

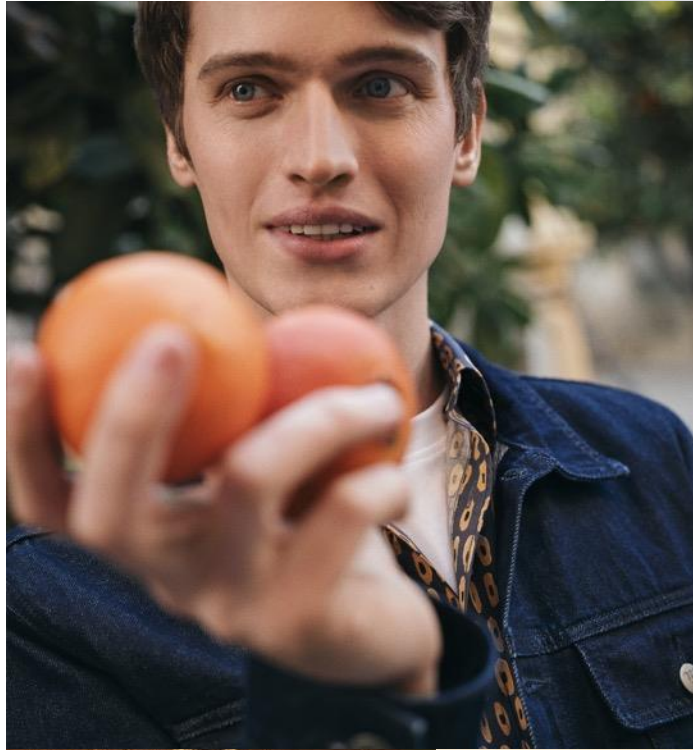
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VISTULA



VRG
VISTULA RETAIL GROUP

4Q22 RESULTS PRESENTATION

2022 targets achieved

APRIL 5, 2023

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INTRODUCTION



| ALMOST PLN 100M NET INCOME IN 2022

1,274.0

PLN m
Group revenues

+19.1% YoY

140.6

PLN m
Group EBIT

+44.2% YoY

93.0

PLN m
Group net profit

+40.2% YoY



52.0

ths m2

-1% YoY

534

stores

-16 YoY

14.4%

share of on-line
in sales

-3.8 pp. YoY

TARGETS FOR 2022 ACHIEVED



REVENUES

Double-digit revenue growth continued.



+19.1%

EFFICIENCY

YoY gross profit margin expansion.



53.6% + 0.5pp.

Growth in operating margin.



11.0% +1.9pp.

Better YoY results of the Capital Group.



Growth in EBIT and net income

LIQUIDITY

Safe liquidity standing.

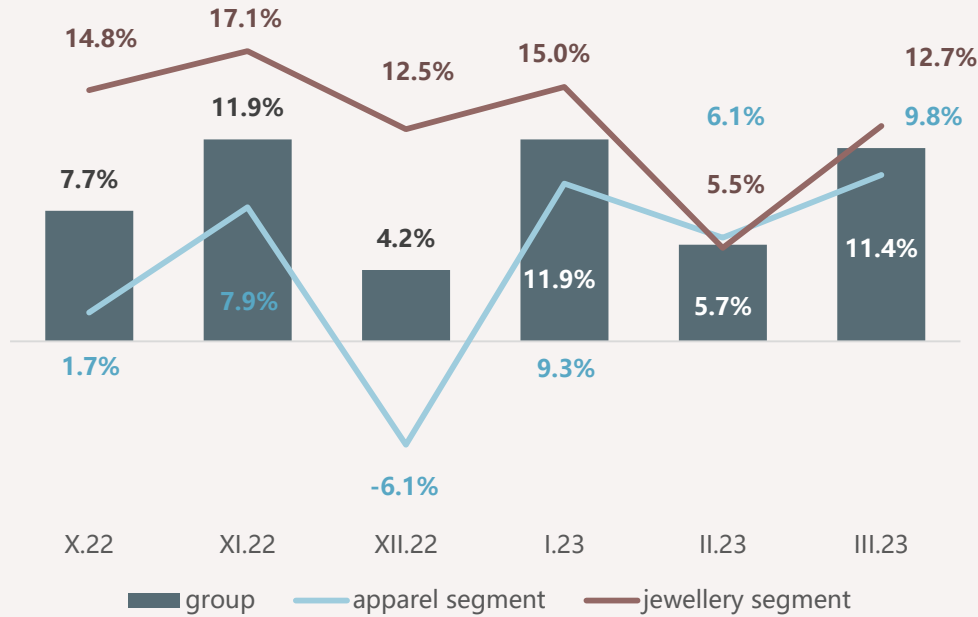


Net cash (IAS17)

CHANGING SITUATION IN THE PAST MONTHS



Revenue dynamics (PLN m)



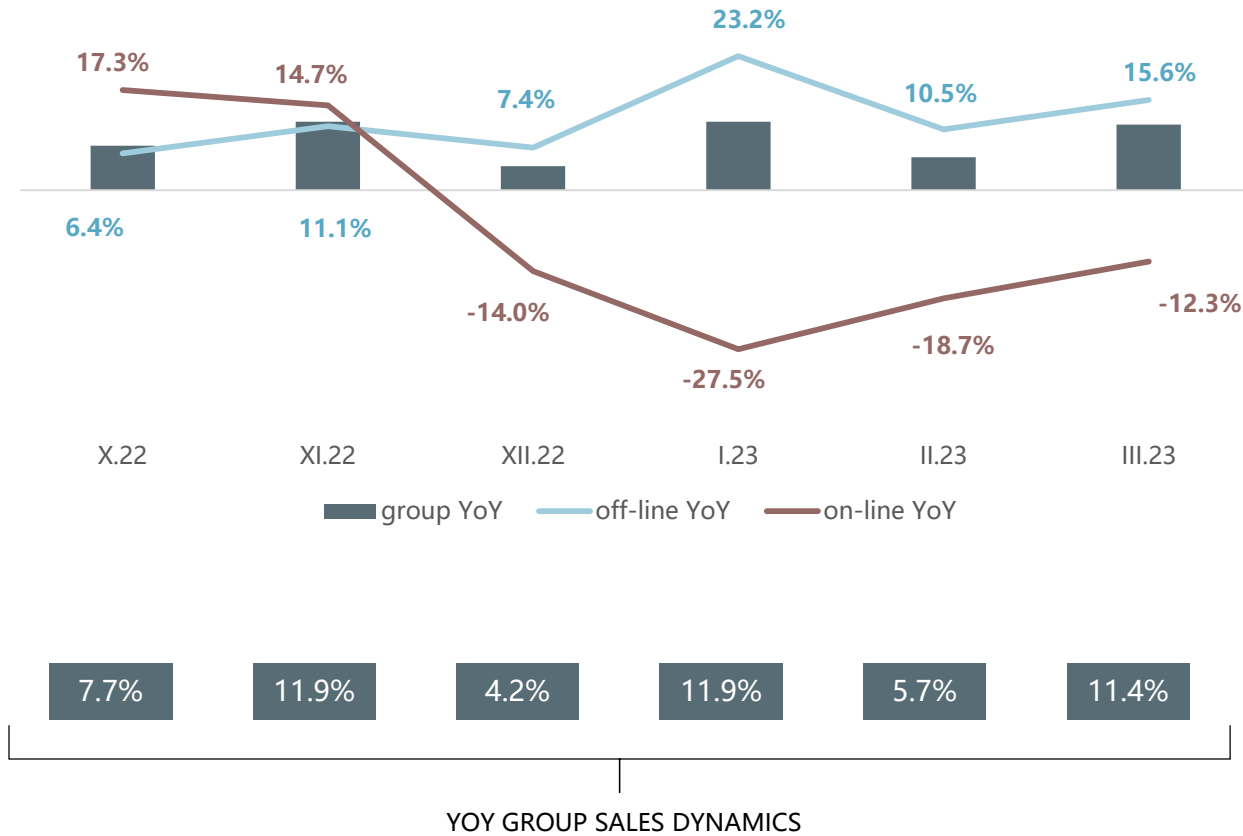
Favourable sales dynamics for the jewellery segment between October 2022 and March 2023 due to strong demand for jewellery and watches.

Positive Group sales growth in each of the months from October 2022 to March 2023.

Strong sales performance of the apparel segment for November 2022 and January 2023. Demand from December 2022 postponed to January 2023. Higher growth in March 2023.

STRONG STORE SALES DYNAMICS

Revenues dynamics (PLN m)



1 Group

Growing Group sales dynamics due to customers returning to traditional stores.

2 Stores

Positive sales growth in traditional stores from October 2022 to March 2023.

3 E-stores

On-line revenues influenced by strong sales recovery in traditional stores and a high base.



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PERFORMANCE BY BRANDS



| KEY TRENDS IMPACTING BRAND PERFORMANCE IN 4Q22

Impact of the macroeconomic situation on the retail customer

The Group's brands were well prepared for the season. The difficult economic environment meant that customers shopped less frequently and with stronger price sensitivity.

Despite the good results of November and Black Friday, December left a shortfall with regard to revenue targets.

The macroeconomic situation also affected on-line sales, particularly in December 2022.



Continuation of the new inventory management policy in the apparel segment

The aim of the policy is to maintain the highest possible share of inventory from the latest collections:

- during sell-out periods, stronger YoY promotions will be run to sell out the merchandise,
- in other periods, promotions will be limited to maximise the gross margin on sales.

