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MILANO

WÓLCZANKA

BYTOM
SZTUKA KRAWIECTWA OD 1945

VISTULA



VRG
VISTULA RETAIL GROUP

2Q22 RESULTS PRESENTATION

AUGUST 26, 2022

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INTRODUCTION



| SUCCESSFUL FIRST HALF OF 2022



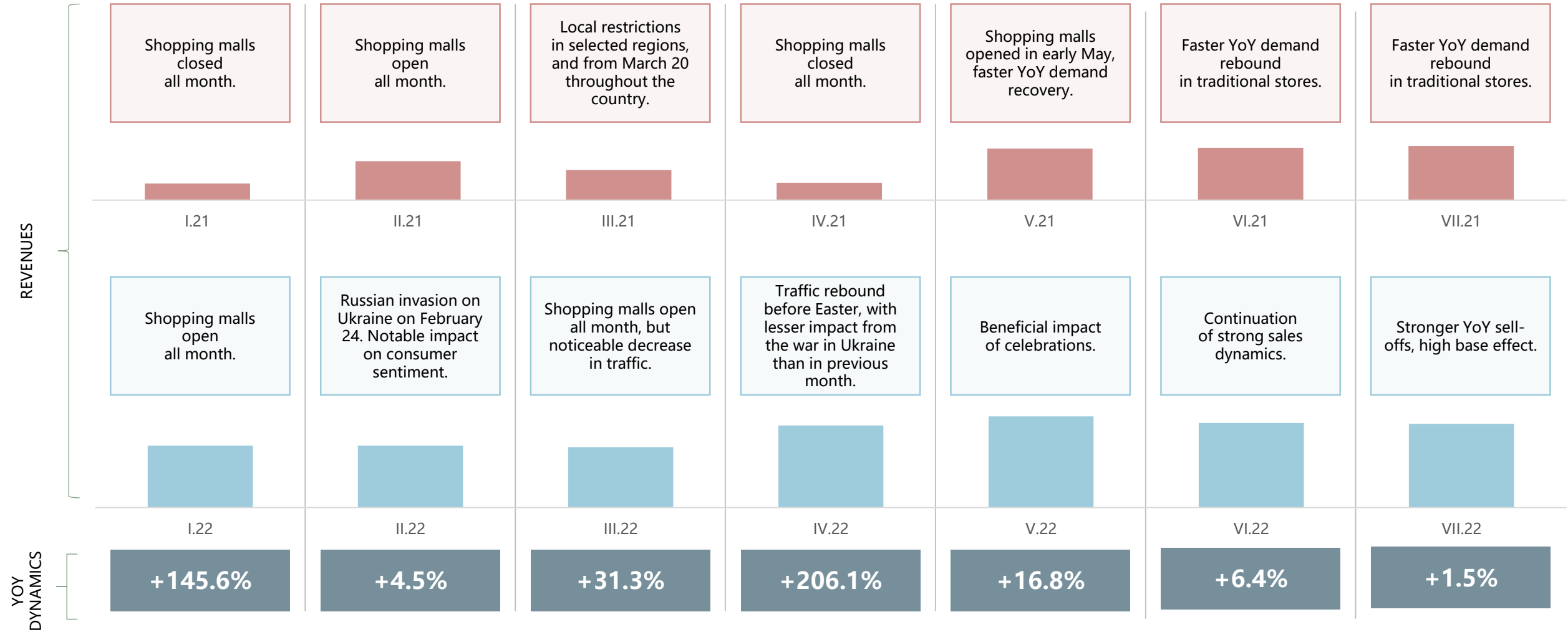
Strong results in the first six months

First dividend payment in years

Transparent structure of VRG Management Board

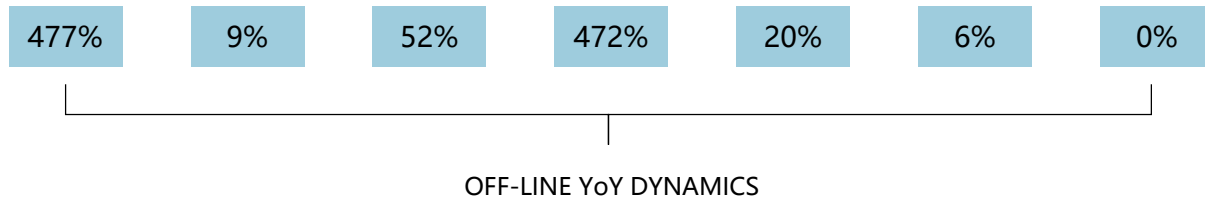
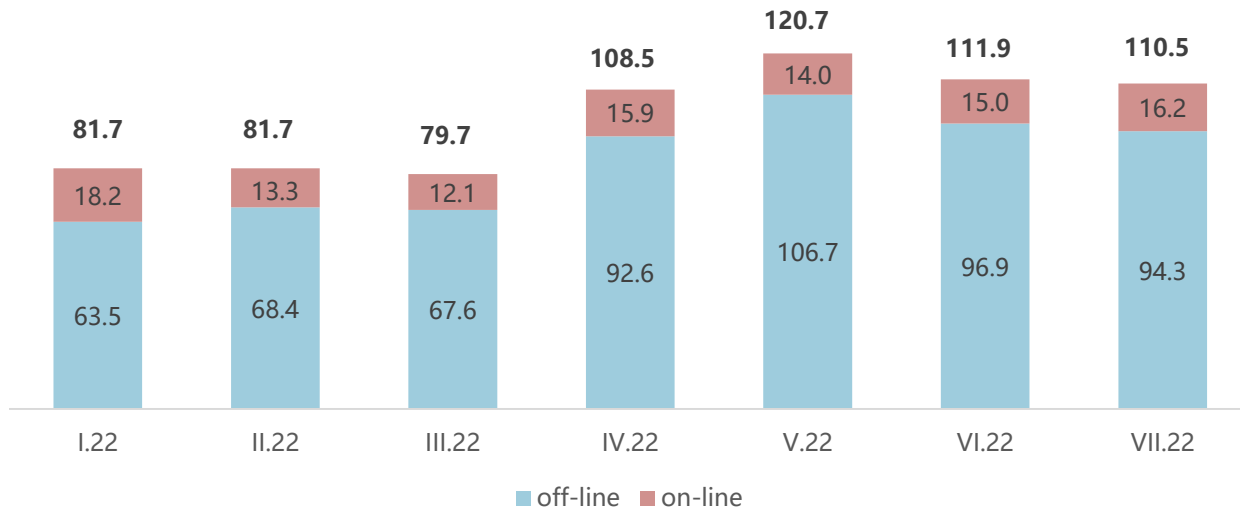


TRADITIONAL STORE SALES REBOUND



HIGH SALES IN STORES

Revenues (PLN m)



1 Group

Growing Group sales dynamics in the first half of the year, despite unfavorable combination of external factors.

2 Stores

High 1H22 sales dynamics in traditional stores. YoY stabilisation in July due to the high base.

3 E-stores

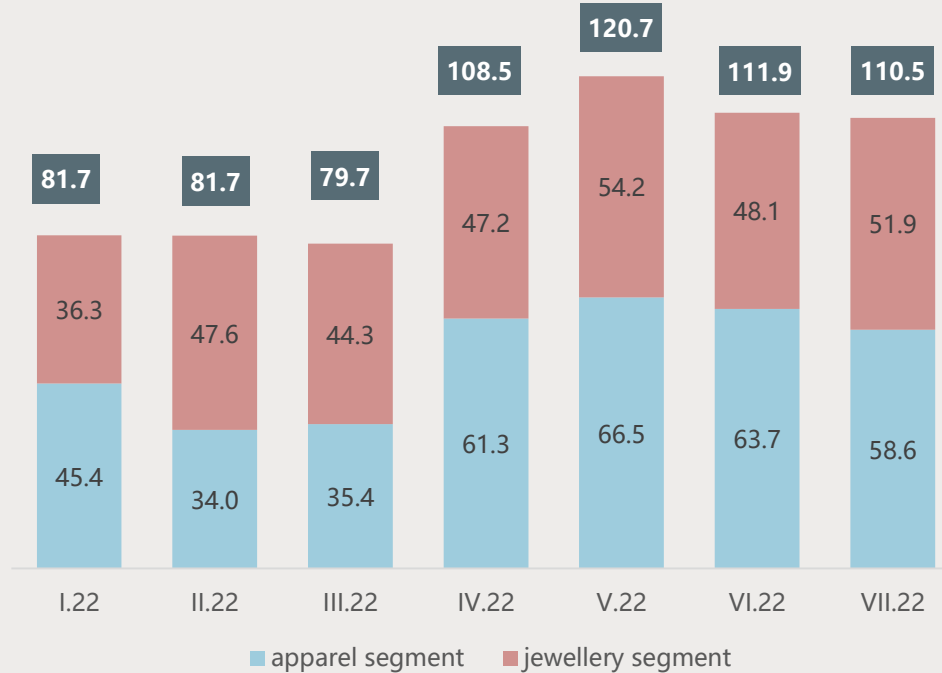
On-line sales were influenced by a strong rebound in sales in traditional stores and a high base.



VERY GOOD RESULTS IN BOTH SEGMENTS IN 2Q22



Revenues (PLN m)



Strong trends in the Capital Group revenues.

The jewellery segment showed strong dynamics from the beginning of the year, regardless of the pandemic and the war.

The apparel segment is regaining its position with more frequent returns to offices and celebrations.

VERY GOOD RESULTS IN 2Q22 AND 1H22

2Q22 IFRS16

REVENUES

PLN 341.8m

40.1% YoY

EBIT

PLN 60.2m

+260.1% YoY

GROSS MARGIN
ON SALES

56.5%

2.8 pp. YoY

NET PROFIT (LOSS)

PLN 39.3m

+83.5% YoY

1H22 IFRS16

REVENUES

PLN 585.5m

40.7% YoY

EBIT

PLN 65.2m

7,184.7% YoY

GROSS MARGIN
ON SALES

54.0%

2.9 pp. YoY

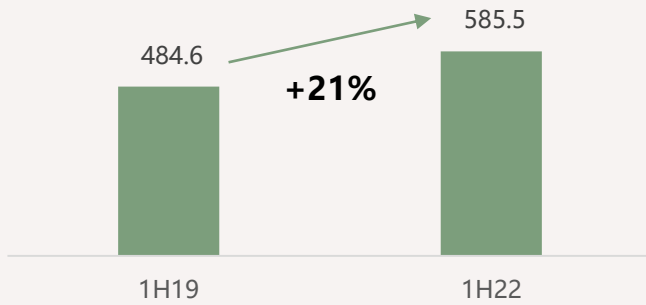
NET PROFIT (LOSS)

PLN 36.4m

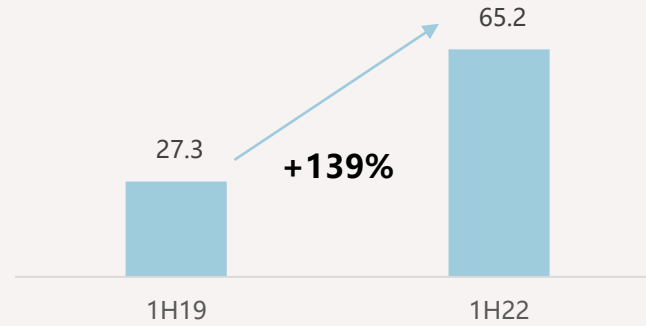
1,178.7% YoY

RESULTS BETTER THAN IN PRE-PANDEMIC 2019

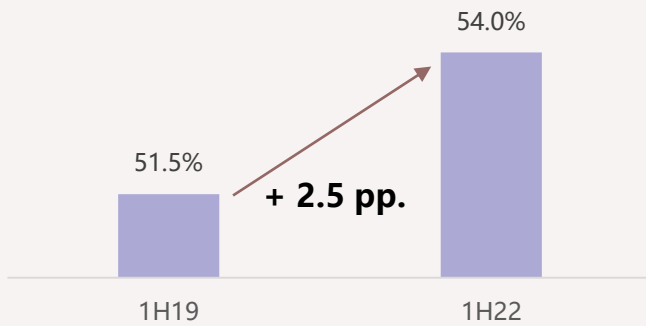
Revenues (PLN m)



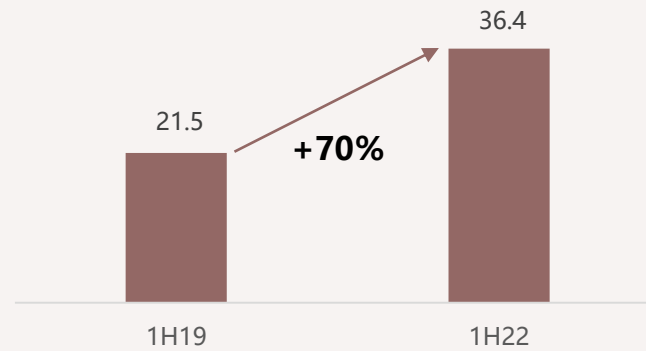
EBIT (PLN m)



Gross margin (%)



Net profit (PLN m)



TRANSPARENT GROUP MANAGEMENT STRUCTURE

VRG S.A. MANAGEMENT BOARD

Janusz Płocica
President
of the Management Board

Marta Fryzowska
Executive Vice President
of the Management Board

Michał Zimnicki
Executive Vice President
of the Management Board, CFO

Łukasz Bernacki
Executive Vice President
of the Management Board,
President of the Management Board
of W.KRUK



Key competencies in the
apparel and jewellery
segments represented on
the Management Board.



