A costs	189.4	204.8	8.2%
EBIT	-23.5	1.7	N/M
<i>EBIT margin</i>	<i>-6.3%</i>	<i>0.4%</i>	<i>6.7pp.</i>
Net financial line	-16.1	-1.5	
Net income	-22.3	-0.4	N/M
<i>Net margin</i>	<i>-6.0%</i>	<i>-0.1%</i>	<i>5.9pp.</i>

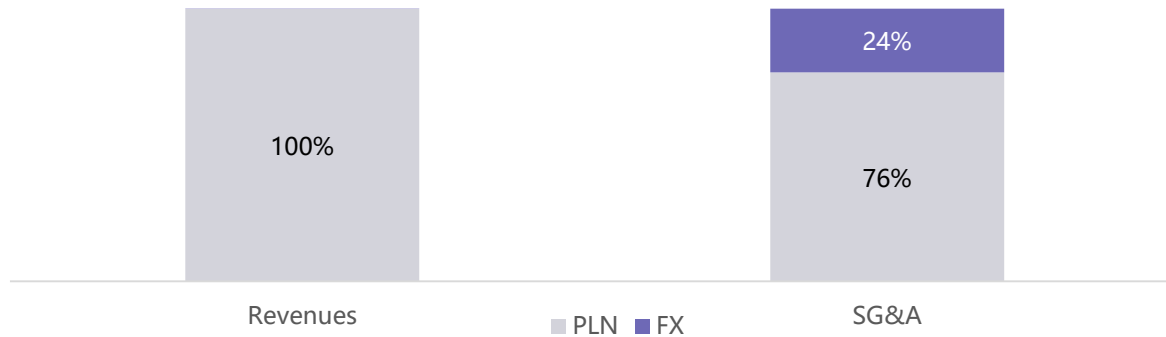
EBITDA	-11.9	12.2	N/M
<i>EBITDA margin</i>	<i>-3.2%</i>	<i>2.9%</i>	<i>6.1pp.</i>

FX RISK EXPOSURE

Purchases by currencies
(PLN m)



1H21 revenues and SG&A costs by currencies
(excl. IFRS16)



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

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

A SAFE INDEBTEDNESS LEVEL

PLN m	2Q20	4Q20	2Q21
Long-term debt	56.5	48,6	42,6
Bank loans	54.6	47.2	41.1
Finance leases	1.8	1.4	1.4
Short-term debt	72.9	54.0	46.4
Bank loan	57.5	24.4	20.8
Finance leases	1.8	1.3	1.1
Reverse factoring	13.6	28.3	24.5
Cash	50.0	48.8	14.7
Net debt	79.3	53.7	74.2
Finance leases IFRS16	322.6	354.4	345.1
Net debt IFRS16	401.9	408.2	419.3

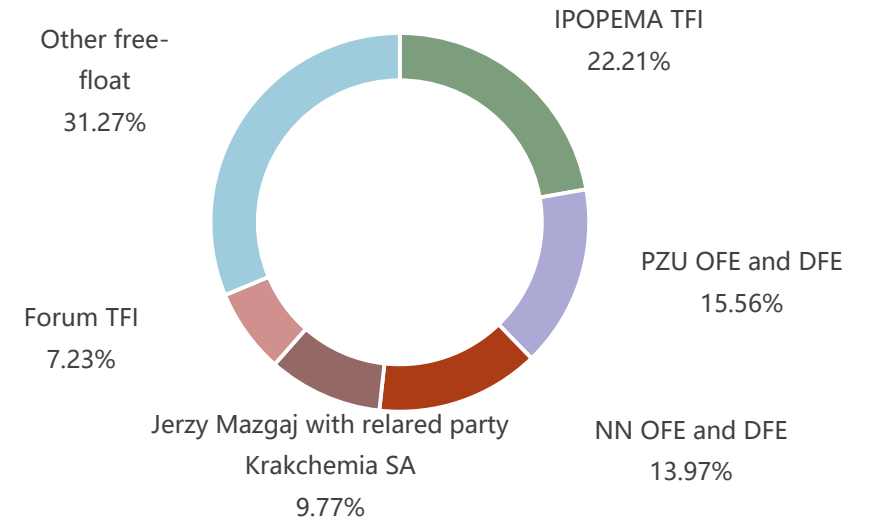
- Interest bearing indebtedness includes: bank loans, finance leases and reverse factoring (taken over with Bytom S.A. merger).
- Bank loans include: overdrafts and investment bank loans. Bank loan collateral comprises of: a floating charge on inventory, a fixed charge on "Vistula", "Wólczanka", "Intermoda",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

- Consistent YoY reduction in long-term debt.
- A stable YoY level of cash resources due to a cautious payments policy.
- PLN 24.5m of reverse factoring used for supplier financing.
- PLN 345.1m of IFRS16 liabilities (finance leases).