Key impact on Vistula and Bytom brands.



VISTULA



**EXECUTIVE
SUMMARY**

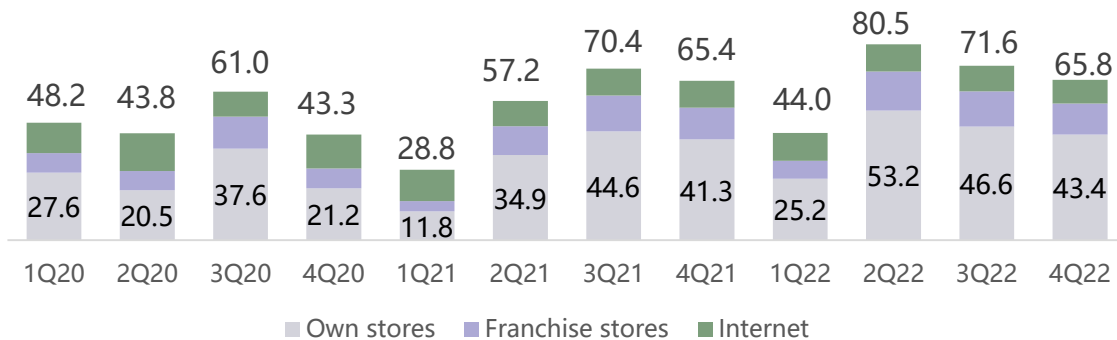
VISTULA: OFF-LINE REVENUE GROWTH

Sieć sprzedaży marki Vistula

	4Q21	4Q22	YoY
Number of stores	145	142	-3
incl. franchise	61	61	0
Floorspace (m2)	18,531	18,139	-2%
incl. franchise	6,298	6,224	-1%
Internet % sales	16.7%	14.8%	-1.9pp.

- Optimisation of the number of Vistula brand stores in 4Q22: the number of brand stores fell by 3 net YoY (these were own stores).
- Store floorspace decreased by 2% YoY and floorspace of franchise stores by 1% YoY.
- Revenues of Vistula brand in 4Q22 amounted to PLN 65.8m (+0.7% YoY). Stable YoY due to higher conversion but lower traffic in traditional stores.

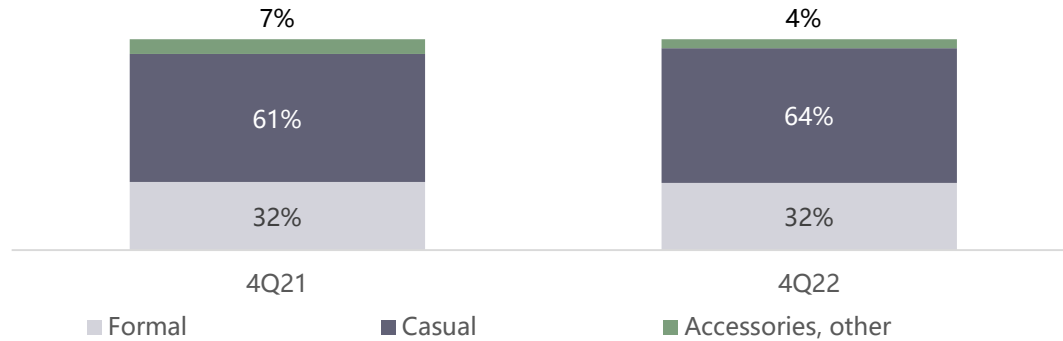
Vistula brand revenues (PLN m)



- Store revenues amounted to PLN 43.4m, +5.0% YoY, in 4Q22, good reception of the Winter collection, but a weaker-than-expected December (transfer of purchases to the seasonal sales period).
- Franchise revenues reached PLN 12.7m in 4Q22 (-3.5% YoY), while the share of franchise fell from 20.1% in 4Q21 to 19.3% in 4Q22.
- Internet revenues amounted to PLN 9.8m in 4Q22, down 10.7% YoY, due to return of customers to traditional stores. Share of internet in sales at 14.8% in 4Q22, drop by 1.9 pp. YoY.

VISTULA: GROWING SHARE OF CASUAL IN SALES

Vistula brand revenue split



- Growth in casual revenues - strong growth in knitwear (especially jumpers) and trousers.
- Stable share of formal and good reception of Autumn collections. Communication supported by collection for the Polish national football team prepared for the World Cup.
- Vistula WOMEN's share at 3.5% of sales.

Vistula brand efficiency

	4Q21	4Q22	YoY
Revenues (PLN/m2 per month)	1,176	1,213	3.2%
Gross profit margin (%)	60.1%	60.8%	0.7pp.
Cost of stores (PLN/m2 per month)	448	488	8.8%
Store EBIT (PLN m)	14.4	13.6	-5.7%

- Increase in gross profit margin YoY - lower YoY promotions in line with new inventory management policy and improved collection sales efficiency.
- Increase in store costs/m2 due to rising rentals and salaries. Decrease in depreciation and commissions due to stores being closed.
- As a result, a slight decrease in store EBIT.



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EXECUTIVE
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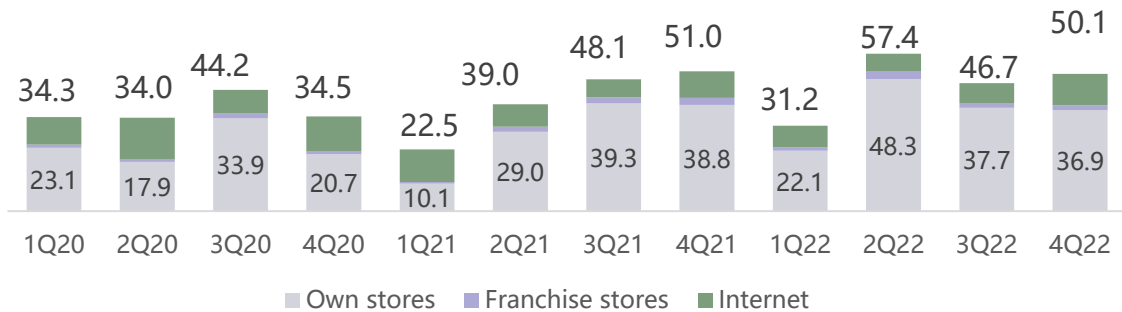
BYTOM: DOUBLE-DIGIT ON-LINE REVENUE GROWTH

Bytom brand network

	4Q21	4Q22	YoY
Number of stores	114	107	-7
incl. franchise	12	8	-4
Floorspace (m2)	15,166	14,415	-5%
incl. franchise	1,225	848	-31%
Internet % sales	19.0%	22.7%	3.7pp.

- Optimisation of the sales network mainly concerned the franchise store network. The total number of Bytom shops fell by a net 7 YoY, while the number of franchise stores fell by a net 4 YoY.
- Floorspace fell by 5% YoY, while franchise floorspace fell by 31% YoY.
- Bytom brand revenues amounted to PLN 50.1m in 4Q22 (-1.9% YoY).

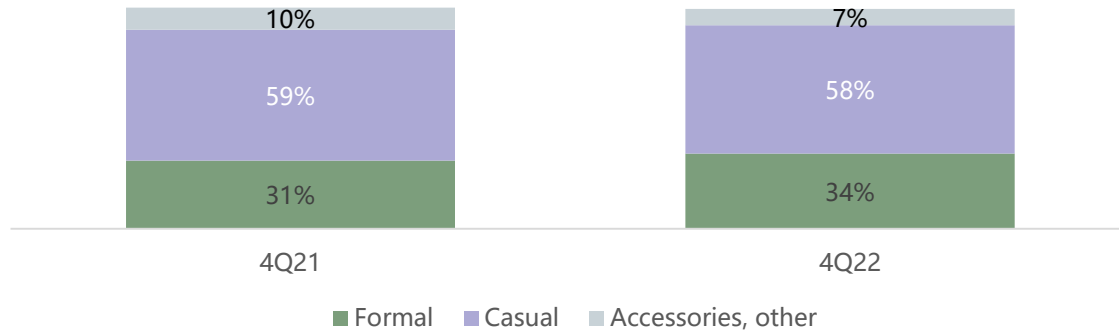
Bytom brand revenues (PLN m)



- Traditional store revenues amounted to PLN 36.9m, -5.0% YoY, in 4Q22, due to optimised number of stores and resultant reduced traffic.
- Franchise revenues amounted to PLN 1.8m in 4Q22 (-28.5% YoY), while its share in overall sales fell from 5.0% in 4Q21 to 3.6% in 4Q22.
- Internet revenues amounted to PLN 11.4m in 4Q22 (+11.3% YoY), accounting for 22.7% of 4Q22 sales, 3.7 pp. increase YoY.

BYTOM: GROWING SALES PER M2

Bytom brand revenue split



- Stable share of formal and casual in sales due to returns to off-line work and celebrations.
- Strong sales of jackets as well as jumpers, T-shirts and other knitwear.
- Increase in sales/m2 - increase in online sales and smaller y/y area.

Bytom brand efficiency

	4Q21	4Q22	YoY
Revenues (PLN/m2 per month)	1,114	1,161	4.2%
Gross profit margin (%)	60.8%	59.4%	-1.4pp.
Cost of stores (PLN/m2 per month)	457	497	8.7%
Store EBIT (PLN m)	10.1	8.3	-17.7%

- Lower YoY gross margin due to higher share of online channel.
- Store costs/m2 increased slightly above sales growth/m2 due to higher rental and payroll costs. Significant decrease in depreciation and commission/ m2.
- As a result, a decrease in salon EBIT.