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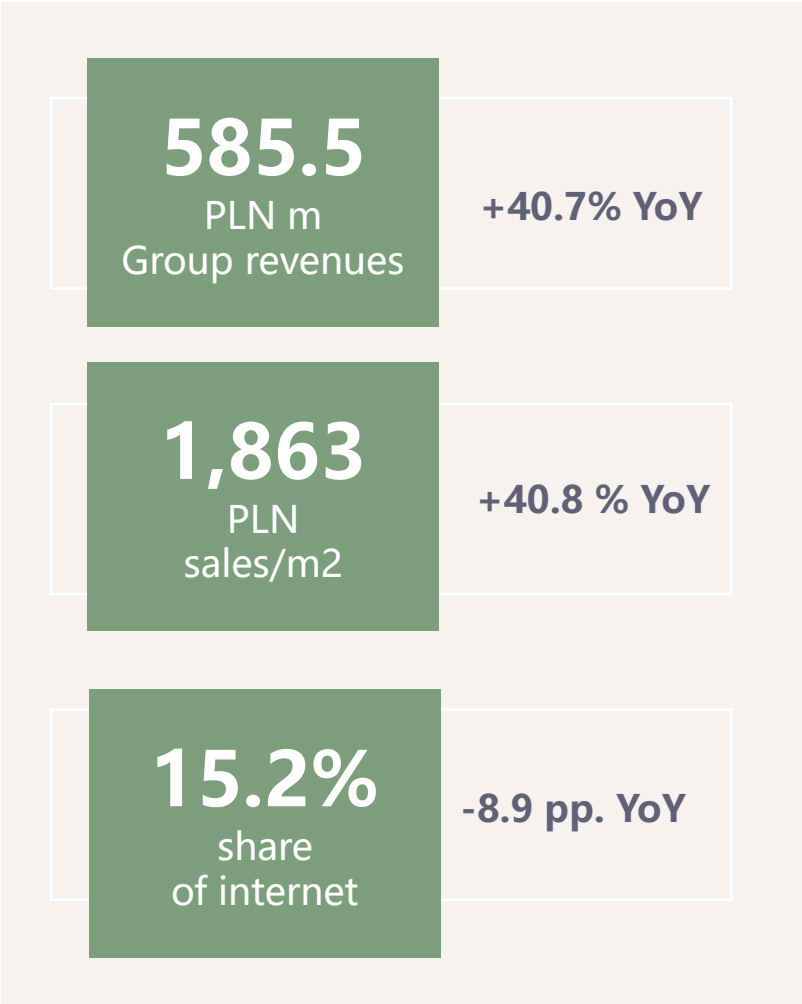
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PERFORMANCE
BY BRANDS



| GOOD FIRST HALF OF THE YEAR



1H22 results significantly better than 1H19 pre-pandemic results.



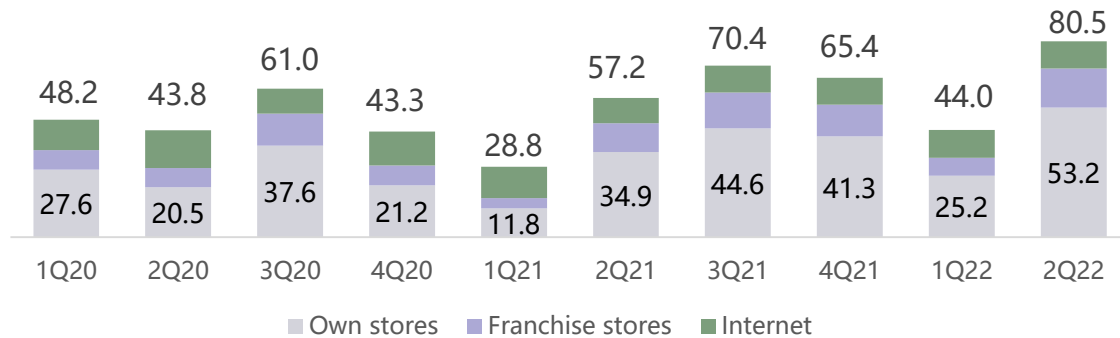
VISTULA: ON-LINE AND OFF-LINE GROWTH

Vistula brand network

	2Q21	2Q22	YoY
Number of stores	148	144	-4
incl. franchise	64	62	-2
Floorspace (m2)	18,593	18,404	-1%
incl. franchise	6,532	6,341	-3%
Internet % sales	18.3%	14.0%	-4.3 pp.

- Vistula brand floorspace was stable YoY at the end of 2Q22, while the number of stores of the brand fell by 4 net YoY, including net loss of 2 franchise stores.
- Store floorspace decreased by 1% YoY and franchise floorspace by 3% YoY.
- Vistula brand revenues reached PLN 80.5m in 2Q22 (up 40.8% YoY) due to faster YoY recovery in demand in traditional stores.

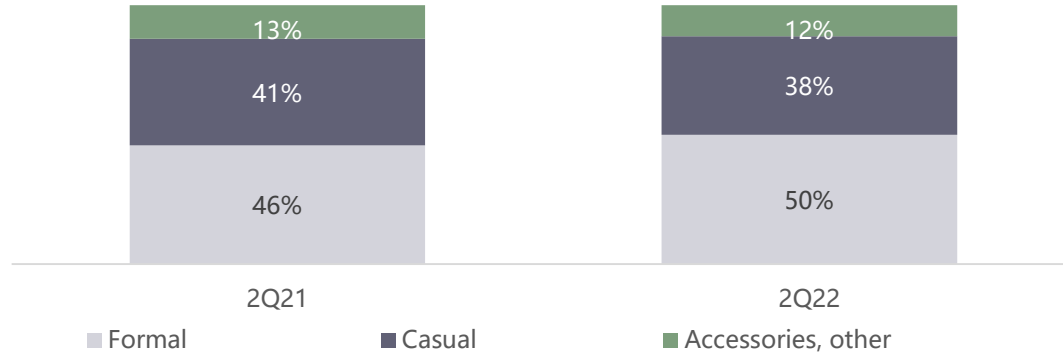
Vistula brand revenues (PLN m)



- Store revenues amounted to PLN 53.2m, +52.5% YoY, in 2Q22, as customers returned to shopping malls.
- Franchise revenues reached PLN 16.0m in 2Q22 (+19.9% YoY), while the share of franchise fell from 20.7% in 2Q21 to 19.9% in 2Q22.
- Internet revenues amounted to PLN 11.2m in 2Q22, up 7.6% YoY. Share of internet in sales at 14.0% in 2Q22, 4.3 pp. decline due to stronger off-line growths.

VISTULA: DOUBLING OF STORE EBIT

Vistula brand revenue split



- High revenue growth rates on every category: formal, casual, accessories and other.
- Increased share of formal due to return to offices and celebrations.
- YoY growth in sales/m2 due to the rebound in traditional stores.

Vistula brand efficiency

	2Q21	2Q22	YoY
Revenues (PLN/m2 per month)	1,031	1,454	41.1%
Gross profit margin (%)	58.1%	62.2%	4.1pp.
Cost of stores (PLN/m2 per month)	409	517	26.6%
Store EBIT (PLN m)	10.5	21.4	103.6%

- Significant YoY increase in gross margin - lower YoY promotions, lower YoY share of on-line in revenues.
- Increase in store costs/ m2 due to growing rents and salaries as well as commissions.
- As a result, doubling of store EBIT.



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**EXECUTIVE
SUMMARY**

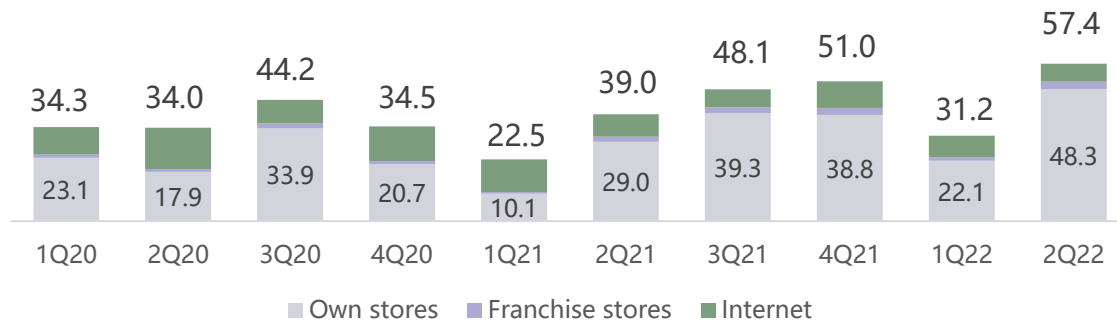
BYTOM: DOUBLE-DIGIT REVENUE GROWTH

Bytom brand network

	2Q21	2Q22	YoY
Number of stores	116	109	-7
incl. franchise	11	10	- 1
Floorspace (m2)	15,417	14,638	-5%
incl. franchise	1 135	1 063	- 6%
Internet % sales	21.0%	11.3%	-9.7pp.

- Number of Bytom stores decreased by 7 net YoY, while the number of franchise stores fell by 1 net YoY.
- Floorspace of Bytom stores decreased by 5% YoY, while franchise floorspace fell by 6% YoY.
- Bytom brand revenues amounted to PLN 57.4m in 2Q22 (+47.4% YoY).

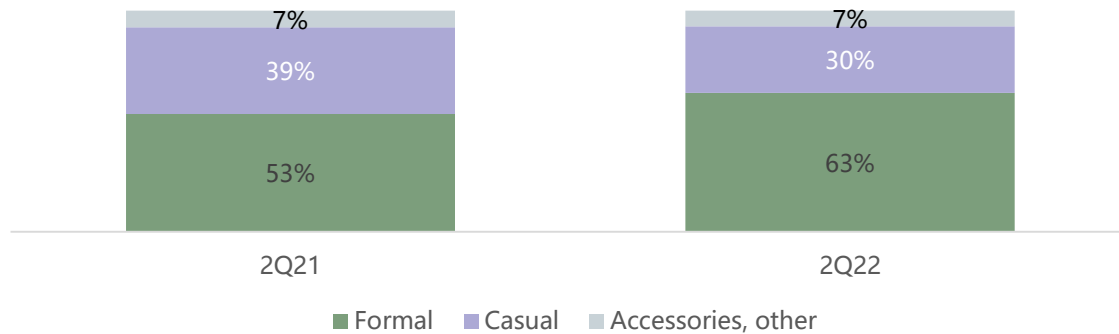
Bytom brand revenues (PLN m)



- Traditional stores revenues amounted to PLN 48.3m, +66.6% YoY, in 2Q22, due to customers' return to shopping malls.
- Franchise revenues amounted to PLN 2.7m in 2Q22 (+48.3% YoY), while its share in overall sales remained stable YoY at 4.6% in 2Q22.
- Internet revenues amounted to PLN 6.5m in 2Q22 (-20.6% YoY), accounting for 11.3% of 2Q22 sales, 9.7 pp. decrease YoY.

BYTOM: STORE EBIT SIGNIFICANTLY IMPROVED

Bytom brand revenue split



- Growing three sales categories: formal, casual, accessories and other.
- Consistently growing share of formal sales due to return to office work and celebrations.
- High, double-digit increase in sales/ m2 - improved off-line sales, demand for formal collection and lesser YoY restrictions.

Bytom brand efficiency

	2Q21	2Q22	YoY
Revenues (PLN/m2 per month)	842	1 295	53.7%
Gross profit margin (%)	56.2%	61.1%	4.9pp.
Cost of stores (PLN/m2 per month)	407	499	22.8%
Store EBIT (PLN m)	3.1	13.0	320.6%

- Significantly higher YoY gross margin due to lower YoY promotions.
- Store costs/ m2 increased below the increase in sales/ m2 due to higher wage costs and commissions.
- As a result, high triple-digit growth at the store EBIT level.



WÓLCZANKA



**EXECUTIVE
SUMMARY**

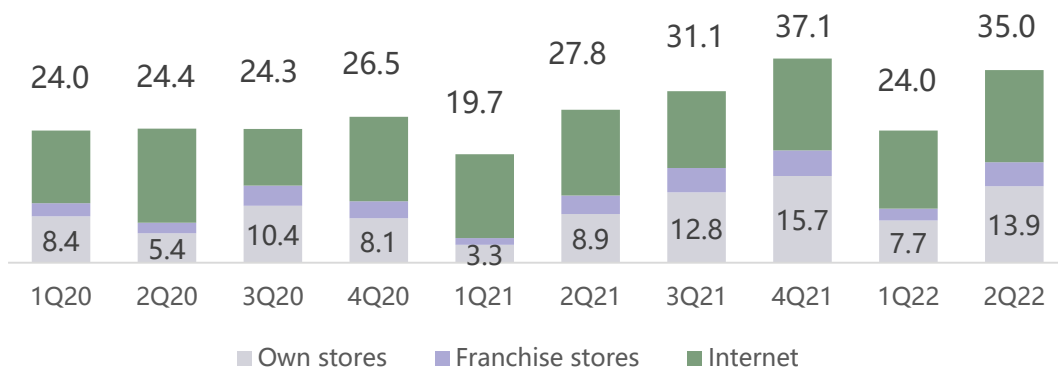
WÓLCZANKA: BALANCE BETWEEN ON-LINE AND OFF-LINE

Wólczanka brand network

	2Q21	2Q22	YoY
Number of stores	121	110	-11
incl. franchise	53	45	-8
Floorspace (m2)	4,430	4,544	3%
incl. franchise	1,625	1,392	-14%
Internet % sales	56.0%	47.7%	-8.3pp.

- Floorspace increased by 3% YoY due to new-concept store openings, while franchise floorspace decreased by 14% YoY.
- Wólczanka network decreased by 11 stores net YoY. The close downs concerned both own boutiques - the number stores dropped by 3 net YoY, and franchise stores – decrease by 8 YoY.
- Wólczanka revenues reached PLN 35.0m in 2Q22 (+25.9% YoY), due to a balanced share of on-line and off-line in sales.

Wólczanka brand revenues (PLN m)



- Traditional store revenues amounted to PLN 13.9m, +56.9% YoY, in 2Q22.
- Franchise revenues reached PLN 4.5m in 2Q22 (+30.2% YoY). Share of franchise came in at 12.5% in 2Q22, stable YoY.
- Internet revenues amounted to PLN 16.7m in 2Q22 (+7.3% YoY), constituting 47.7% of sales vs 56.0% in 2Q21.

A GROWING SHARE OF NEW ASSORTMENT

Wólczanka brand revenue split



- Increased sales of shirts with a positive reception of new assortments from the "total look" range.
- Growing share of women's collection results from successful introduction of the extended brand assortment for female brand customers.
- Significant double-digit growth in revenue/ m2 due primarily to increasing off-line sales.