SHAREHOLDER STRUCTURE

Shareholder structure as at 26.08.2021 (share in equity and votes)

	Number of shares/votes	% share
1. IPOPEMA TFI	52,066,678	22.21%
2. PZU OFE i DFE	36,470,100	15.56%
3. NN OFE	32,750,487	13.97%
4. Jerzy Mazgaj with related party Krakchemia SA	22,900,000	9.77%
5. FORUM TFI	16,946,800	7.23%
6. Other free-float	73,321,775	31.26%
Total	234,455,840	



Sources of information on VRG S.A. shareholders

1. information provided in accordance with the notification received by the Company pursuant to Art. 69 sec. 2 point 1 lit. a and art. 87 sec. 1 point 2 lit. a of the Act of July 29, 2005 on public offering and the conditions for introducing financial instruments to an organized trading system and on public companies, applies to the Company's shares held jointly by all funds managed by IPOPEMA TFI S.A. According to the information in the possession of the Company, the Ipopema 2 FIZ Non-Public Assets fund managed by IPOPEMA TFI S.A. at the Ordinary General Meeting on June 28, 2021, he held 20,289,000 shares of the Company, which constituted 8.65% of the share capital of the Company and entitled to 20,289,000 votes representing 8.65% of the total number of votes at the General Meeting of the Company. According to the information possessed by the Company, the Ipopema 21 FIZ Non-Public Assets Fund, managed by IPOPEMA TFI SA, holds 31,658,785 shares of the Company, which constitutes 13.50% of the Company's share capital and entitles to 31,658,785 votes, constituting 13.50% of the total number of votes at the General Meeting of the Company.

2. information provided on the basis of the number of shares registered jointly by the Open Pension Fund PZU "Złota Jesień" and the PZU Voluntary Pension Fund at

the Ordinary General Meeting on June 28, 2021. Open Pension Fund PZU "Złota Jesień" at the Ordinary General Meeting on June 28, 2021 r. independently held 35,603,400 shares of the Company, which constituted 15.56% of the share capital of the Company and entitled to 35,603,400 votes, representing 15.56% of the total number of votes at the General Meeting of the Company.

3. information based on the number of shares registered by Nationale-Nederlanden Otwarty Fundusz Emerytalny at the Ordinary General Meeting on June 28, 2021. Nationale-Nederlanden Otwarty Fundusz Emerytalny at the Ordinary General Meeting of June 28, 2021 held 32,750,487 shares of the Company, which constituted 13.97% of the share capital of the Company and entitled to 32 750 487 votes, representing 13.97% of the total number of votes at the General Meeting of the Company.

4. information provided on the basis of the number of shares registered jointly by Mr. Jerzy Mazgaj with a related entity Krakchemia S.A. at the Ordinary General Meeting on June 28, 2021, Mr. Jerzy Mazgaj at the Ordinary General Meeting on June 28, 2021 held independently 21,900,000 shares of the Company, which

constituted 9.34% of the share capital of the Company and entitled to 21,900,000 votes, representing 9.34% of the total number of votes at the General Meeting of the Company.

5. information provided on the basis of the number of shares registered jointly by the Forum X Closed Investment Fund and Forum XXIII Closed Investment Fund managed by Forum TFI SA at the Ordinary General Meeting on June 28, 2021. Forum X Closed Investment Fund at the Ordinary General Meeting on June 28, 2021, he owned 6,951,760 shares of the Company, which constituted 2.97% of the share capital of the Company and entitled to 6,951,760 votes constituting 2.97% of the total number of votes at the General Meeting of the Company. Fund Forum XXIII Closed-end Investment Fund at the Ordinary General Meeting on June 28, 2021 held 9,995,040 shares of the Company, which constituted 4.26% of the share capital of the Company and entitled to 9,995,040 votes, constituting 4.26% of the total number of votes at the General Meeting of the Company.

| GLOSSARY

APPAREL SEGMENT

Revenues from brands: Vistula, Wólczanka, Bytom (from XII 2018), Deni Cler and wholesale segment, B2B and processing.

REVENUES (PLN/M2 PER MONTH)

Quarterly revenues of segment or brand (stores and internet)/ average working floorspace / 3. In terms of Deni Cler brand it includes multibrand store revenues yet not their floorspace.

STORE EBIT (PLN M)

Store operating profit calculated as gross profit on sales for stores minus store costs.

FORMAL

Revenues from sale of formalwear, including suits and shirts

JEWELLERY SEGMENT

Retail revenues of W.KRUK brand and other revenues (including B2B).

COSTS OF STORES (IAS17)

Operating costs of stores including among others rental expenses, HR costs, depreciation, commissions for franchise stores and logistics.

OPERATING COSTS (SG&A)/M2 (PLN PER MONTH)

Quarterly group SG&A / average total working floorspace / 3.

EBITDA

Operating profit plus depreciation and amortisation from cash flow statement.

CASUAL

Revenues including the following assortment: jackets, trousers, coats, knitwear.

COSTS OF (OWN) STORES/ M2 (PLN PER MONTH)

Quarterly costs of stores (own stores)/ average working floorspace (of own stores) / 3.

INVENTORY/M2

Inventory end of period / group's floorspace end of period.

VRG
VISTULA RETAIL GROUP

THANK YOU

VRG S.A.
Pilotów 10 St.
31-462 Cracow