WÓLCZANKA



**EXECUTIVE
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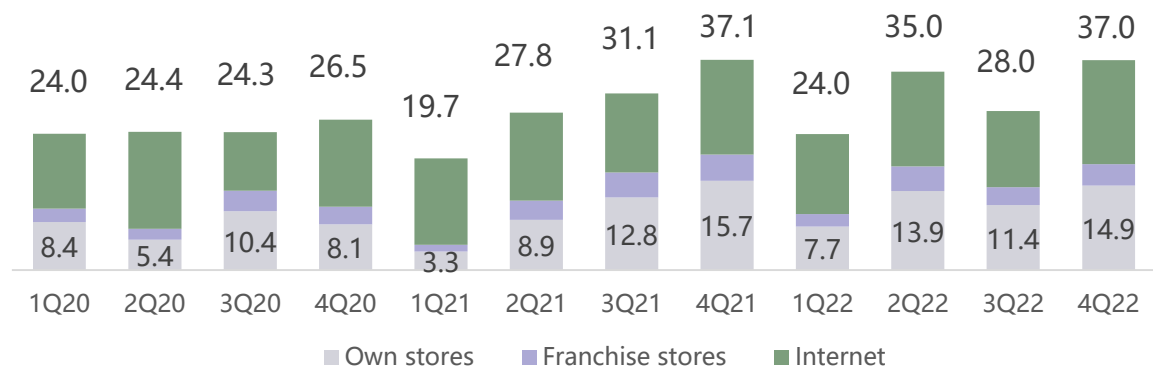
WÓLCZANKA: BALANCE BETWEEN ON-LINE AND OFF-LINE

Wólczanka brand network

	4Q21	4Q22	YoY
Number of stores	116	105	-11
incl. franchise	48	41	-7
Floorspace (m2)	4,399	4,480	2%
incl. franchise	1,499	1,287	-14%
Internet % sales	45.1%	49.5%	4.5pp.

- A 2% YoY increase in brand floorspace due to opening of own stores, particularly large-format stores. Decrease in floorspace of franchise stores by 14% YoY.
- The number of Wólczanka shops decreased by 11 net boutiques YoY. Closing down stores was mostly affected franchise stores, the number of which fell by 7 net YoY.
- Wólczanka's revenue amounted to PLN 37.0m in 4Q22 (stable YoY), with an increasing share of on-line in sales.

Wólczanka brand revenues
(PLN m)



- Traditional store revenues amounted to PLN 14.9m, -5.4% YoY, in 4Q22. Sales dynamics were affected by a smaller YoY network of own stores.
- Franchise revenues reached PLN 3.8m in 4Q22 (-18.2% YoY). Share of franchise came in at 10.3% in 4Q22, -2.3 pp. YoY, due to continuation of closing down of franchise stores.
- Internet revenues amounted to PLN 18.3m in 4Q22 (9.6% YoY), constituting 49.5% of sales vs 45.1% in 4Q21.

WÓLCZANKA: A GROWING SHARE OF NEW ASSORTMENT

Wólczanka brand revenue split



- Growing share of knitwear and development of 'total look' range.
- The women's collection accounts for around one third of the brand's sales, more than 50% of the brand's on-line sales.
- Stable share of accessories in the sales structure.
- Development of large-format shops - wider network of traditional stores offering "total look" assortment.

Wólczanka brand efficiency

	4Q21	4Q22	YoY
Revenues (PLN/m2 per month)	2,847	2,736	-3.9%
Gross profit margin (%)	61.0%	56.1%	-4.9pp.
Cost of stores (PLN/m2 per month)	921	953	3.5%
Store EBIT (PLN m)	10.6	7.9	-26.0%

- Lower YoY gross profit margin due to higher on-line share of sales and extended promotional campaigns in November and December.
- Increased costs/m2 due to higher rental costs and higher depreciation (new large-format shop openings). Stable salaries/ m2 YoY, but a significant decrease in commissions/ m2 with the closing down of franchise stores.
- Decline in store EBIT YoY.



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DENI CLER: HIGHEST GROWTH PROFIT MARGIN

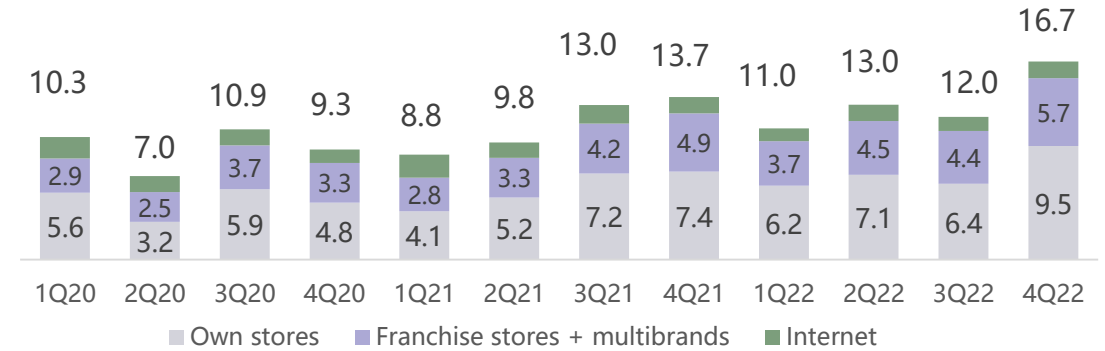
Deni Cler brand network

	4Q21	4Q22	r/r
Number of stores	29	28	-1
incl. franchise	6	6	0
Floorspace (m2)	2,835	2,799	-1%
incl. franchise	440	440	0%
Internet % sales	10.0%	8.4%	-1.6pp.

Deni Cler brand efficiency (PLN m)

	4Q21	4Q22	YoY
Revenues (PLN/m2 per month)	1,606	1,983	23.4%
Gross profit margin (%)	64.5%	66.3%	1.8pp.
Cost of stores (PLN/m2 per month)	567	662	16.7%
Store EBIT (PLN m)	4.0	5.5	37.6%

Deni Cler brand revenues (PLN m)



- In 4Q22, Deni Cler brand revenues increased by 21.9% YoY. Internet generated PLN 1.4m of revenue in 4Q22 (+2.6% YoY).
- Franchise revenues amounted to PLN 5.7m in 4Q22 (+16.6% YoY), supported by multibrand growth.
- Gross margin up YoY due to lower YoY promotions. Highest gross profit margin in the group. Increase in costs/m2 below sales/m2 due to: rising rentals, commissions, salaries and depreciation.
- As a result, double-digit growth in shop EBIT.



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**EXECUTIVE
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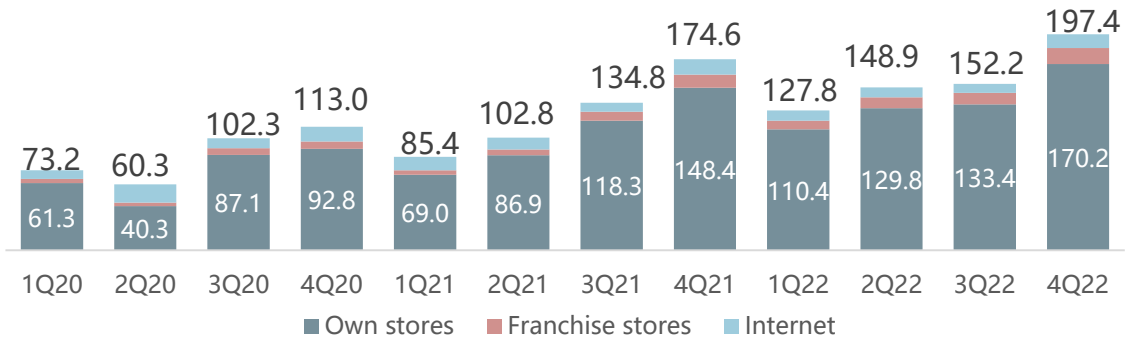
W.KRUK: RECORD REVENUES IN THE QUARTER

W.KRUK brand network

	4Q21	4Q22	YoY
Number of stores	146	152	+ 6
incl. franchise	23	26	+ 3
Floorspace (m2)	11,394	12,150	7%
incl. franchise	1,511	1,710	13%
Internet % sales	8.1%	6.4%	-1.7pp.

- Continued growth of the W.KRUK brand YoY. An increase in number of stores by 6 YoY and a 7% YoY increase in the brand's floorspace.
- At the end of 4Q22, the brand had 26 franchise stores, 3 more YoY. Franchise floorspace increased by 13% YoY.
- Retail revenues of the W.KRUK brand in 4Q22 amounted to PLN 197.4m (up 13.0% YoY).