Wólczanka brand efficiency

	2Q21	2Q22	YoY
Revenues (PLN/m2 per month)	2,084	2,527	21.3%
Gross profit margin (%)	56.5%	58.9%	2.4pp.
Cost of stores (PLN/m2 per month)	770	968	25.7%
Store EBIT (PLN m)	5.4	7.2	32.6%

- Higher YoY gross margin due to a higher share of new assortment and lower YoY promotions.
- Increase in costs/ m2 due to higher salaries, commissions and higher depreciation.
- YoY improvement in store EBIT.



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**EXECUTIVE
SUMMARY**

DENI CLER: FRANCHISE AND MULTIBRANDS SUPPORT REVENUES

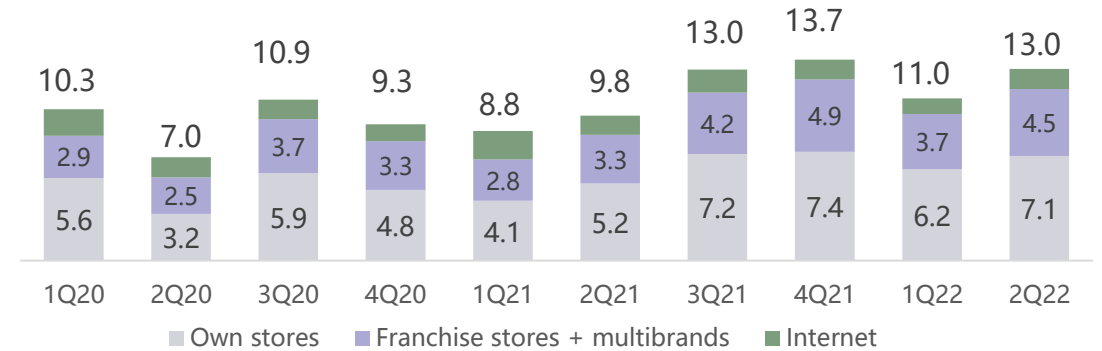
Deni Cler brand network

	2Q21	2Q22	YoY
Number of stores	30	28	-2
incl. franchise	7	6	-1
Floorspace (m2)	2,897	2,799	-3%
incl. franchise	502	440	-12%
Internet % sales	13.1%	10.5%	-2.6pp.

Deni Cler brand efficiency (PLN m)

	2Q21	2Q22	YoY
Revenues (PLN/m2 per month)	1,143	1,551	35.6%
Gross profit margin (%)	62.3%	66.6%	4.3pp.
Cost of stores (PLN/m2 per month)	444	590	33.0%
Store EBIT (PLN m)	2.3	3.7	60.4%

Deni Cler brand revenues (PLN m)



- In 2Q22, Deni Cler brand revenues increased by 32.2% YoY. Internet generated PLN 1.4m revenue in 2Q22 (+5.9% YoY).
- Franchise revenues amounted to PLN 4.5m in 2Q22 (+36.5% YoY), supported by multibrand development.
- YoY gross margin increase due to lower YoY promotions. Group's highest gross margin. Increase in costs/ m2 similar to sales/ m2: rising rents, salaries and commissions. As a result, high double-digit store EBIT growth.



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**EXECUTIVE
SUMMARY**

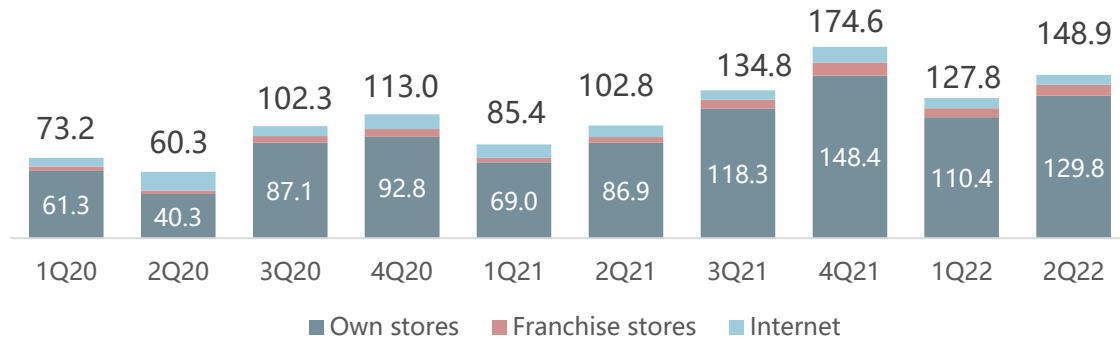
W.KRUK: DEVELOPMENT OF THE BRAND'S FLOORSPACE

W.KRUK brand network

	2Q21	2Q22	YoY
Number of stores	142	148	+ 6
incl. franchise	20	26	+ 6
Floorspace (m2)	11,060	11,630	+ 5%
incl. franchise	1,255	1,645	+ 31%
Internet % sales	10,3%	6,1%	-4,2pp.

- Continuation of W.KRUK brand development YoY. Growth in net number of stores by 6 YoY and 5% YoY increase in brand's floorspace.
- The brand already had 26 franchise stores at the end of 2Q22, 6 more YoY. Franchise store floorspace increased by 31% YoY.
- W.KRUK retail revenues in 2Q22 reached PLN 148.9m (up 44.9% YoY).

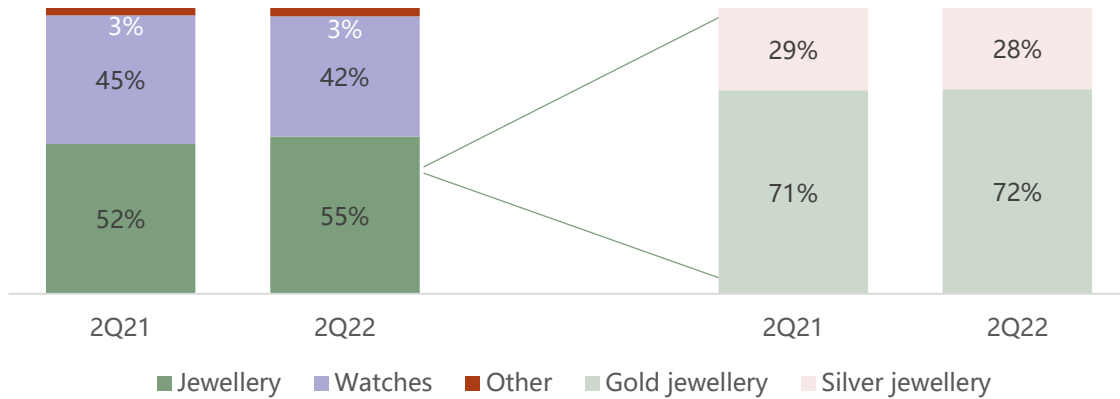
W.KRUK brand retail revenues
(PLN m)



- Revenues from W.KRUK brand traditional stores in 2Q22 amounted to PLN 129.8m (49.4% increase YoY).
- Franchise revenues amounted to PLN 10.0m in 2Q22, an increase of 88.9% YoY, and their share in 2Q22 sales amounted to 6.7%, +1.6pp. YoY.
- Internet revenues amounted to PLN 9.1m, -14.4% YoY. In 2Q22, internet accounted for 6.1% of sales compared to 10.3% in 2Q21.

W.KRUK: STRONG GROWTH OF STORE EBIT

W.KRUK brand revenue split



- Increased share of jewellery in sales. In jewellery section, higher sales dynamics of gold jewellery than silver jewellery in 2Q22.
- Continued strong sales growth in watches.
- High sales/ m2 growth in the quarter due to continued strong demand.

W.KRUK brand efficiency
(PLN m)

	2Q21	2Q22	YoY
Revenues (PLN/m2 per month)	3,110	4,275	37.5%
Gross profit margin (%)	51.4%	52.8%	1.4pp.
Cost of stores (PLN/m2 per month)	876	1 053	20.3%
Store EBIT (PLN m)	23.9	41.9	75.2%

- Gross margin increase due to reduction in discounting and lower share of watches in sales.
- Growth in costs/ m2 lower than growth in revenue/m2: increase in salaries, commissions and other costs.
- As a result, high double-digit growth in store EBIT.

IMPROVED PERFORMANCE OF ALL BRANDS

VISTULA

HIGH
SALES DYNAMICS

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SIGNIFICANT
IMPROVEMENT IN
GROSS PROFIT MARGIN

WÓLCZANKA

THE HIGHEST SHARE
OF INTERNET



DENI CLER
MILANO

THE HIGHEST
GROSS PROFIT MARGIN



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DOUBLE-DIGIT
GROWTH
OF STORE EBIT



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DENICLER

MILANO

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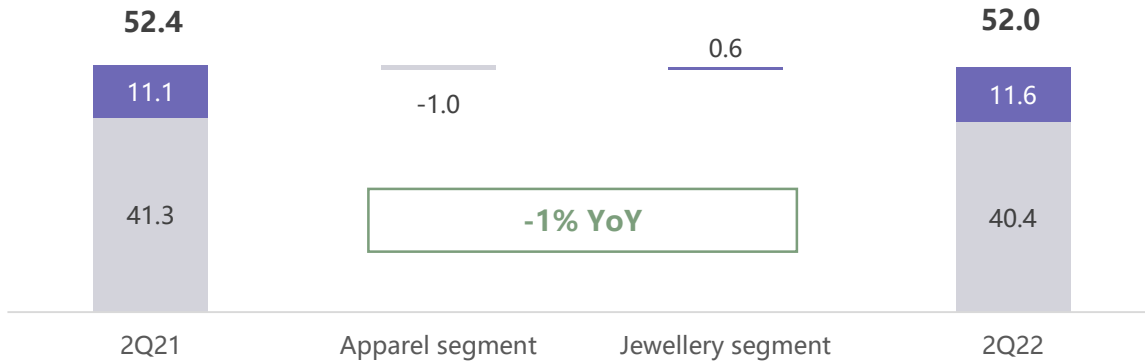
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GROUP RESULTS



STABLE GROUP FLOORSPACE

Group floorspace change YoY
(ths m2)



- Group floorspace reached 52.0% ths m2 at the end of 2Q22, drop by 1% YoY.
- The apparel segment floorspace fell net by 1.0 ths m2, i.e. 2.3 % YoY, due to closing down of unprofitable stores.
- The jewellery segment floorspace grew 0.6 ths m2 net, up 5.2% YoY, due to development of franchise stores.

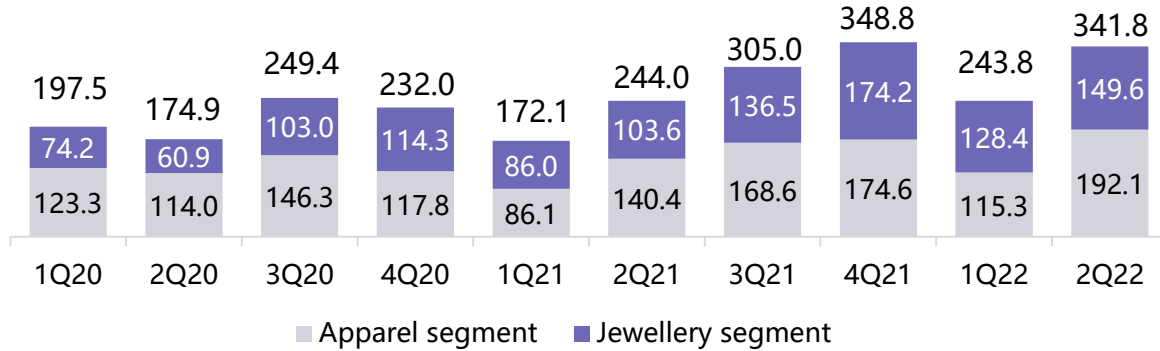
Group floorspace change YoY
(ths m2)



- Throughout the year, the franchise floorspace remained stable, while own stores floorspace slightly decreased.
- Own stores floorspace reached 41.1 ths m2, 1.0% drop YoY.
- Franchise stores floorspace was stable YoY at 10.9 ths m2.

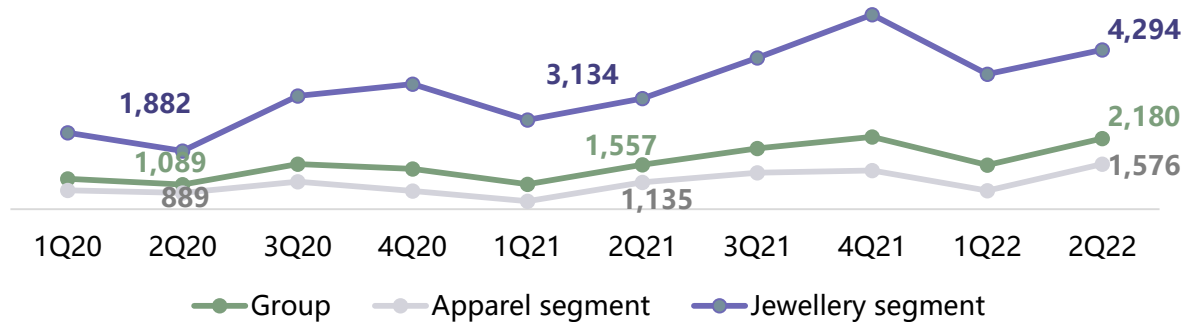
FAVOURABLE TRENDS IN REVENUES/ M2

Group revenues
(PLN m)



- Group revenues reached PLN 341.8m in 2Q22 (up 40.1% YoY), due to rebound in traditional stores of both segments.
- Apparel segment revenues grew 36.9% YoY, reaching PLN 192.1m, in 2Q22.
- Jewellery segment revenues in 2Q22 amounted to PLN 149.6m, up 44.4% YoY. Growth in share of this segment from 42.5% in 2Q21 to 43.8% in 2Q22.

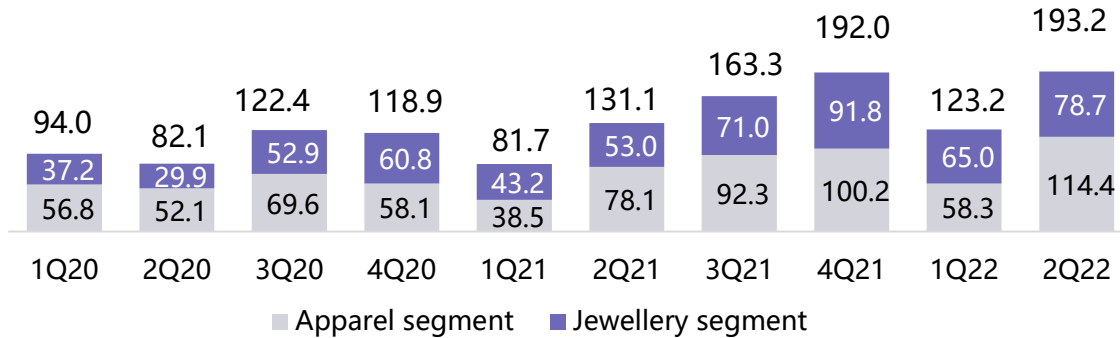
Revenues per m2
(PLN monthly)



- In 2Q22 group sales/ m2 reached PLN 2,180, +40.0% YoY.
- Revenues/ m2 for the apparel segment amounted to PLN 1,576 in 2Q22, +38.8% YoY.
- Jewellery segment revenues/ m2 reached PLN 4,294 in 2Q22, up 37.0% YoY.

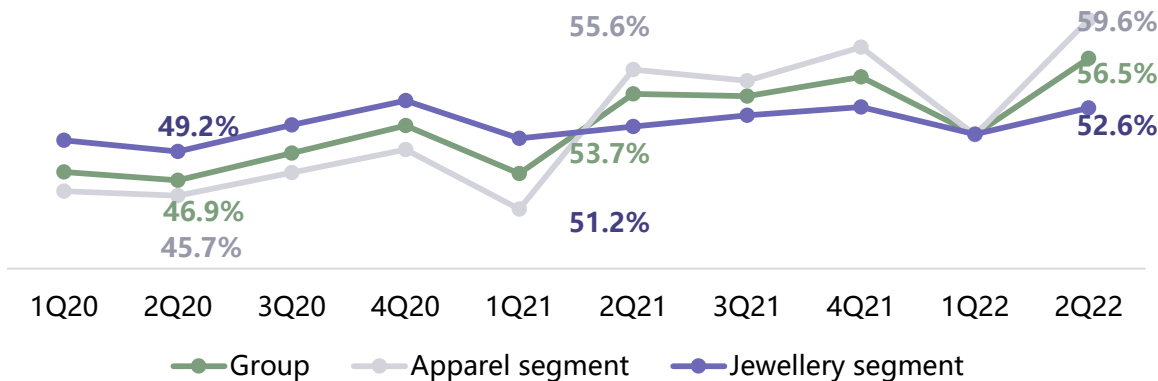
RECORD QUARTERLY GROSS PROFIT ON SALES

Gross profit on sales
(PLN m)



- Group gross profit on sales amounted to PLN 193.2m in 2Q22 (+47.3% YoY).
- In 2Q22 gross profit on sales of the apparel segment reached PLN 114.4m, up 46.5% YoY.
- Gross profit on sales of the jewellery segment in 2Q22 amounted to PLN 78.7m, +48.5% YoY.

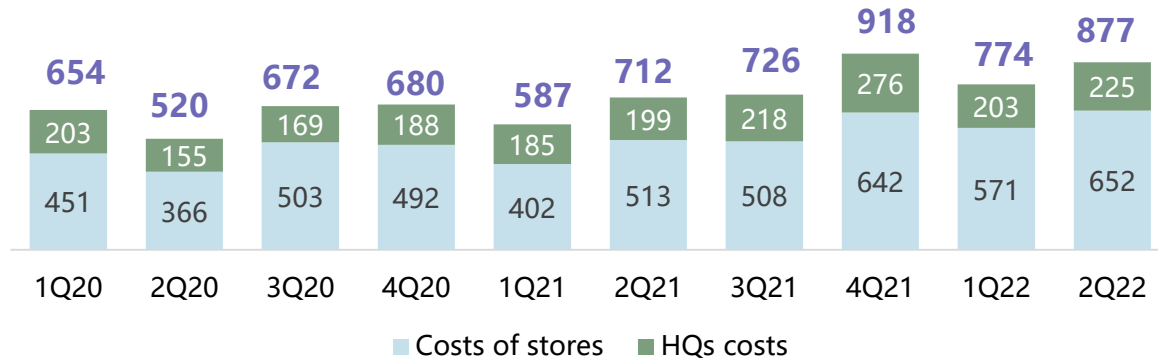
Gross profit on sales margin



- Group gross profit margin reached 56.5% in 2Q22, up 2.8 pp. YoY.
- The apparel segment gross profit margin increased 3.9pp. YoY to 59.6% in 2Q22, due to lower YoY promotions and lower share of internet.
- The jewellery segment noted a 1.4 pp. YoY growth in 2Q22 gross profit margin, to 52.6% level, due to increased share of jewellery.

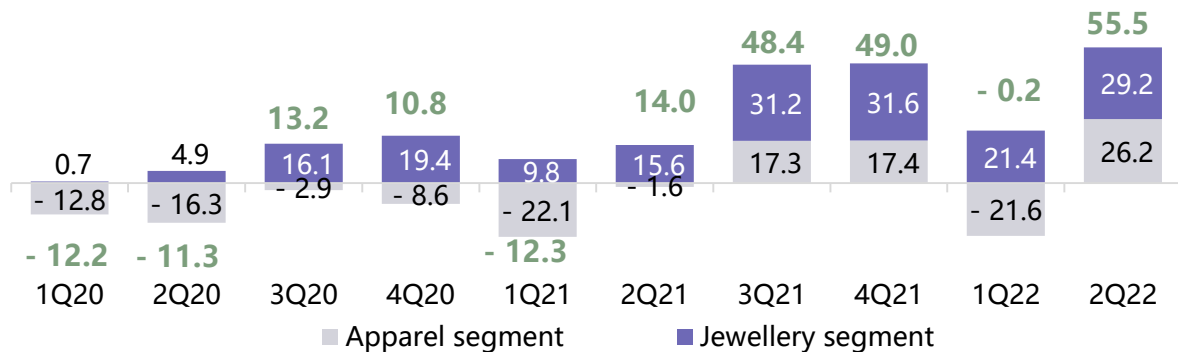
2Q22 OPERATING PROFIT ABOVE 4Q21

Monthly operating costs per m2
(PLN, IAS17)



- Group operating costs/ m2 (IAS17) reached in 2Q22 PLN 877/ m2 per month, up 23.1% YoY. Growth in sales/ m2 higher than growth in costs/ m2.
- Costs of stores at PLN 652/ m2 (+27.0% YoY), while HQs costs/ m2 at PLN 225/ m2, +13.0% YoY (under IAS17).
- Under IAS17, the apparel segment costs reached PLN 724/m2 in 2Q22, up 22.1% YoY, while the jewellery segment costs in 2Q22 amounted to PLN 1,411/m2 per month, up 21.8% YoY.

Operating profit
(PLN m, IAS17)



- EBIT reached PLN55.5m in 2Q22 under IAS17, and was growing significantly as compared to PLN 14.0m profit in 2Q21. IFRS16 EBIT amounted to PLN 60.2m in 2Q22.
- 2Q21 apparel segment EBIT amounted to PLN 26.2m under IAS17 (PLN 29.5m EBIT profit under IFRS16) compared to PLN 1.6m operating loss in 2Q21.
- Operating profit of the jewellery segment under IAS17 reached PLN 29.2m in 2Q22, +87.5% YoY (PLN 30.7m under IFRS16).

VERY STRONG 2Q22 RESULTS

PLN m, IFRS16	2Q21	2Q22	YoY
Revenues	244.0	341.8	40.1%
Gross profit on sales	131.1	193.2	47.3%
<i>Gross profit on sales margin</i>	<i>53.7%</i>	<i>56.5%</i>	<i>2.8pp.</i>
SG&A costs	109.7	132.8	21.0%
EBIT	16.7	60.2	260.1%
<i>EBIT margin</i>	<i>6.9%</i>	<i>17.6%</i>	<i>10.8pp.</i>
Net financial activity	10.1	-10.2	
Net profit	21.4	39.3	83.5%
<i>Net margin</i>	<i>8.8%</i>	<i>11.5%</i>	<i>2.7pp.</i>
EBITDA	43.5	87.0	100.2%
<i>EBITDA margin</i>	<i>17.8%</i>	<i>25.5%</i>	<i>7.6pp.</i>
PLN m. IAS17	2Q21	2Q22	YoY
SG&A costs	112.3	137.5	22.5%
EBIT	14.0	55.5	297.3%
Net profit	11.5	37.9	228.7%
EBITDA	19.2	60.7	216.5%

- Revenues and gross profit margin on sales higher YoY due to favourable trends in both segments.
- More favourable YoY balance of net other operating activities:
 - 2Q21 burdened by write-offs: PLN 9.4m for inventories and PLN 1.9m for property revaluation. In 2Q22, PLN 1.9m reversal of inventory write-offs,
 - PLN 7.7m salary subsidy from Social Security (ZUS) in 2Q21, and no support in 2Q22.
- Difference between the result under IFRS16 and IAS17 is due to a rental recognition issue - straight-line depreciation under IFRS16.
- Less favourable YoY balance of net financing activities.
 - IFRS16: PLN 1.7m FX losses in 2Q22 vs PLN 10.8m gains in 2Q21,
 - IAS17: FX losses of PLN 3.5m in 2Q22 vs PLN 2.7m gains in 2Q21,
 - IFRS16 interest was PLN 1.2m in 2Q22 vs PLN 1.3m in 2Q21,
 - loss on loan valuation at amortised cost came at PLN 2.4m in 2Q22 vs PLN 0.4m in 2Q21 (increase in interest rates).
- Significant YoY improvement in net profit.

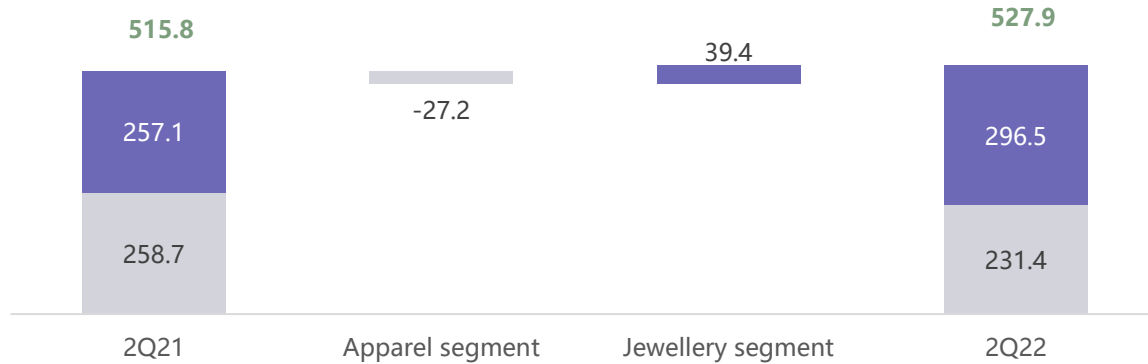
PLN 120M EBITDA IN 1H22

PLN m, IFRS16	1H21	1H22	YoY
Revenues	416.1	585.5	40.7%
Gross profit on sales	212.8	316.4	48.7%
<i>Gross profit on sales margin</i>	<i>51.1%</i>	<i>54.0%</i>	<i>2.9pp.</i>
SG&A costs	205.9	250.1	21.5%
EBIT	0.9	65.2	7,184.7%
<i>EBIT margin</i>	<i>0.2%</i>	<i>11.1%</i>	<i>10.9pp.</i>
Net financial activity	3.3	-18.9	
Net profit	2.8	36.4	1,178.7%
<i>Net margin</i>	<i>0.7%</i>	<i>6.2%</i>	<i>5.5pp.</i>
EBITDA	54.2	119.6	120.6%
<i>EBITDA margin</i>	<i>13.0%</i>	<i>20.4%</i>	<i>7.4pp.</i>
PLN m. IAS17	1H21	1H22	YoY
SG&A costs	204.8	259.3	26.6%
EBIT	1.7	55.3	3,236.3%
Net profit	-0.4	35.0	N/M
EBITDA	12.2	66.2	442.7%

- Revenues and gross profit margin on sales higher YoY due to favourable trends in both segments.
- More favourable YoY balance of net other operating activities:
 - 1H21 burdened by write-offs: PLN 9.4m for inventories and PLN 1.9m for property revaluation. In 1H22, PLN 1.9m reversal of write-offs on inventories,
 - PLN 7.9m salary subsidy from Social Security (ZUS) in 1H21, and no subsidy in 1H22.
- Difference between the result under IFRS16 and IAS17 is due to the issue of rent recognition - straight-line depreciation under IFRS16.
- Unfavourable YoY balance of financing activities:
 - IFRS16: PLN 5.7m FX losses in 1H22 vs PLN 7.6m in 1H21,
 - IAS17: PLN 6.1m FX losses vs PLN 1.2m FX gains in 1H21,
 - IFRS16 interest amounted to PLN 2.4m in 1H22 vs. PLN 2.7m in 1H21,
 - loss on loan valuation at amortised cost came at PLN 2.4m in 1H22 vs PLN 0.4m in 1H21 (increase in interest rates).
- Significantly better YoY net profit.

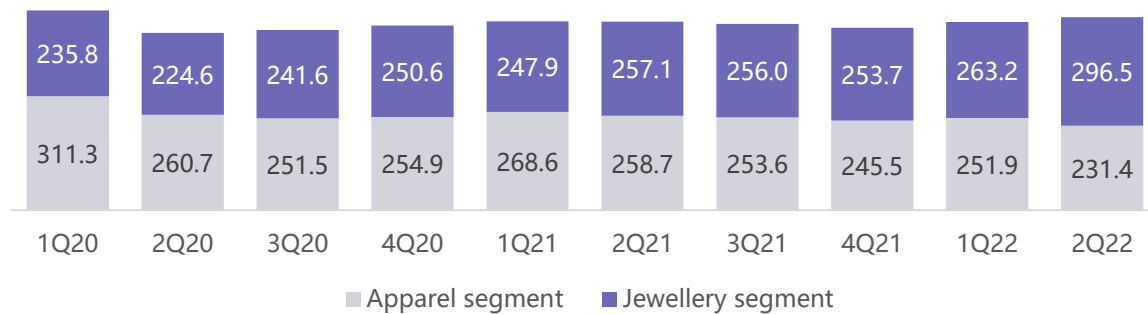
STABLE INVENTORIES DESPITE DYNAMIC SALES GROWTH

Change in inventories
(PLN m)



- Slight increase in inventories by 2.4% YoY to PLN 527.9m in 2Q22 alongside a 40.1% increase in Group revenues in 2Q22.
- Apparel segment inventories fell 10.5% YoY due to good sales in 2Q22, lack of lock-downs and optimised orders.
- Jewellery segment inventories increased by 15.3% YoY, due to accomplished and planned network growth and purchase cost increase.