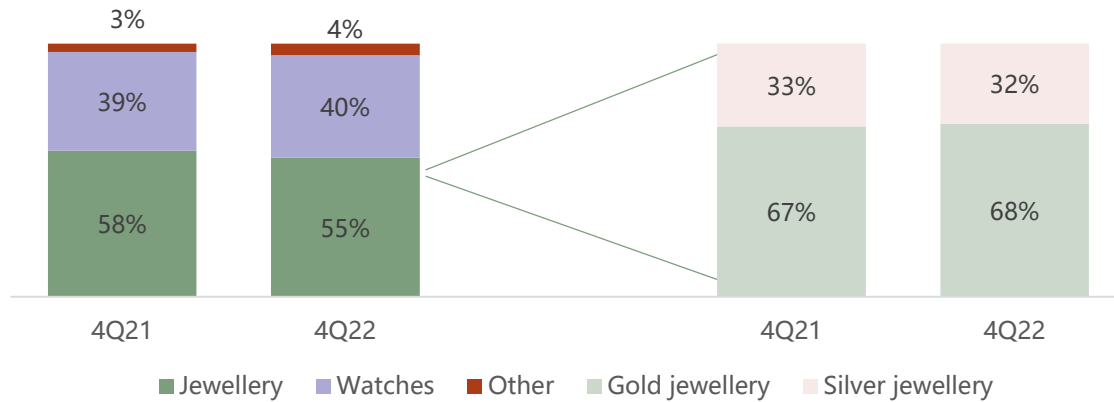
W.KRUK brand retail revenues (PLN m)



- Revenues from W.KRUK's traditional stores in 4Q22 amounted to PLN 170.2m (up 14.7% YoY).
- Revenues from franchising amounted to PLN 14.5m in 4Q22, an increase of 20.7% YoY, and their share in 4Q22 sales was 7.3%, +0.5 pp YoY.
- Internet revenues amounted to PLN 12.7m, a 10.8% decrease YoY. Internet accounted for 6.4% of sales in 4Q22, compared to 8.1% in 4Q21.

W.KRUK: GROWTH IN STORE EBIT

W.KRUK brand revenue split



- High and stable YoY share of watches in sales - favourable impact of expanded luxury watch offer.
- In the jewellery section in 4Q22, higher sales dynamics of gold jewellery than silver jewellery, favourable impact of novelties (ambassador collection LONGPLAY created by Natalia Kukulska and Michal Dabrowka and author's luxury jewellery collection Lunapark).
- Increase in sales/m2 in the quarter due to continued strong demand.

W.KRUK brand efficiency

	4Q21	4Q22	YoY
Revenues (PLN/m2 per month)	5,143	5,438	5.7%
Gross profit margin (%)	53.3%	52.9%	-0.4pp.
Cost of stores (PLN/m2 per month)	1,246	1,412	13.3%
Store EBIT (PLN m)	50.7	53.1	4.7%

- Stable gross margin in line with fixed margin policy.
- Increase in costs/m2 higher than increase in revenue/m2: increase in rents (result of settlement of turnover rents), commissions and salaries, but decrease in depreciation.
- As a result, slightly increasing EBIT of the stores.

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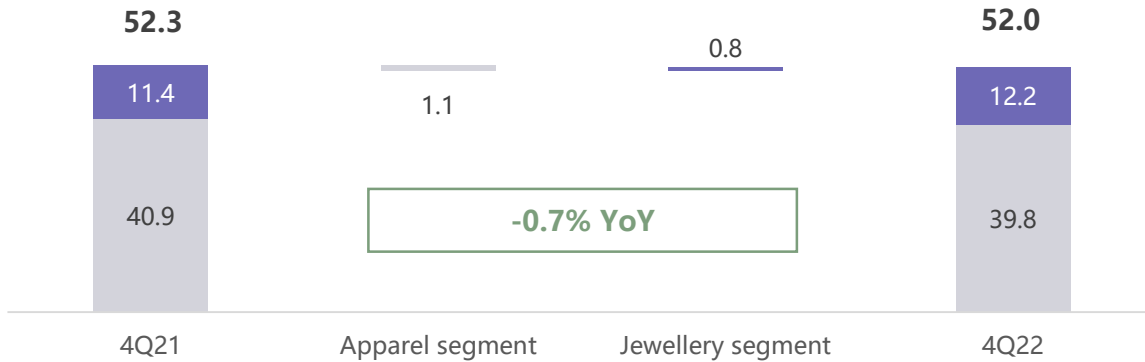
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GROUP RESULTS



STABLE GROUP FLOORSPACE OF GROUP'S BRANDS

Group floorspace change YoY
(ths m²)



- Group floorspace stood at 52.0 ths m² at the end of 4Q22, stable YoY.
- Apparel segment floorspace decreased by 1.1 ths m² net, +2.7% YoY, due to closing down of unprofitable stores.
- Floorspace of the jewellery segment increased by 0.8 ths m² net, +6.6% YoY, due to the development of own and franchise stores.

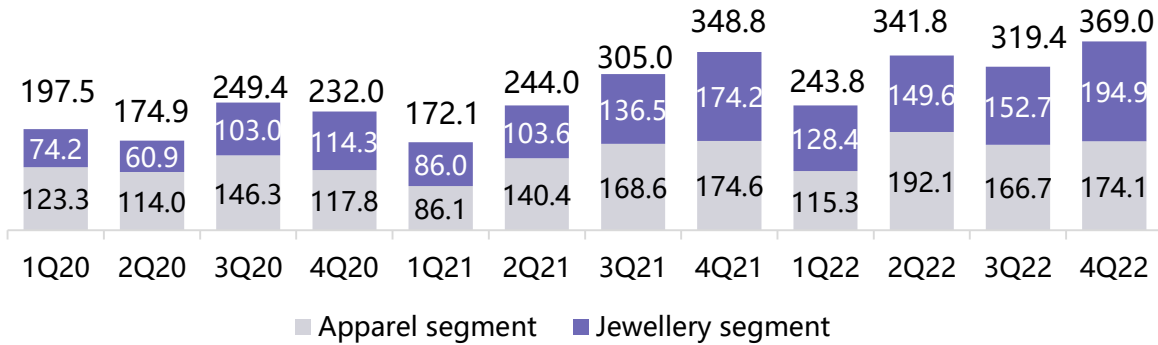
Group floorspace change YoY
(ths m²)



- Throughout the year, own stores floorspace increased while the franchise floorspace slightly decreased.
- Own stores floorspace reached 41.5 ths m², 0.3% increase YoY.
- Franchise stores floorspace dropped by 0.5 ths m² to 10.5 ths m², i.e. by 4.2% YoY.

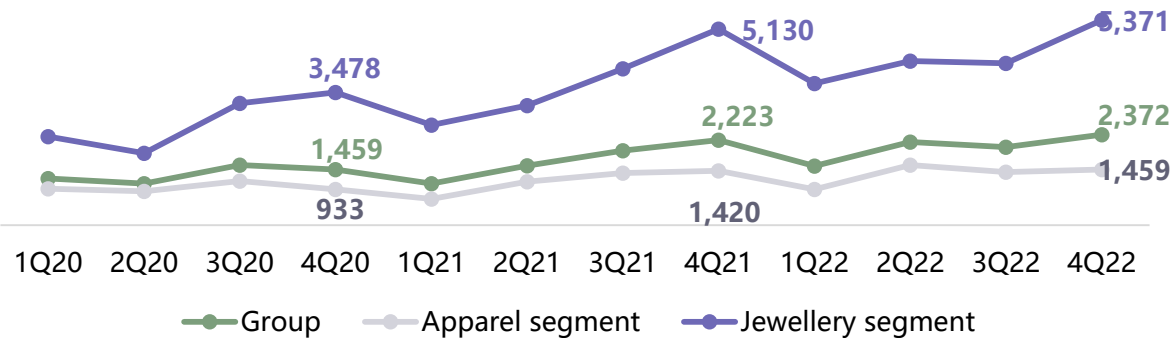
FAVOURABLE TRENDS IN REVENUES/M2

Group revenues
(PLN m)



- Group revenues reached PLN 369.0m in 4Q22 (+5.8% YoY), due to sales rebound in traditional stores.
- Apparel segment revenues dropped by 0.3% YoY, reaching PLN 174.1m, in 4Q22.
- Jewellery segment revenues in 4Q22 amounted to PLN 194.9m, up 11.9% YoY. Growth in share of jewellery segment from 49.9% in 4Q21 to 52.8% in 4Q22.

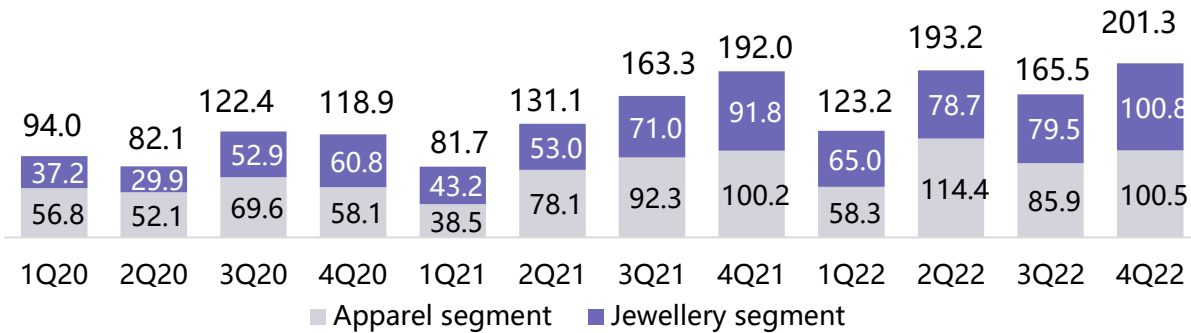
Revenues per m2
(PLN monthly)



- In 4Q22 group sales/ m2 reached PLN 2,372, +6.7% YoY.
- Revenues/ m2 for the apparel segment amounted to PLN 1,459 in 4Q22, +2.7% YoY.
- Jewellery segment revenues/ m2 reached PLN 5,371 in 4Q22, up 4.7% YoY.

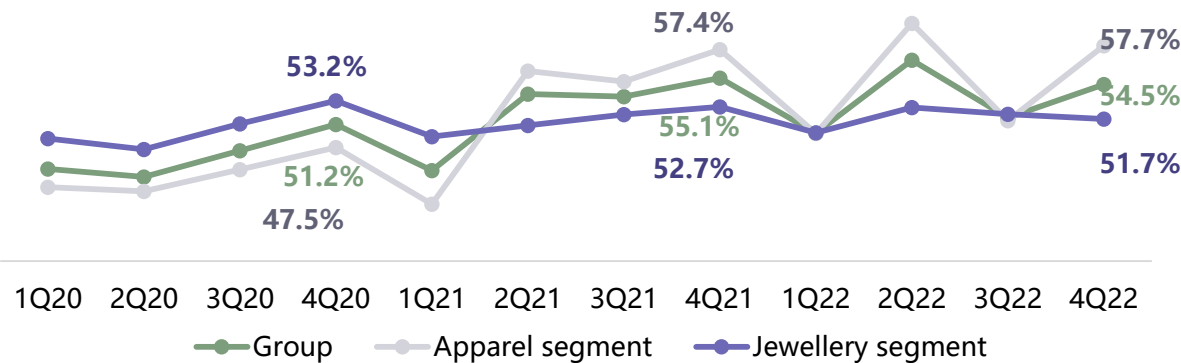
GROWING GROSS PROFIT ON SALES

Gross profit on sales
(PLN m)



- Group gross profit on sales amounted to PLN 201.3m in 4Q22 (+4.8% YoY).
- In 4Q22 gross profit on sales in apparel segment reached PLN 100.5m, stable YoY due comparable scale of turnover with similar gross profit margin.
- Gross profit on sales of the jewellery segment in 4Q22 amounted to PLN 100.8m, +9.8% YoY.

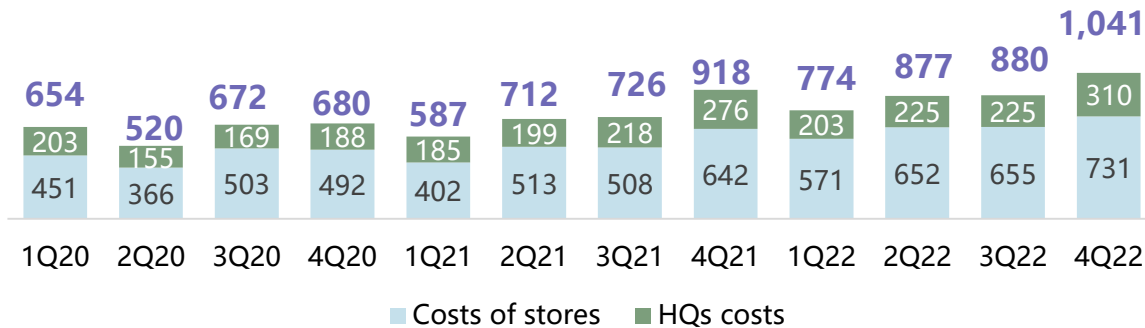
Gross profit on sales margin



- Group gross profit margin reached 54.5% in 4Q22, -0.5pp. YoY, due to lower margins in the jewellery segment.
- The apparel segment gross profit margin increased by 0.3pp. YoY to 57.7% in 4Q22, due to smaller YoY sell-out of older collections.
- The jewellery segment in 4Q22 noted a lower YoY gross profit margin, at 51.7% level, due to a higher share of watches.

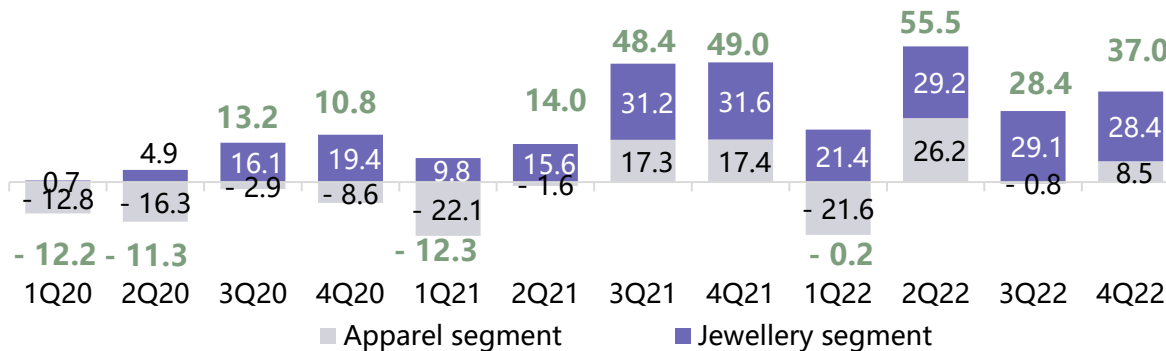
SG&A/M2 COSTS AFFECTED BY MARKETING

Monthly operating costs per m2
(PLN, IAS17)



- Group operating costs/m2 (IAS17) reached in 4Q22 PLN 1,041/m2 per month, up 13.3% YoY.
- Costs of stores at PLN 731/m2 (+13.8% YoY), while HQs costs/m2 at PLN 310/m2, +12.2% YoY (under IAS17), due to growing costs of traditional marketing.
- Under IAS17, the apparel segment costs reached PLN 758/m2 in 4Q22, up 11.4% YoY, while the jewellery segment costs in 4Q22 amounted to PLN 1,970/m2 per month, up 11.6% YoY.

Operating profit
(PLN m, IAS17)



- Group EBIT amounted to PLN 37.0m in 4Q22 under IAS17, a 24.5% YoY decrease primarily due to the apparel segment. Impact of loyalty programme in the form of deferred revenue. 4Q22: PLN -1.5m in the apparel segment, PLN -4.5m in the jewellery segment (4Q21: PLN -0.4/2m).
- In 4Q22, the apparel segment's EBIT was PLN 8.5m under IAS17 (PLN 12.0m profit under IFRS16), down 50.8% YoY.
- In 4Q22, the jewellery segment's EBIT under IAS17 was PLN 28.4m, -10.0% YoY (PLN 30.0m under IFRS16).

NET PROFIT GROWTH IN 4Q22

PLN m, IFRS16	4Q21	4Q22	YoY
Revenues	348.8	369.0	5.8%
Gross profit on sales	192.0	201.3	4.8%
<i>Gross profit on sales margin</i>	<i>55.1%</i>	<i>54.5%</i>	<i>-0.5pp.</i>
SG&A costs	139.4	157.1	12.7%
EBIT	53.6	42.1	-21.5%
<i>EBIT margin</i>	<i>15.4%</i>	<i>11.4%</i>	<i>-4.0pp.</i>
Net financial activity	-4.0	17.6	
Net profit	39.8	47.3	19.0%
<i>Net margin</i>	<i>11.4%</i>	<i>12.8%</i>	<i>1.4pp.</i>
EBITDA	79.7	70.1	-12.0%
<i>EBITDA margin</i>	<i>22.8%</i>	<i>19.0%</i>	<i>-3.8pp.</i>
PLN m, IAS17	4Q21	4Q22	YoY
SG&A costs	143.6	161.9	12.8%
EBIT	49.0	37.0	-24.5%
Net profit	34.7	34.8	0.1%
EBITDA	54.4	42.5	-22.0%

- Sales higher YoY due to favourable trends in both segments.
- Gross margin influenced by lower YoY sales in the apparel segment and a higher share of watches.
- SG&A costs influenced by PLN 14.5m marketing costs, +51.0% YoY.
- Less favourable YoY result on other operating activities due to a PLN 0.9m net write-down on inventories in 4Q22. In 4Q21, PLN 3.2m net reversal of write-downs on inventories.
- The difference between the result under IFRS16 and IAS17 is due to the issue of rent recognition - straight-line depreciation under IFRS16.
- More favourable YoY balance of financing activities.
 - IFRS16: PLN 11.7m FX gains in 4Q22 vs +2.4m in 4Q21
 - IAS17: PLN 6.1m FX gains in 4Q22 vs. PLN 1.9m FX losses in 4Q21
 - IFRS16 interest: PLN 1.2m in 4Q22 vs. PLN 1.3m in 4Q21.
- Double-digit growth in net profit.