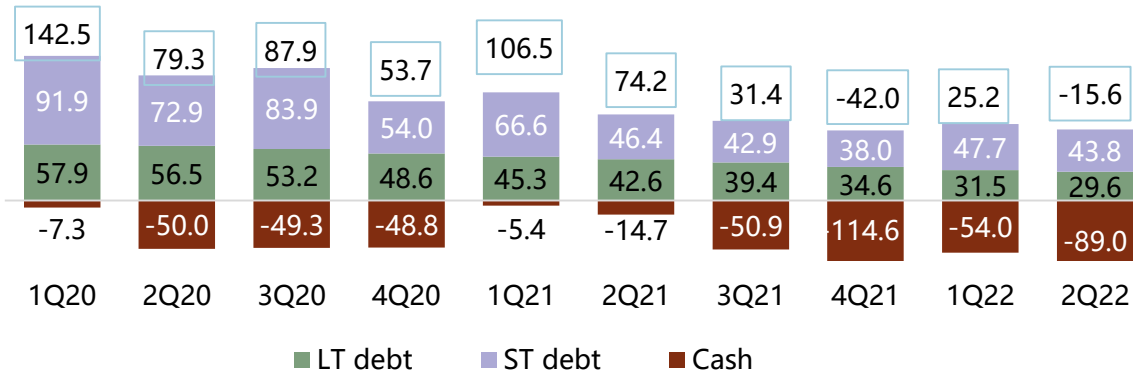
Inventory by segments
(PLN m)



- Group inventory/ m2 reached PLN 10,150 at the end of 2Q22, +3.1% YoY.
- Apparel segment inventory per m2 reached PLN 5,730 down 8.4% YoY.
- Due to the market characteristics, inventory per m2 in the jewellery segment amounted to PLN 25,495, up 9.7% YoY (rising prices, stocking up for openings in 2H22).

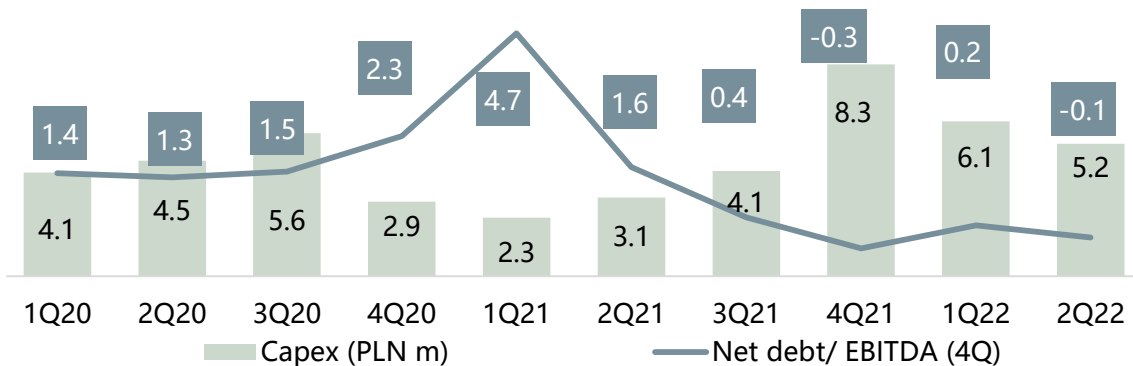
NET CASH ON THE BALANCE SHEET

Net debt/ (net cash)
(PLN m, IAS17 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 314.8m in 2Q22.
- Planned reduction of long-term debt. Usage of reverse factoring for supply chain financing reached PLN 19.0m in 2Q22.
- Group's net cash under IAS17 came in at PLN 15.6m at the end of 2Q22 vs PLN 74.2m net debt in 2Q21.

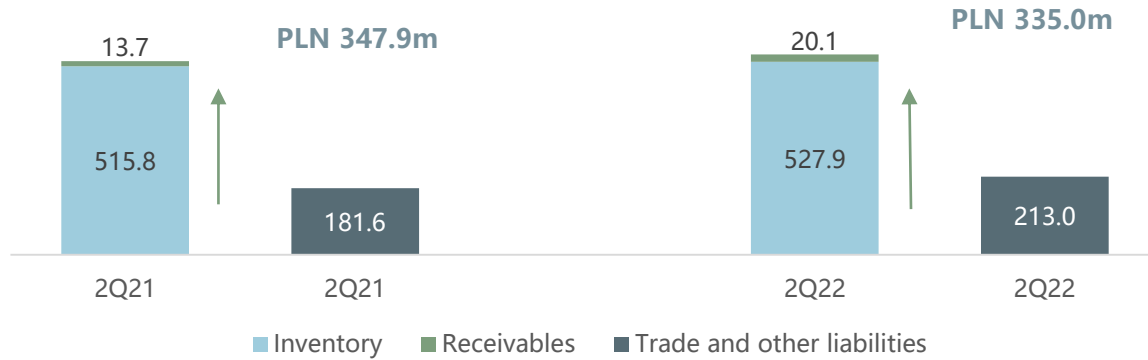
Capex vs. net debt/EBITDA
(IAS17)



- Net debt/ EBITDA (4Q, IAS17) at -0.1x – significant improvement YoY due to favourable 2H22 EBITDA and debt reduction.
- Excluding reverse factoring, the Group's net cash ratio would come at -0.2x.
- Higher YoY capital expenditures in 2Q22, due to a low base – capex reduction in 2Q21 caused by lock-downs and postponing some investments to 2022.

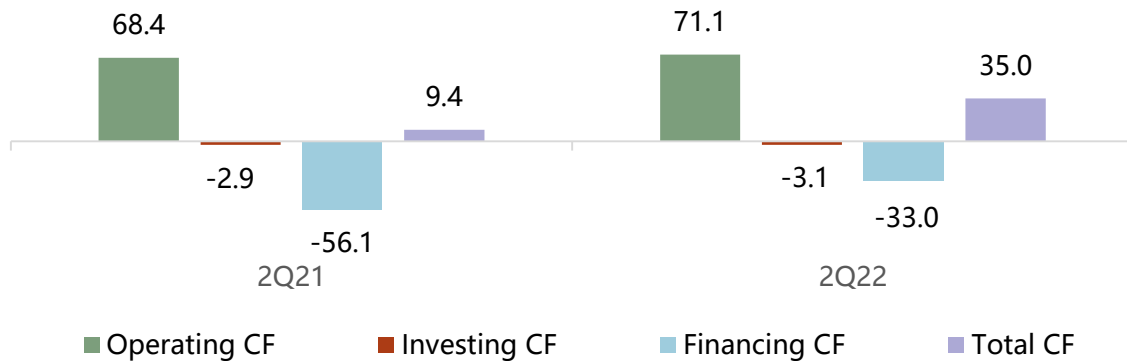
STRONG OPERATING CASH FLOW

Net working capital
(PLN m)



- Slight YoY increase in inventories: decrease in apparel segment, increase in jewellery segment (preparation for floorspace growth in 2H22).
- YoY increase in receivables due to higher YoY prepayments (new collection orders).
- Slightly higher YoY liabilities due to increased inventory levels in the jewellery segment.

Quarterly cash flows
(PLN m)



- Strong and higher YoY operating cash flow in 2Q22 due to higher pre-tax profit and inventory release.
- Higher YoY net capital expenditure - YoY reduction in 2Q21 due to network optimisation and lock-downs.
- Financial cash flow illustrates stable YoY reduction in debt due to working capital financing.

VISTULA

BYTOM

SZTUKA KRAJECIWA OD 1945

WÓLCZANKA

DENICLER

MILANO

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2022+ OUTLOOK



GROUP FLOORSPACE STABILIZATION IN 2022

		2021	2022 target	YoY
APPAREL SEGMENT	stores	404	378	-26
	m2	40,930	39,503	-3%
VISTULA	stores	145	139	-6
	m2	18,531	17,813	-4%
BYTOM	stores	114	107	-7
	m2	15,165	14,437	-5%
WÓLCZANKA	stores	116	103	-13
	m2	4,399	4,421	1%
DENI CLER	stores	29	29	0
	m2	2,835	2,832	0%
JEWELLERY SEGMENT	stores	146	152	6
	m2	11,394	12,175	7%
TOTAL	stores	550	530	-20
	m2	52,324	51,677	-1%



Stabilization of floorspace in the apparel segment - changes in stores, introduction of new concepts adequate to broadened collections.

2022 capex should amount to c.PLN 31m (the amount includes capex for IT).
Planned floorspace of franchise stores at 11.9 ths m2.



Growth in the jewellery segment: new locations for own and franchise stores.

OMNICHANNEL BUILT AROUND CUSTOMER CONVENIENCE



Wide range of delivery and return options for Group brands, including express delivery.

Works on modern visuals for websites and applications reflecting the brands' ID.

Continuation of cooperation with Zalando.

Improved functionality of the Group's brand pages and sales applications - more intuitive and clearer tools.

Interactive size chart - functionality to support customer sizing and optimise on-line return levels.

Development of supporting processes for on-line sales from each shop.

| BUILDING A MODERN BRANDS OFFER



Functional elegance - the latest trends in apparel brands' collections.



High quality distinguishes the Group's brands.

Development of smart casual products as a response to more flexible sales.

Vistula a tailor of national football team in Qatar.

Athleisure and sports limited collections at Deni Cler as well as "Beksinski" at the Bytom brand.

| DIVERSIFICATION OF THE JEWELLERY SEGMENT OFFER

Broadening of the jewellery offer:

- new gold and silver collections (ambassador collection),
- a wide range of gemstone jewellery,
- expansion of the fashion jewellery offer (Picky Pica).

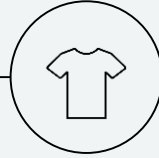


Luxury jewellery offer development at W.KRUK: Birks, Recarlo, Pasquale Bruni, Marco Bicego and Hulchi Belluni.

A wide range of watches from a variety of price levels. Continued development of the luxury watches segment.

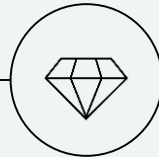
Luxury jewellery and watches from global brands are exclusively available in selected W.KRUK stores.

PLANS FOR THE SECOND HALF OF 2022



APPAREL SEGMENT

- gross margin on sales maximization in post-sales periods,
- marketing adapted to omnichannel solutions,
- anticipation of a positive impact of the Qatar World Cup on Vistula brand



JEWELLERY SEGMENT

- positive impact of broadened offer, new ambassador collection (September/October),
- December a key month in the second half of the year,
- continuation of fixed margin policy



VRG Management Board continuously monitors revenue and margin performance of all brands and will flexibly adapt its actions to the market situation.

After the dividend payment, the total amount of available credit lines for VRG Group comes at PLN 120m.

| 2022 TARGETS MAINTAINED

1

Continuation of double-digit sales growth of the Group.

2

YoY improvement of the gross profit margin - more effective discount policy.

3

Increase in operating margin due to the positive effect of operating leverage.

4

YoY improvement of Capital Group results.

5

Safe liquidity position.



VISTULA

BYTOM

SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER

MILANO

WKRUK

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Q&A



VISTULA

BYTOM

SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER

MILANO

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BACK-UP



| VISTULA: EXECUTIVE SUMMARY

AUTUMN/WINTER 2022 COLLECTION

- The campaign under the slogan "VISTULA ON THE GO. Find what defines you". The collection will be presented in five in-takes, providing the customer with a diverse assortment emphasizing individual style and personality.
- Vistula's offer will include classic forms and elegant outfits for formal occasions, available throughout the season.
- Development of the women's offer - more formal and casual Vistula Woman models.
- Vistula, as an official partner of the Polish Football Association (PZPN), will once again present the formal attire of the Polish national football team for the 2022 World Cup in Qatar. The main features of the prepared players' outfits are: fashionable design, highest quality materials and individual fit.

VISTULA (FASHION FOR MEN AND WOMEN)

- Traditional tailoring and global trends – modern, original and individual style
- Men's collection: VISTULA, and women's: VISTULA WOMAN
- „Made to Measure” service available in selected brand's stores

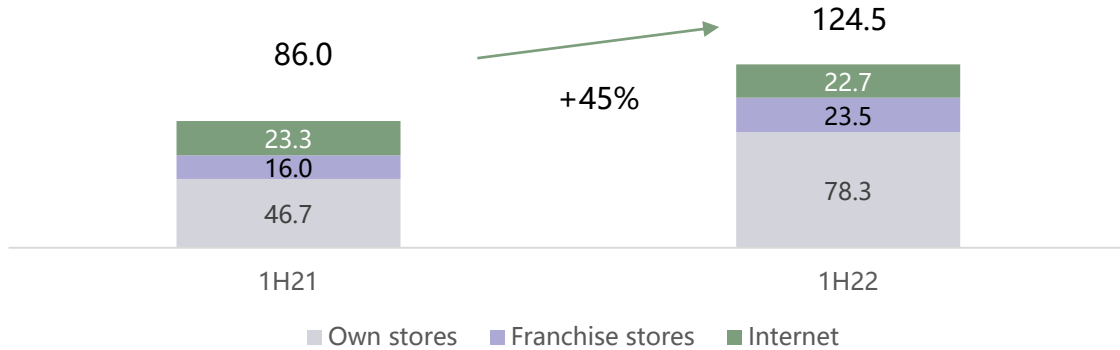
NETWORK DEVELOPMENT

- In 2Q22, the net number of the brand's stores fell by 1 own store.