HIGH GROWTHS ON ALL REVENUE LINES

PLN m, IFRS16	2021	2022	YoY
Revenues	1,069.9	1,274.0	19.1%
Gross profit on sales	568.2	683.1	20.2%
<i>Gross profit on sales margin</i>	<i>53.1%</i>	<i>53.6%</i>	<i>0.5pp.</i>
SG&A costs	464.4	539.9	16.3%
EBIT	97.5	140.6	44.2%
<i>EBIT margin</i>	<i>9.1%</i>	<i>11.0%</i>	<i>1.9pp.</i>
Net financial activity	-13.9	-23.0	
Net profit	66.3	93.0	40.2%
<i>Net margin</i>	<i>6.2%</i>	<i>7.3%</i>	<i>1.1pp.</i>

EBITDA	201.6	250.3	24.2%
<i>EBITDA margin</i>	<i>18.8%</i>	<i>19.7%</i>	<i>0.8pp.</i>

PLN m, IAS17	2021	2022	YoY
SG&A costs	462.1	558.8	20.9%
EBIT	99.1	120.6	21.8%
Net profit	70.4	86.0	22.2%
EBITDA	120.0	142.3	18.6%

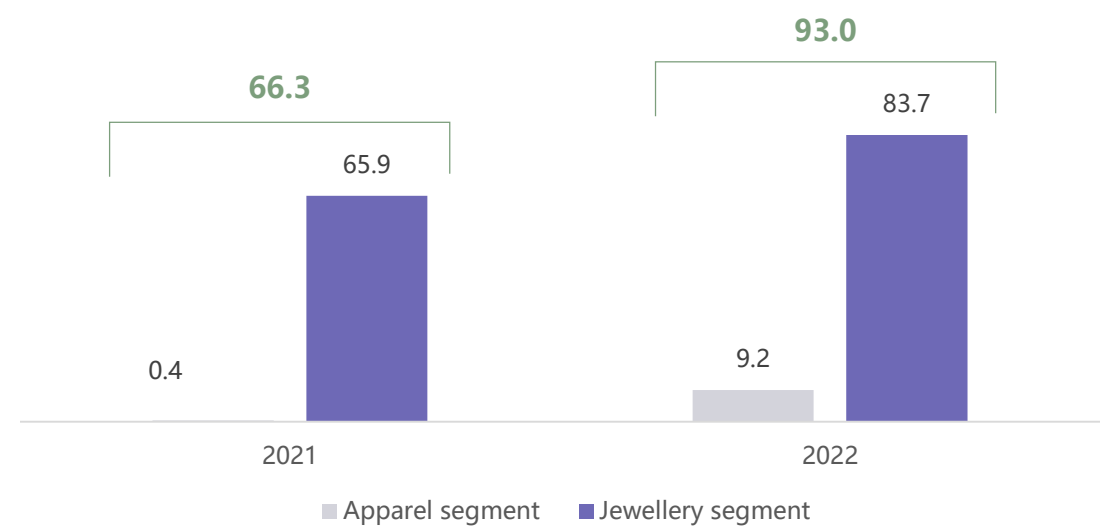
- Sales and gross profit on sales higher YoY due to favourable trends in both segments.
- SG&A costs and other operating activities:
 - PLN 2.4m net release of write-downs in 2022 vs. PLN 6.0m net release of write-downs in 2021 and PLN 1.0m write-down of property and fixed assets in 2021,
 - favourable impact of rent reductions in 2021: PLN 17.8m,
 - PLN 8.8m salaries subsidy from Social Security in 2021 (none in 2022).
- The difference between the result under IFRS16 and IAS17 is due to rent recognition issues - straight-line depreciation under IFRS16 and the impact of rental reductions.
- More unfavourable YoY balance of financing activities:
 - IFRS16: PLN 6.4m FX losses in 2022 vs 1.6m FX gain in 2021,
 - IAS17: PLN 6.5m FX losses in 2022 vs. 2.5m FX gains in 2021,
 - IFRS16 interest: PLN 5m in 2022 vs PLN 5.5m in 2021.
- Significantly improved YoY net profit.

GROWING CONTRIBUTION OF APPAREL TO NET INCOME

Net profit by segments
(PLN m, IFRS16)



Net profit by segments
(PLN m, IFRS16)

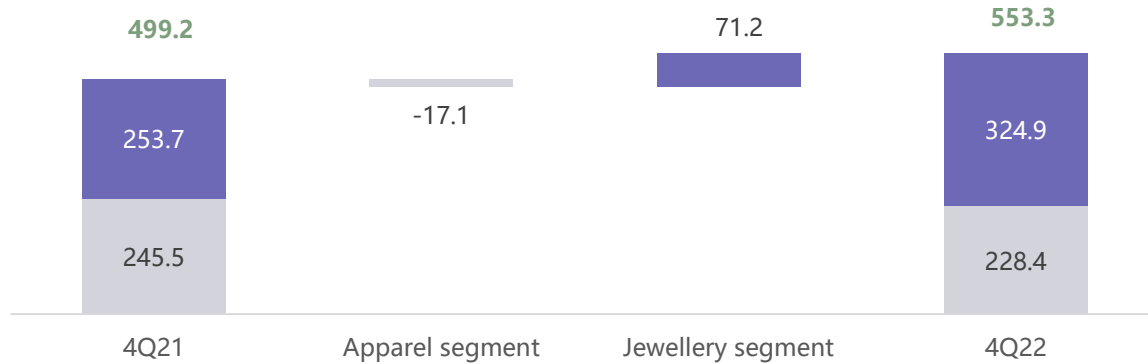


- The contribution of the apparel segment and the jewellery segment to Group profit depends on the operating result and, among other things, the level of FX differences, which are significant under IFRS16.

- The jewellery segment remains the main contributor to the Group's net profit.
- The contribution of the apparel segment is increasing due to the measures taken within collection and inventory management.

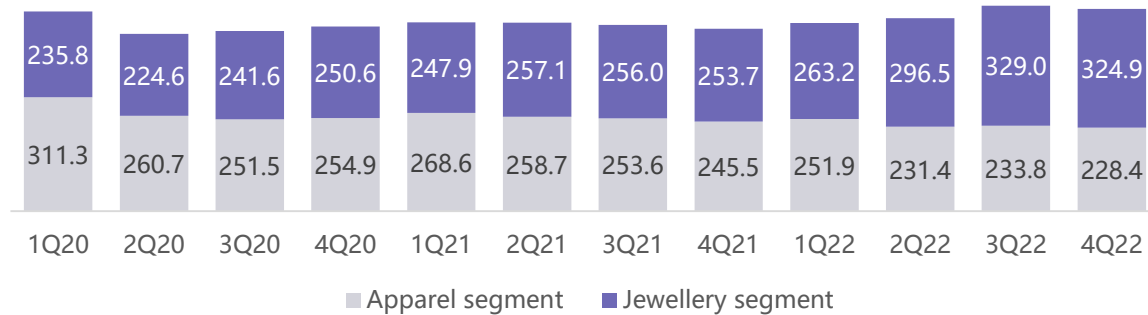
INVENTORY GROWTH FOR PLANNED NETWORK EXPANSION

Change in inventories
(PLN m)



- Inventories up 10.8% YoY to PLN 553.3m in 4Q22.
- Apparel segment inventory declines continued, with a 7.0% YoY decline in 4Q22 due to order optimisation and further run-off of collections from earlier quarters.
- Jewellery segment inventories increased by 28.1% YoY due to the expected growth of the chain in 2023 and higher purchase cost (inflation and exchange rate).

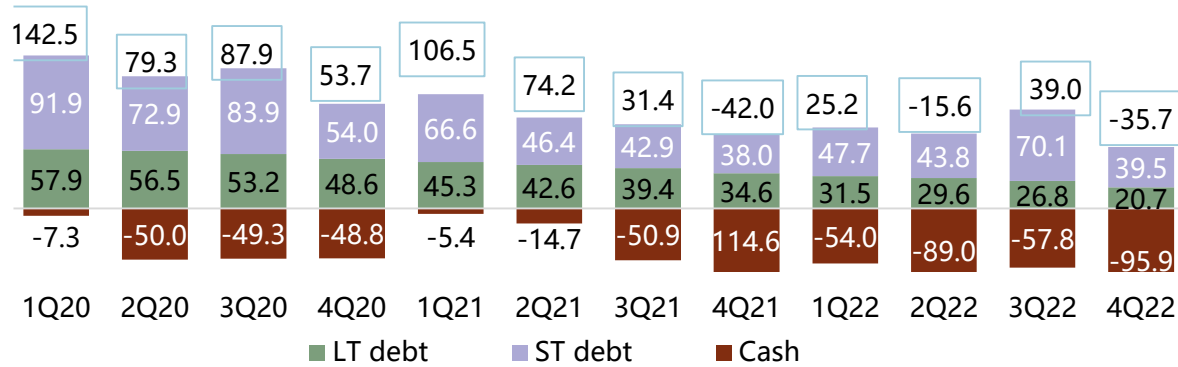
Inventory by segments
(PLN m)



- Group inventories/ m2 at the end of 4Q22 amounted to PLN 10,643, +11.6% YoY.
- Apparel segment inventories per m2 amounted to PLN 5,734, down 4.4% YoY.
- Due to the characteristics of the industry, inventories per m2 in the jewellery segment amounted to PLN 26,736, an increase of 20.1% YoY (price increases, inventory for openings in 1H23).

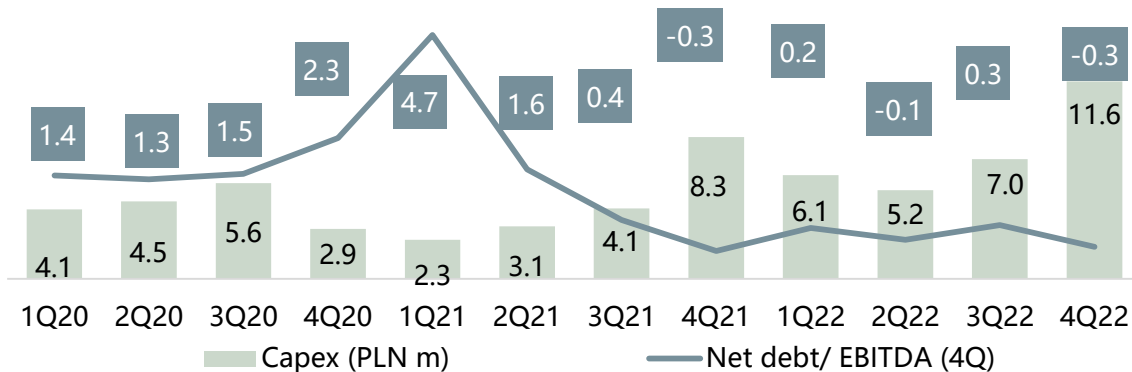
NET CASH ON THE BALANCE SHEET

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 302.0m in 4Q22.
- Planned reduction of long-term debt. Usage of reverse factoring for supply chain financing reached PLN 16.1m in 4Q22.
- Group's net debt under IAS17 came in at PLN 35.7m at the end of 4Q22, compared to PLN 42.0m net cash at the end of 4Q21.

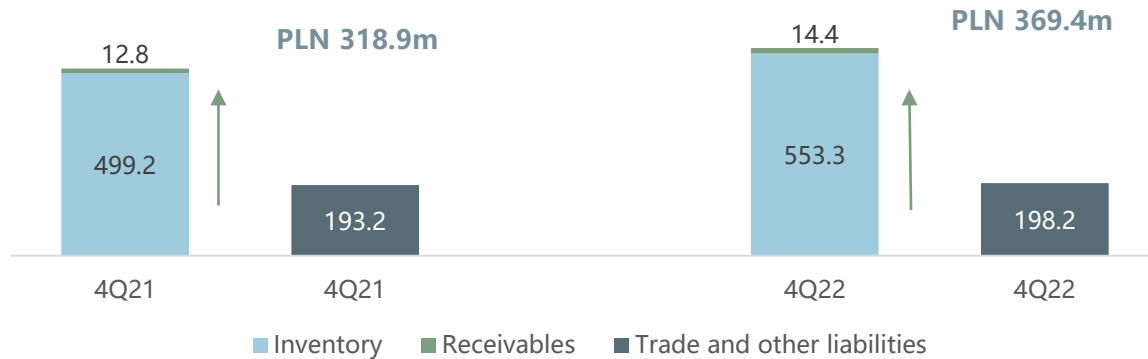
Capex vs. net debt/EBITDA
(IAS17)



- Net debt/EBITDA (4Q, IAS17) at (0.3x) – stable YoY due to increasing EBITDA and long-term debt reduction.
- Excluding reverse factoring, the Group's net cash ratio would come at (0.4x).
- Higher YoY capital expenditure in 4Q22, due to carried out renovations and openings of new own stores (new concepts in the apparel segment, new W.KRUK stores).

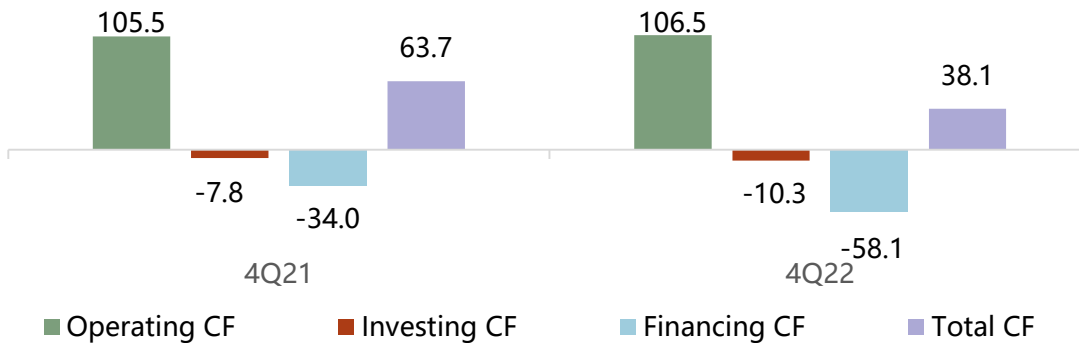
STABLE OPERATING CASH FLOW

Net working capital
(PLN m)



- Inventories increasing YoY: decrease in the apparel segment, growth in the jewellery segment (level before seasonal sell-offs).
- YoY increase in receivables due to higher YoY prepayments Spring/Summer collection orders).
- Slightly higher YoY liabilities due to increased inventory levels in the jewellery segment.

Quarterly cash flows
(PLN m)



- High positive operating cash flow despite higher working capital charge due to higher pre-tax profit.
- Higher YoY net capital expenditure - in 4Q21 YoY reduction in expenditure due to network optimisation and lock-down, 4Q22 return to upgrades and openings.
- Financing cash flow illustrates strong liquidity position and reduction in debt despite dividend payment in 3Q22.

VISTULA

WÓLCZANKA

BYTOM
SZUKA KRAWIECTWA OD 1945

W.KRUK
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DENICLER
MILANO

04

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2023+ OUTLOOK



I CONTINUATION OF GOOD REVENUES IN STORES IN 1Q23



PLN m	1Q22	1Q23	YoY
Revenues	243.8	267.0	9.5%
apparel segment	115.3	125.0	8.4%
jewellery segment	128.4	142.0	10.5%
% revenues on-line	18.0%	12.9%	-5.1pp.
Gross profit margin	50.8%	51.6%	0.8pp.

KEY TRENDS IN 1Q23:

Positive Group sales growth - stronger growth in the jewellery segment than in the apparel segment.

Group floorspace at 51.9 ths m2, -1.2% YoY. Share of on-line sales lower YoY, due to customer preference.

Higher gross margin on sales due to lower YoY price promotions and faster merchandising.

| DEVELOPMENT OF APPAREL COLLECTIONS

Wide range of formal clothing for events for men and women



Development of a casual offer in Spring and Summer - supporting customers' everyday needs and making brands' revenue potential more flexible

Marketing campaigns supporting major brand collections

ACTIONS TOWARDS OMNICHANNEL IN 2023

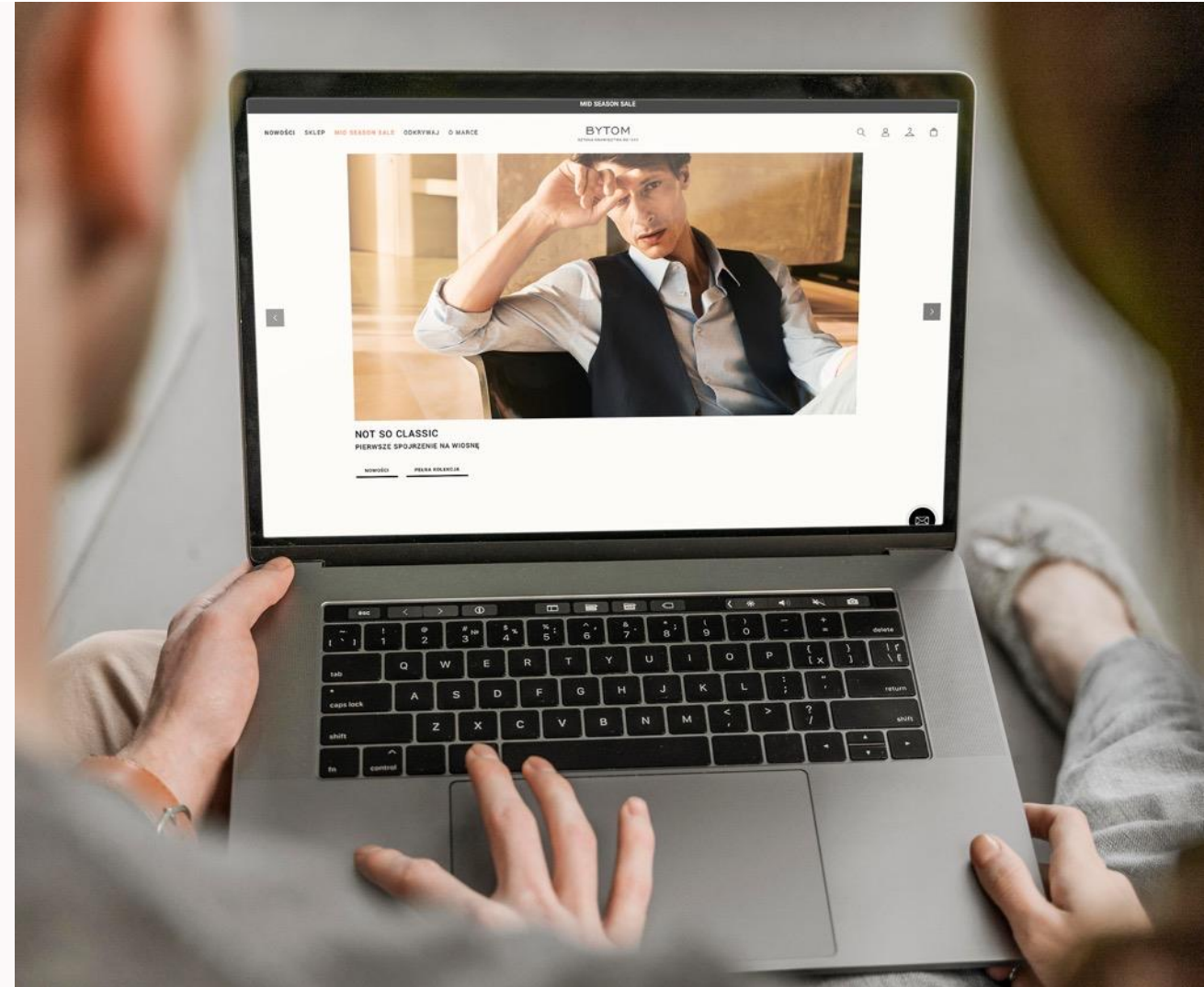
In-depth integration of offline and online channels, aiming to increase on-line sales conversion and customer convenience wherever the purchase is made

Inventory consolidation increasing the efficiency of its omnichannel sales; collection management using AI processes

Segmenting customer information and using it to better target the product to the individualised needs of the customer

Further development of sales application for VRG brands as tool to customer needs, combined with strong development of the loyalty programme

Traditional stores - new and improved concepts to support the established position of VRG brands on the Polish market



| CONTINUATION OF ESG-ORIENTED ACTIONS



We were awarded the title of Climate Responsible Company for our non-financial reporting for 2021.