VISTULA: TRIPLE-DIGIT INCREASES IN STORE EBIT

Vistula brand revenues
(PLN m)



- Vistula brand revenues amounted to PLN 124.5m in 1H22, growing by 44.7% YoY. The brand's stores generated PLN 78.3m, +67.9% YoY, due to demand recovery in shopping centers.
- Franchise revenues amounted to PLN 23.5m in 1H22, +46.7% YoY. The share of franchise was up 18.9% in 1H22, relatively stable YoY.
- Internet revenues amounted to PLN 22.7m in 1H22, -2.9% YoY. Internet's share of 1H22 sales was 18.2%, compared to 27.1% in 1H21.

Vistula brand efficiency

	1H21	1H22	YoY
Revenues (PLN/m2 per month)	773	1,123	45.3%
Gross profit margin (%)	54.2%	59.1%	4.8pp.
Cost of stores (PLN/m2 per month)	345	470	36.2%
Store EBIT (PLN m)	8.3	21.5	160.0%

- YoY sales/ m2 increase due to stronger rebound in traditional stores.
- YoY increase in gross margin due to lower YoY promotions.
- Increase in store costs/ m2 below growth in sales/ m2: rising commissions and salaries.

| BYTOM: EXECUTIVE SUMMARY

AUTUMN/WINTER 2022 COLLECTION

- The brand's new campaign under the slogan *Woven Stories* is a tribute to art, culture and history. Inspiration and leitmotif of the campaign is the handicraft world of weaving - the Wawel Castle tapestries, which intermingles with the world of craft tailoring of the Bytom brand. The campaign was created in the interiors of the Wawel Royal Castle.
- The collection continues the journey in the Retro Future convention combining vintage styling with modern forms. It is inspired by the Polish industrial design of the 1960s with a visible influence of eclecticism, both in the individual elements of the collection and in proposed looks.
- The outfits are a fusion of classic canons, vintage styling and modern trends. In addition to suits, the collection includes woollen coats made from high-quality fabrics, trench coats and petticoats, as well as early Autumn quilted jackets and warm Winter jackets filled with natural down.

BYTOM (FASHION FOR MEN)

- A Polish brand with a tradition of tailoring craftsmanship dating back to 1945
- "Made to Measure" service available in selected brand stores, fostering the traditional values of the brand
- Men's formal fashion and smart casual

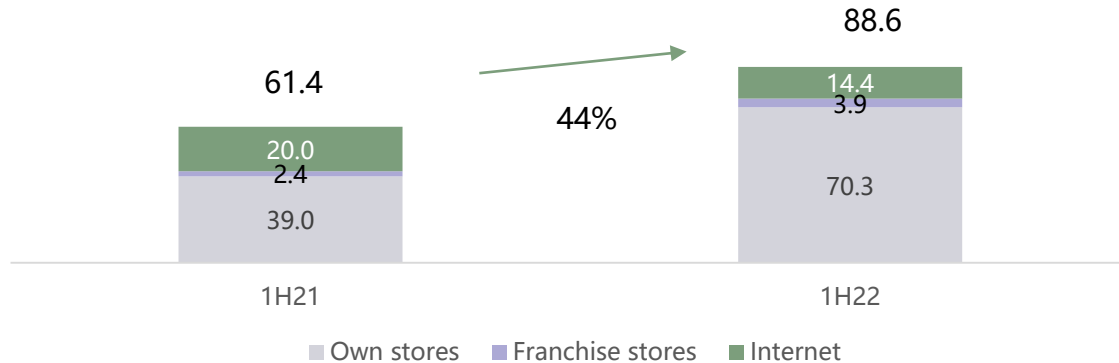
NETWORK DEVELOPMENT

- In 2Q22, the number of stores fell by 3 net QoQ, including closings of own and franchise stores.



BYTOM: GROSS PROFIT MARGIN IMPROVEMENT

Bytom brand revenues
(PLN m)



- Bytom brand revenues amounted to PLN 88.6m in 1H22, growing by 44.3% YoY. The brand's stores generated PLN 70.3m, +80.2% YoY.
- Franchise revenues amounted to PLN 3.9m in 1H22, +66.1% YoY. The franchise share increased from 3.8% in 1H21 to 4.4% in 1H22.
- Internet revenues amounted to PLN 14.4m in 1H22, -28.2% YoY. Internet's share in 1H22 sales was 16.2% compared to 32.6% in 1H21.

Bytom brand efficiency

	1H21	1H22	YoY
Revenues (PLN/m2 per month)	665	992	49.2%
Gross profit margin (%)	51.4%	58.5%	7.1pp.
Cost of stores (PLN/m2 per month)	370	475	28.4%
Store EBIT (PLN m)	-2.6	9.5	N/M

- Double-digit sales/ m2 growth due to better collections and lower COVID-19 restrictions.
- Significantly higher YoY gross margin due to lower YoY promotions in both on-line and off-line channels.
- Increase in store costs/ m2 below growth in sales/ m2: rising rentals, commission and payroll costs but lower depreciation.
- Significant increase in store EBIT.

| WÓLCZANKA: EXECUTIVE SUMMARY

AUTUMN/WINTER 2022 COLLECTION

- The new collection's leitmotif is the energy of the city and the surrounding nature.
- For the new season, the brand's designers opted for a strong emphasis on all shades of navy blue, earthy colours and beiges.
- In addition to classic shirts, one will find a wide range of knitwear, outerwear, dresses, skirts and accessories.
- Wólczanka offers a dynamic yet sensual "total look". The new stylizations aptly reflect the energy of the city and the dynamically changing nature. They provide comfort combined with elegance according to the latest trends.
- Wólczanka's proposals allow the freedom to build a variety of outfits and construct a capsule wardrobe.

WÓLCZANKA (FASHION FOR MEN AND WOMEN)

- Polish chain of own and franchise stores with women's and men's clothing (total look)
- The offer includes: shirts, sweaters, pants, dresses, skirts, polos and t-shirts, jackets and accessories
- Lambert brand - high-quality formal shirts and accessories

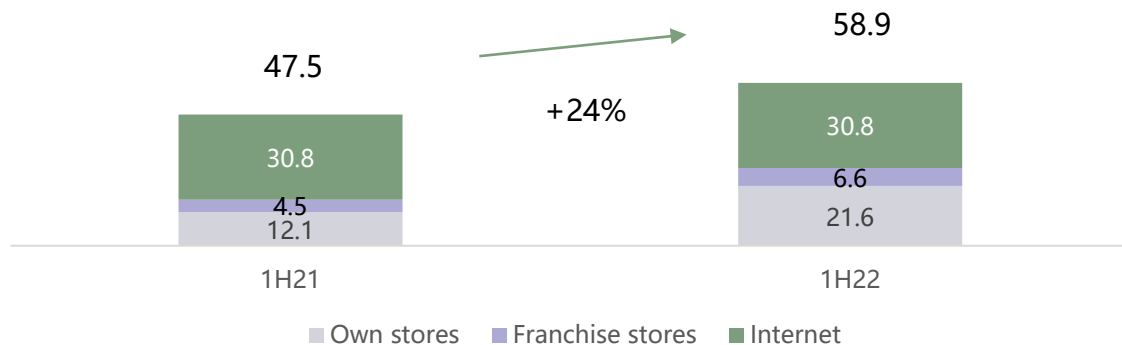
NETWORK DEVELOPMENT

- Net decrease of store number in 2Q22 by 3 QoQ, including net decrease of 2 franchise stores



WÓLCZANKA: HIGHEST SHARE OF ON-LINE

Wólczanka brand revenues
(PLN m)



- Wólczanka brand revenues amounted to PLN 58.9m in 1H22, growing by 24.2% YoY. The brand's stores generated PLN 21.6m, +77.7% YoY.
- Franchise revenues amounted to PLN 6.6m in 1H22, up 44.3% YoY. The franchise share increased from 9.6% in 1H21 to 11.1% in 1H22.
- Internet revenues amounted to PLN 30.8m in 1H22, stable YoY. Internet's share of 1H22 sales was 52.3% compared to 64.9% in 1H21.

Wólczanka brand efficiency

	1H21	1H22	YoY
Revenues (PLN/m2 per month)	1,743	2,115	21.3%
Gross profit margin (%)	52.9%	56.3%	3.5pp.
Cost of stores (PLN/m2 per month)	696	900	29.3%
Store EBIT (PLN m)	6.1	8.1	32.4%

- Increase in revenue/ m2 due to, among other things, lower Covid-19 restrictions.
- Higher gross profit margin on sales in both on-line and off-line channels.
- Increase in costs/ m2 above the increase in sales/ m2: growth in rents, commissions and salaries.
- High store EBIT growth in 1H22.

| DENI CLER: EXECUTIVE SUMMARY

AUTUMN/WINTER 2022 „Viaggio in città”

- The latest collection is inspired by a journey around different world capitals. The first capsule collection is Tokyo, a mix of urban fashion and glamour style, such as cocktail dresses or suits made of a lightly shiny wool. Greens of varying intensities dominate with gold in accessories and add-ons.
- New York, in this group we find 'energetic' weekend and sporty models. Dominant colours are navy blue, red, grey and subtle beige.
- Rome and London: in these capsules, one can find many business models in the classic colours of beige, camel, browns and black. An important colour is the pastel purple of Very Peri, the colour of the year 2022.
- Milan, a dominance of classic greys and various shades of orange.
- The collection concludes with the Paris line, dominated by cyclamen pink and black. The most important part of this group consists of evening outfits and items for formal outings.
- Deni Cler Vintage on-line platform was launched in April 2022, with designs from former Deni Cler collections. This will be followed by launch of a "resale" site, through which it will be possible to sell clothes with the brand's label, from customer to customer.

DENI CLER (WOMEN' S FASHION)

- Women's fashion brand established in Italy in 1971
- Addressed to women over 35 who value high quality and elegance
- Superior quality fabrics with superior accessories and designer cut
- The brand cooperates with selected manufacturers and suppliers of fabrics from renowned Italian manufactories
- Fashion Excellence 2021 of the Twój Styl monthly in the Jubilee category for activities related to the double jubilee: 50 years of the brand and 30 years of presence on the Polish market.

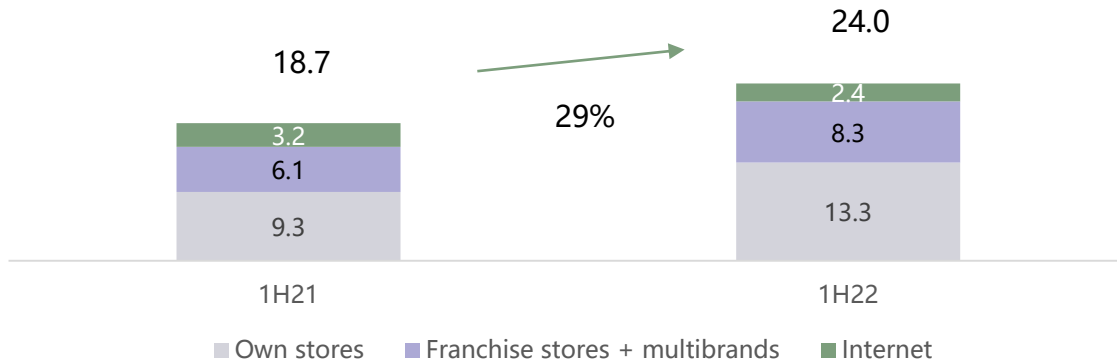
NETWORK DEVELOPMENT

- The number of own and franchise stores as well as multibrand outlets remained stable in 2Q22.



DENI CLER: STRONG GROWTH OF STORE EBIT

Deni Cler brand revenues
(PLN m)



- Deni Cler brand revenues amounted to PLN 24.0m in 1H22, growing by 28.8% YoY. The brand's stores generated PLN 13.3m, +43.2% YoY.
- Franchise and multibrand revenues amounted to PLN 8.3m in 1H22, up 35.0% YoY. The franchise share increased from 32.8% in 1H21 to 34.4% in 1H22.
- Internet revenues amounted to PLN 2.4m in 1H22, -24.6% YoY. Internet's share of 1H22 sales was 17.3%, compared to 10.1% in 1H21.

Deni Cler brand efficiency

	1H21	1H22	YoY
Revenues (PLN/m2 per month)	1,062	1,439	35.6%
Gross profit margin (%)	57.5%	62.5%	5.0pp.
Cost of stores (PLN/m2 per month)	417	576	37.9%
Store EBIT (PLN m)	3.4	5.4	59.7%

- Double-digit increases in sales/ m2 due to a rebound in traditional stores and dynamic growth through multibrand stores.
- YoY increase in gross profit margin in 1H22 due to lower promotions and sell-outs and improved margins in the on-line channel.
- Increase in cost/ m2 similar to sales/ m2 increase: higher rents, salaries and commissions, but decrease in depreciation.
- As a result, high YoY growth in store EBIT.

W.KRUK: EXECUTIVE SUMMARY

NEW COLLECTIONS

- For Mother's Day, W.KRUK has prepared a selection of jewellery with coloured gemstones and an attractive shopping offer. The faces of the campaign prepared for this season were Natalia Kukulska and her daughter Anna Dąbrówka. Advertising took place on television, in the press and on the internet.
- W.KRUK began activities promoting an expanded range of luxury watches: in addition to Rolex and Patek Philippe, these included Chopard, Hublot, Cartier, Omega and Tudor.
- In the second half of the year, W.KRUK will present new additions to its original jewellery and accessories offer, including a new ambassador collection.
- Revenues will also be supported by development of the luxury jewellery offer: Birks, Recarlo, Pasquale Bruni, Marco Bicego and Hulchi Belluni.
- For the Christmas season, an attractive range is planned in different price segments - from unique designs made of silver to gold classics decorated with gemstones.

THE OLDEST JEWELLERY BRAND IN POLAND

- The jewellery offer includes gold and silver jewellery, diamonds, gemstones and original collections.
- W.KRUK's offer also includes global watch brands, such as Rolex and Patek Philippe (sole distributor in Poland), Cartier, Jaeger-LeCoultre, Hublot, Panerai, Chopard, Omega, Tudor, Tag Heuer, Longines, Rado, Tissot, Certina and many more.
- W.KRUK offer also includes perfumes and a collection of own label accessories: leather handbags, silk scarves, leather accessories.

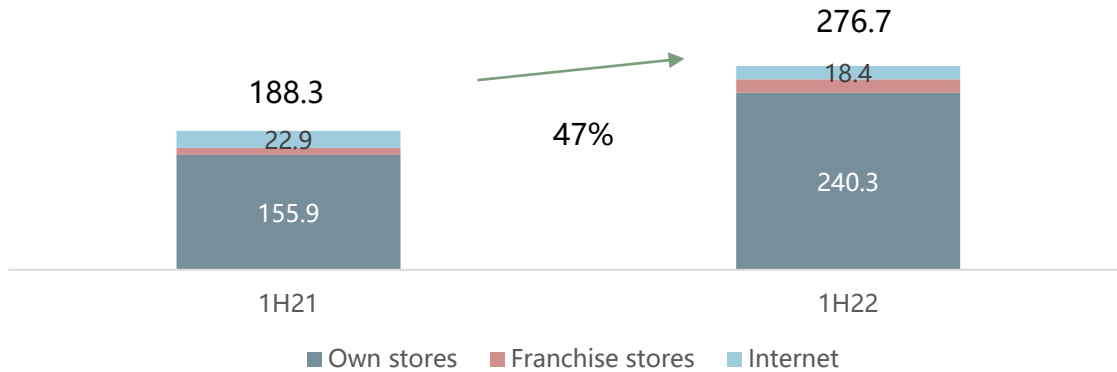
NETWORK DEVELOPMENT

- Number of net brand stores remained stable QoQ in 2Q22. Number of franchise stores increased by 3 net stores in the quarter.



W.KRUK: CONTINUATION OF STRONG PERFORMANCE

W.KRUK brand revenues
(PLN m)



- Retail revenues of the W.KRUK brand amounted to PLN 276.7m in 1H22, growing by 47.0% YoY. The brand's stores generated PLN 240.3m in revenue, 54.1% YoY.
- Franchise revenues amounted to PLN 18.0m in 1H22, up 90.2% YoY. The franchise share was 6.5% compared to 5.0% in 1H21.
- Internet revenues amounted to PLN 18.4m in 1H22, -19.4% YoY. Internet contributed 6.7% to 1H22 sales, compared to 12.1% in 1H21.

W.KRUK brand efficiency

	1H21	1H22	YoY
Revenues (PLN/m2 per month)	2,859	3,983	39.3%
Gross profit margin (%)	50.9%	51.8%	0.9pp.
Cost of stores (PLN/m2 per month)	808	1 021	26.4%
Store EBIT (PLN m)	42.7	72.5	69.9%

- Double-digit growth in sales/ m2 in 1H22 due to strong demand for watches and jewellery.
- Slight increase in gross profit margin due to reduction in discount policy.
- Costs/ m2 growth below sales/ m2 growth: increase in commissions, rents and salaries.

GROUP STRUCTURE

VRG

COMPANIES INCLUDED IN THE CONSOLIDATED STATEMENTS FOR 2Q22

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 Factory sp. z o.o.
(formerly 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.*

CONTINUED OPTIMISATION OF THE NUMBER OF STORES

NUMBER OF STORES

		1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
APPAREL SEGMENT		440	427	426	427	421	415	409	404	398	391
	franchise	126	126	129	136	135	135	131	127	126	123
VISTULA	total	148	145	147	149	148	148	146	145	145	144
	franchise	59	60	62	65	64	64	63	61	62	62
WÓLCZANKA	total	137	132	130	129	127	121	119	116	113	110
	franchise	50	49	50	53	53	53	51	48	47	45
BYTOM	total	125	120	117	117	115	116	115	114	112	109
	franchise	8	8	8	9	10	11	11	12	11	10
DENI CLER	total	30	30	32	32	31	30	29	29	28	28
	franchise	9	9	9	9	8	7	6	6	6	6
JEWELLERY SEGMENT	total	140	140	140	143	140	142	143	146	148	148
	franchise	14	15	16	18	18	20	21	23	23	26
TOTAL	total	580	567	566	570	561	557	552	550	546	539
	franchise	140	141	145	154	153	155	152	150	149	149

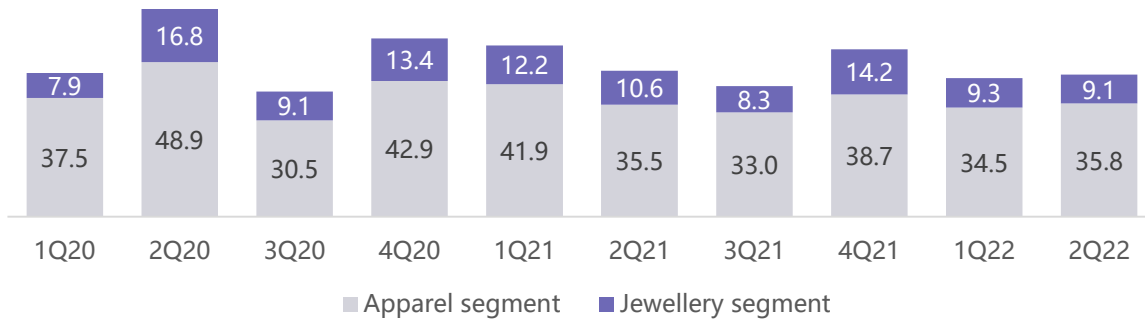
STABLE YOY FLOORSPACE

M2 OF FLOORSPACE

		1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
APPAREL SEGMENT	total	42,962	41,953	41,891	42,021	41,564	41,337	40,864	40,930	40,891	40,385
	franchise	9,123	9,195	9,368	9,882	9,789	9,794	9,577	31,468	9,425	9,236
VISTULA	total	18,650	18,291	18,508	18,695	18,586	18,593	18,390	18,531	18,509	18,404
	franchise	5,991	6,094	6,311	6,633	6,525	6,532	6,435	6,298	6,374	6,341
WÓLCZANKA	total	4,877	4,716	4,685	4,658	4,662	4,430	4,371	4,399	4,643	4,544
	franchise	1,504	1,473	1,530	1,626	1,625	1,625	1,567	1,499	1,459	1,392
BYTOM	total	16,487	16,000	15,634	15,604	15,327	15,417	15,267	15,165	14,946	14,638
	franchise	908	908	859	954	1,045	1,135	1,135	1,225	1,153	1,063
DENI CLER	total	2,947	2,947	3,064	3,064	2,989	2,897	2,835	2,835	2,792	2,799
	franchise	720	720	669	669	594	502	440	440	440	440
JEWELLERY SEGMENT	total	10,732	10,749	10,756	11,027	10,918	11,060	11,173	11,394	11,650	11,630
	franchise	856	896	965	1,121	1,113	1,255	1,368	1,511	1,511	1,645
TOTAL	total	53,693	52,702	52,647	53,048	52,482	52,397	52,038	52,324	52,541	52,016
	franchise	9,979	10,091	10,333	11,003	10,902	11,049	10,945	10,973	10,936	10,882

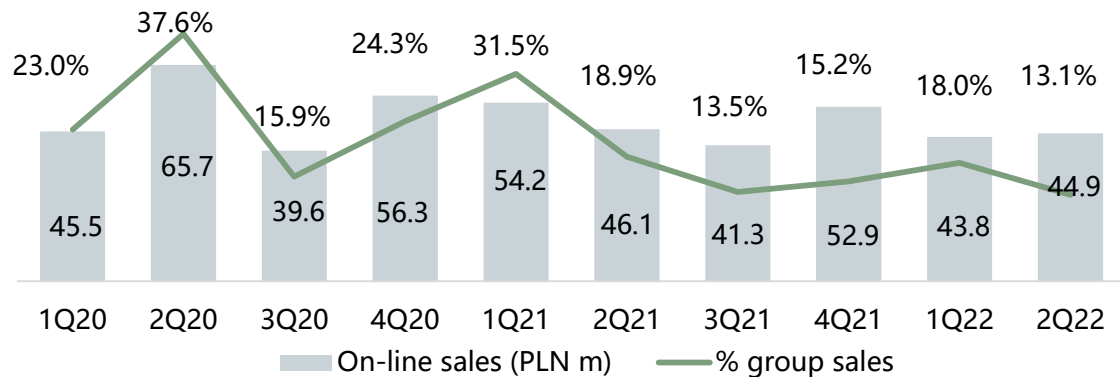
OWN E-STORES OF FIVE BRANDS

On-line sales by segments
(PLN m)



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

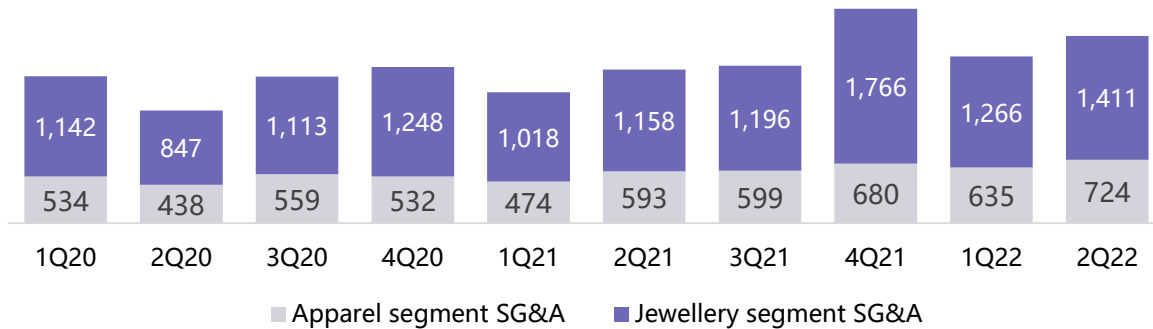
Group on-line sales



- In 2Q22, on-line sales amounted to PLN 44.9m, decreasing 2.6% YoY due to a sales rebound in traditional stores.
- Internet share fell from 18.9% in 2Q21 to 13.1% in 2Q22, due to, among others, a lock-down of traditional stores in April 2021
- In addition to its own e-stores, the Group is developing cooperation of individual brands with external marketplaces, in particular Zalando.

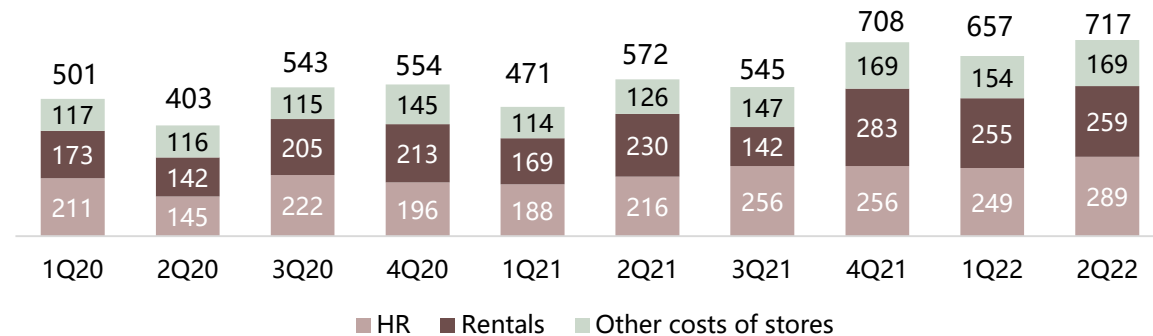
COSTS/ M2 UNDER CONTROL

Operating costs per month/ m2
(PLN, excl. IFRS16)



- 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

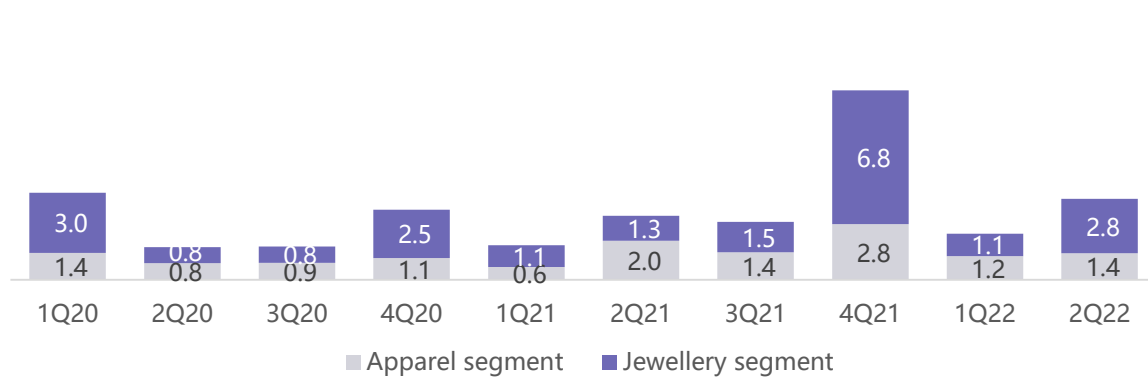
Costs of own stores per month/ m2
(PLN, excl. IFRS16)



- Costs of stores encompass costs of own and franchise stores.
- Costs of own stores include rental costs, wages 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.

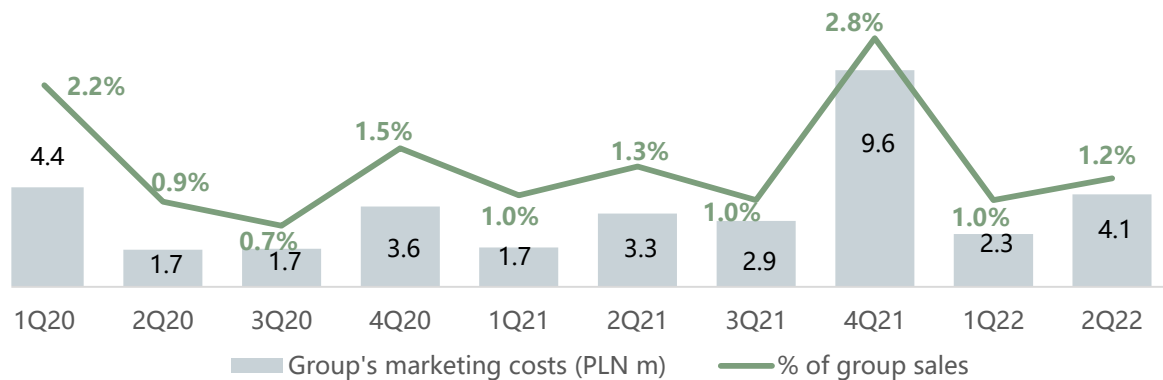
SEASONAL INCREASE IN MARKETING EXPENSES

Off-line marketing costs by segments
(PLN m)



- Off-line marketing costs are part of group selling costs.
- These encompass recurring advertising spending (catalogues, photoshoots) and nationwide marketing campaigns in editorial, internet and TV with celebrities.
- In 2Q22, off-line marketing expenses amounted to PLN 4.1m, an increase of 26.3% YoY due to an increase in jewellery segment

Group off-line marketing costs



- In 1H22, off-line marketing expenses amounted to PLN 6.5m, up 29.1% YoY.
- The apparel segment: off-line marketing outlays are related to campaigns, which typically cumulate in the second and/or fourth quarter.
- Off-line marketing costs within the jewellery segment historically cumulated in 4Q (seasonally best), before Christmas.

HISTORICAL QUARTERLY RESULTS, IFRS16

PLN m	3Q20	3Q21	YoY	4Q20	4Q21	YoY	1Q21	1Q22	YoY	2Q21	2Q22	YoY
Revenues	249.4	305.0	22.3%	232.0	348.8	50.3%	172.1	243.8	41.6%	244.0	341.8	40.1%
Gross profit on sales	122.4	163.3	33.4%	118.9	192.0	61.5%	81.7	123.2	50.8%	131.1	193.2	47.3%
Gross profit on sales margin	<i>49.1%</i>	<i>53.5%</i>	<i>4.5pp.</i>	<i>51.2%</i>	<i>55.1%</i>	<i>3.8pp.</i>	<i>47.5%</i>	<i>50.5%</i>	<i>3.1pp.</i>	<i>53.7%</i>	<i>56.5%</i>	<i>2.8pp.</i>
SG&A costs	106.8	119.2	11.7%	121.9	139.4	14.4%	96.1	117.4	22.1%	109.7	132.8	21.0%
Net other operating line	-2.4	-1.1		0.1	1.0		-1.4	-0.8		-4.7	-0.2	
EBIT	13.3	43.0	224.5%	-2.9	53.6	N/M	-15.8	5.0	N/M	16.7	60.2	260.1%
EBIT margin	<i>5.3%</i>	<i>14.1%</i>	<i>8.8pp.</i>	<i>-1.2%</i>	<i>15.4%</i>	<i>16.6%</i>	<i>-9.2%</i>	<i>2.1%</i>	<i>11.2pp.</i>	<i>6.9%</i>	<i>17.6%</i>	<i>10.8pp.</i>
Net financial line	-6.2	-13.2		-13.8	-4.0		-6.7	-8.7		10.1	-10.2	
Pre-tax profit	7.0	29.8	323.5%	-16.7	49.6	N/M	-22.6	-3.7	N/M	26.8	50.0	86.7%
Taxes	-1.3	6.1		-2.8	9.8		-4.0	-0.8		-5.3	-10.7	
Net income	5.7	23.7	312.3%	-13.9	39.8	N/M	-18.6	-2.9	N/M	21.4	39.3	83.5%
Net margin	<i>2.3%</i>	<i>7.8%</i>	<i>5.5pp.</i>	<i>-6.0%</i>	<i>11.4%</i>	<i>17.4pp.</i>	<i>-10.8%</i>	<i>-1.2%</i>	<i>9.6pp.</i>	<i>8.8%</i>	<i>11.5%</i>	<i>2.7pp.</i>
EBITDA	18.5	67.7	265.7%	22.8	79.7	249.4%	10.7	32.6	203.7%	43.5	87.0	100.2%
EBITDA margin	<i>7.4%</i>	<i>22.2%</i>	<i>14.8pp.</i>	<i>9.8%</i>	<i>22.8%</i>	<i>13.0pp.</i>	<i>6.2%</i>	<i>13.4%</i>	<i>7.1pp.</i>	<i>17.8%</i>	<i>25.5%</i>	<i>7.6pp.</i>

RESULTS UNDER IAS17

PLN m, IAS17	2Q21	2Q22	YoY
Revenues	244.0	341.8	40.1%
Gross profit on sales	131.1	193.2	47.3%
<i>Gross profit on sales margin</i>	<i>53.7%</i>	<i>56.5%</i>	<i>2.8pp.</i>
SG&A costs	112.3	137.5	22.5%
EBIT	14.0	55.5	297.3%
<i>EBIT margin</i>	<i>5.7%</i>	<i>16.2%</i>	<i>10.5pp.</i>
Net financial line	0.6	-7.2	
Net income	11.5	37.9	228.7%
<i>Net margin</i>	<i>4.7%</i>	<i>11.1%</i>	<i>6.4pp.</i>

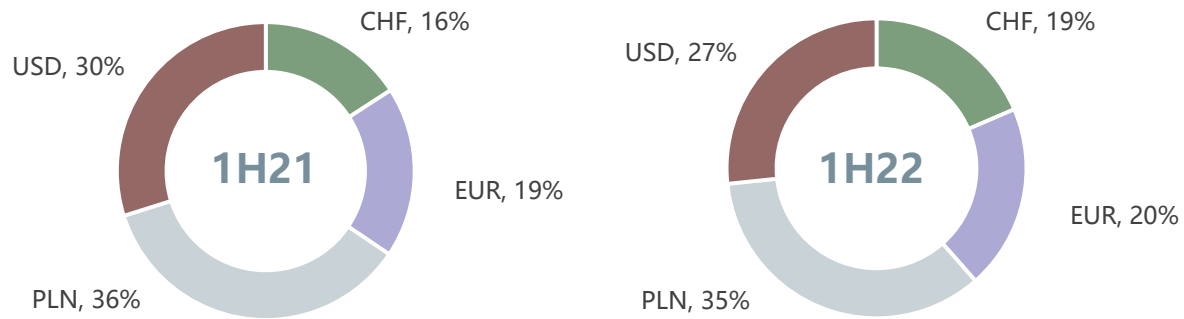
EBITDA	19.2	60.7	216.5%
<i>EBITDA margin</i>	<i>7.9%</i>	<i>17.8%</i>	<i>9.9pp.</i>

PLN m, IAS17	1H21	1H22	YoY
Revenues	416.1	585.5	40.7%
Gross profit on sales	212.8	316.4	48.7%
<i>Gross profit on sales margin</i>	<i>51.1%</i>	<i>54.0%</i>	<i>2.9pp.</i>
SG&A costs	204.8	259.3	26.6%
EBIT	1.7	55.3	3 236.3%
<i>EBIT margin</i>	<i>0.4%</i>	<i>9.4%</i>	<i>9.0pp.</i>
Net financial line	-1.5	-10.8	
Net income	-0.4	35.0	N/M
<i>Net margin</i>	<i>-0.1%</i>	<i>6.0%</i>	<i>6.1pp.</i>

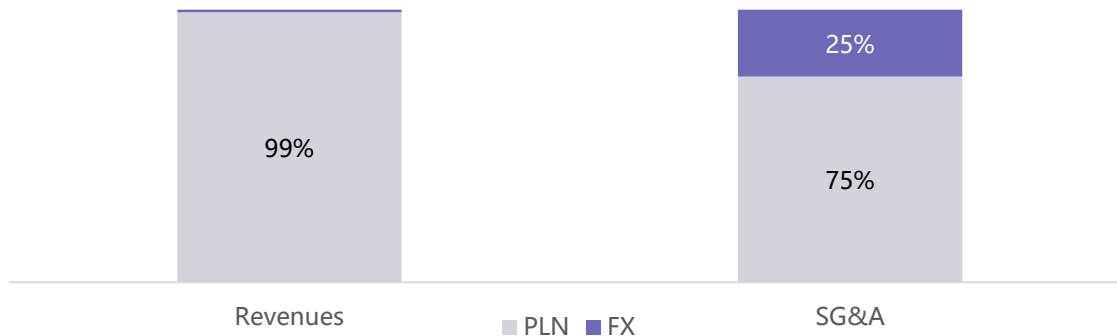
EBITDA	12.2	66.2	442.7%
<i>EBITDA margin</i>	<i>2.9%</i>	<i>11.3%</i>	<i>8.4pp.</i>

FX RISK EXPOSURE

Purchases by currencies
(PLN m)



1H22 revenues and SG&A costs by currencies
(excl. IFRS16)



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

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

SAFE DEBT LEVEL

PLN m	2Q21	4Q21	2Q22
Long-term debt	42.6	34.6	29.6
Bank loans	41.1	33.7	28.7
Finance leases	1.4	0.9	0.9
Short-term debt	46.4	38.0	43.8
Bank loan	20.8	20.6	24.2
Finance leases	1.1	0.7	0.6
Reverse factoring	24.5	16.7	19.0
Cash	14.7	114.6	89.0
Net debt	74.2	-42.0	-15.6
Finance leases IFRS16	345.1	332.9	314.8
Net debt IFRS16	419.3	290.9	299.2

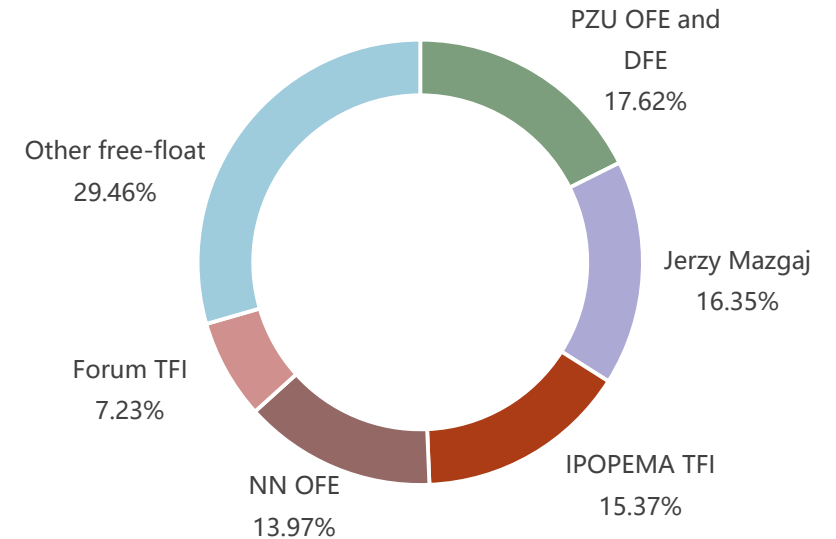
- Interest bearing indebtedness includes: bank loans, finance leases and reverse factoring (taken over with Bytom S.A. merger).
- Bank loans include: overdrafts and investment bank loans. Bank loan collateral comprises of: a floating charge on inventory, a fixed charge on "Vistula", "Wólczanka", "Bytom",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

- Consistent YoY reduction in long-term debt.
- Sizeably higher YoY level of cash and equivalents due to higher level of profits in 2Q22 as well as in 1H21.
- PLN 19.0m of reverse factoring used for supplier financing as at the end of 2Q22.
- PLN 314.8m of IFRS16 liabilities (finance leases) at the end of 2Q22.

SHAREHOLDER STRUCTURE

Shareholder structure as at 26.08.2022 (share in equity and votes)

	Number of shares/votes	% share
1. PZU OFE i DFE	41,314,600	17.62%
2. Jerzy Mazgaj	38,332,632	16.35%
3. IPOPEMA TFI	36,038,137	15.37%
4. NN OFE	32,750,487	13.97%
5. FORUM TFI	16,946,800	7.23%
6. Other free-float	69,073,184	29.46%
Total	234,455,840	



Sources of information on VRG S.A. shareholders

1. Information relates to the Company's shares held jointly by funds PZU Open Pension Fund "Złota Jesień" and PZU Voluntary Pension Fund managed by Powszechne Towarzystwo Emerytalne PZU S.A. According to the information held by the Company, PZU Open Pension Fund "Złota Jesień" held independently 40,362,600 shares of the Company at the Annual General Shareholder's Meeting on 21.06.2022, which represented 17.22% of the Company's share capital and entitled to 40,362,600 votes, representing 17.22% of the total number of votes at the Company's General Shareholder's Meeting. According to the information available to the Company, PZU Voluntary Pension Fund, at the Annual General Meeting on 21.06.2022, independently held 952,000 shares of the Company, which represented 0.41% of the Company's share capital and entitled to 952,000 votes, representing 0.41% in the total number of votes at the General Shareholder's Meeting of the Company.

2. Information based on the notification received by the Company pursuant to art. 69.1.1 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

3. Information based on a notification received by the Company pursuant to Article 69.1.2 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies and concerns shares in the Company held jointly by all funds managed by IPOPEMA TFI S.A. According to the information in the Company's possession, Ipopema 21 FIZ Non-Public Assets managed by IPOPEMA TFI S.A. held 35,431,872 shares in the Company at the Annual General Shareholder's Meeting on 21.06.2022, which represented 15.11% of the Company's share capital and entitled to 35,431,872 votes representing 15.11% of the total number of votes at the Company's General Shareholder's Meeting.

4. Information given on the basis of the number of shares held by Nationale-Nederlanden Open Pension Fund at the Annual General Shareholder's Meeting on 21.06.2022.

5. information given on the number of shares held jointly by the funds Forum X Closed-end Investment Fund and Forum XXIII Closed-end Investment Fund managed by Forum TFI S.A. at the Annual General Shareholder's Meeting on

21.06.2022. According to the information held by the Company, Forum X Closed-end Investment Fund held 6,951,760 shares in the Company at the Annual General Shareholder's Meeting on 21.06.2022, which represented 2.97% of the Company's share capital and entitled to 6,951,760 votes representing 2.97% of the total number of votes at the Company's General Shareholder's Meeting. According to the information available to the Company, Forum XXIII Closed-end Investment Fund held 9,995,040 shares of the Company at the Annual General Shareholder's Meeting on 21.06.2022, which represented 4.26% of the Company's share capital and entitled to 9,995,040 votes, representing 4.26% in the total number of votes at the General Shareholder's 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

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31-462 Cracow