Eco-friendly apparel and jewellery for years

From the Spring/Summer 2023 collection onwards, a minimum of 15% of model-coloured garments in each brand and a minimum of 20% of garments using certified organic raw materials (i.e. organic cotton, recycled cotton, RDS-certified natural down, organic linen, eco viscose and recycled man-made fibres).

Responsible supply chain

We have a comprehensive Code for Suppliers and Contractors based on OECD guidelines for multinational enterprises and the International Labour Organisation (ILO). Code signed by 95% of VRG SA fabric and product suppliers and 74% of W.KRUK suppliers.

Participation in the „Ubrania do Oddania” campaign

Wólczanka brand and Deni Cler Milano brand supported the Ubrania do oddania campaign. A collection of unwanted clothes was carried out. Each kilogram collected translated into one zloty of help for "Zdążyć z pomocą" Foundation (from the Wólczanka brand website) and the "Między Niebem a Ziemią" Foundation (from the Deni Cler brand website).

NEW CONCEPT OF W.KRUK STORES



Store in Westfeld Mokotów opened after refurbishment - the first W.KRUK store in Poland in the latest ROLEX brand concept.

A store with an area of c. 180 m2, quadrupled in size compared to the previous one.

The Tudor brand is presented in a shop-in-shop concept. Other luxury brands such as Marco Bicego, Pasquale Bruni, Recarlo, Birks, Anna Maria Cammilli or Gucci and Hublot watches are also featured in the wide range of products.

The store offers only the most prestigious watch and jewellery brands, giving them their due exposure.

In addition to the Rolex brand, customers will also find the largest Cartier shop-in-shop in the country at the salon.



JEWELLERY AND ACCESSORIES FOR EVERY DAY

Wide range of accessories

The accessories offered by the brand include bags, wallets and cases as well as silk scarves and neckerchiefs and original W.KRUK perfumes. W.KRUK accessories are created in Polish manufactories.

Expanded range of external brand jewellery

Products from prestigious jewellery manufactures from all over the world (so-called external brands) such as BIRKS Bijoux, Nanis, Marco Bicego, Pasquale Bruni, Hulchi Belluni and Recarlo in selected W.KRUK stores.



A range of jewellery, accessories and watches ideal for Mother's Day, Children's Day, weddings and communions.

Novelties in the dedicated jewellery offer

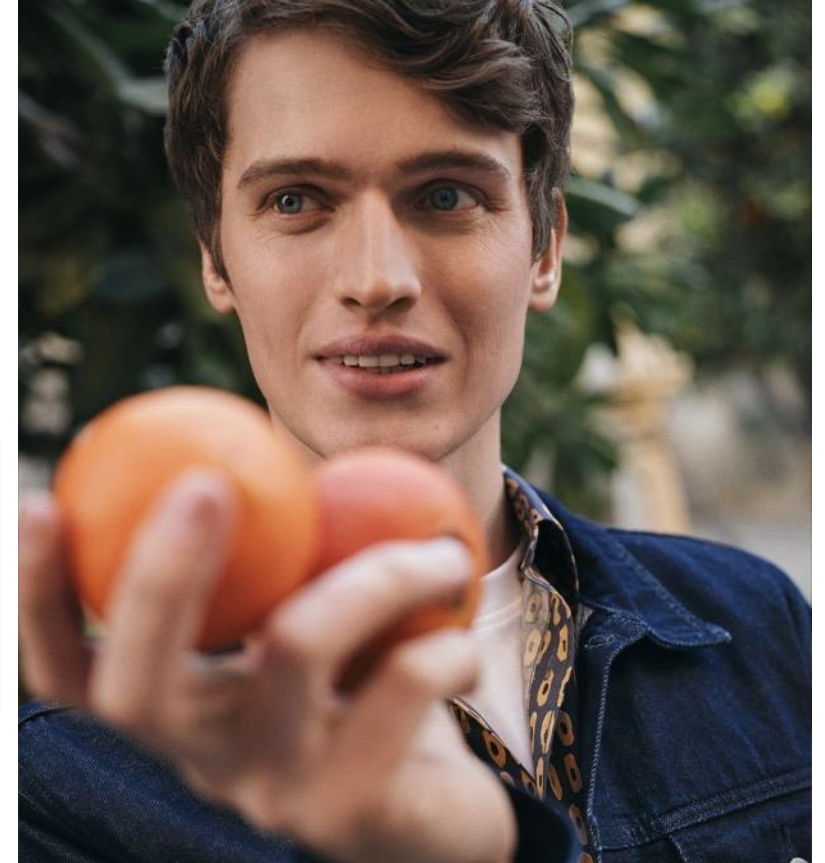
- W.KRUK: the next instalment of the bestselling dedicated Flowers of the Night collection. Gold and silver jewellery, hand-decorated with colourful enamel. Lilac blossom, cherry blossom and strawberry fruit and flower motifs.
- Picky Pica: Sugar collection, intense colours, imaginative designs.

Watches from different price levels:

- The most prestigious watches Rolex and Patek Philippe (the only distributor in Poland),
- renowned manufactures such as Cartier, Chopard, Hublot, Panerai, Jagger Le Coultre, Omega, Tudor, Tag Heuer, Longines,
- fashion brands: Swatch, Gucci, Emporio Armani, Michael Kors, Tommy Hilfiger, Guess, Hugo Boss.

GROWTH OF FLOORSPACE IN BOTH SEGMENTS IN 2023

		2022	2023 target	YoY
APPAREL SEGMENT	stores	382	376	- 6
	m2	39,833	41,259	+ 4%
JEWELLERY SEGMENT	stores	152	160	+ 8
	m2	12,150	13,014	+ 7%
TOTAL	stores	534	536	+ 2
	m2	51,983	54,273	4%



Return to floorspace growth in the apparel segment in 2023 (new gross floor area is approximately 4,400 m2 in 2023). Continued growth in the jewellery segment. New shops will replace unprofitable Group shops that are being closed.

Planned capital expenditure in 2023 of around PLN 42m (for both openings and modernisation) compared to PLN 30m in 2022.

Growth through own stores. The planned area of franchised stores is 10,700 m2 at the end of 2023 (10,500 m2 at the end of 2022).

PLANS FOR 2023

Diversified capital group

VRG's Management Board is continuously monitoring the sales and margin performance of all brands and will flexibly adapt its actions to the market situation.

2023 targets

- continuing revenue growth in both segments
- work on gross margin improvement in an inflationary environment
- safe financial position

The target for 2023 is to achieve higher YoY operating and net results.



Growth drivers

Apparel segment:
new formal and
casual collections,
new store formats

Jewellery segment:
new jewellery
collections,
accessories, wide
range of watches

I WE MAINTAIN OUR DIVIDEND POLICY

The objective of the management board is to share the profit generated with the shareholders in line with the dividend policy

- The Management Board intends to recommend annually to the General Meeting a distribution of between 20% and 70% of the consolidated net profit resulting from the audited consolidated financial statements of VRG S.A., assuming that the net debt/EBITDA ratio at the end of the financial year is less than 2.5x.
- Each time before making a recommendation, the Management will take into account: 1) the Company's and the Group's financial situation, 2) investment needs, 3) liquidity situation, 4) the Group's development prospects in a given market and macroeconomic situation, 5) acquisition plans, and 6) banking covenants.
- Payment of PLN 39.9m dividend from 2021 profit.



VISTULA

WÓLCZANKA

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W.KRUK
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DENI CLER
MILANO

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Q&A



VRG
VISTULA RETAIL GROUP

VISTULA

WÓLCZANKA

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W.KRUK
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DENICLER
MILANO

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BACK-UP



| NEW COLLECTIONS IN ALL BRANDS IN 4Q22

VISTULA

INCREASING SHARE
OF WOMEN'S
COLLECTION IN SALES.

BYTOM

SZTUKA KRAWIECTWA OD 1945

GROWING SHARE OF
INTERNET IN SALES.

WÓLCZANKA

HIGHEST SHARE
OF INTERNET.



DENI CLER
MILANO

THE HIGHEST GROSS
PROFIT MARGIN.

W. KRUK
1 8 4 0

THE FASTEST
FLOORSPACE
GROWTH.

| VISTULA: EXECUTIVE SUMMARY

SPRING SUMMER 2023 COLLECTION

- Spring 2023 collection: simple, basic, high-quality garments can be put together in a multitude of ways, building a wardrobe that is versatile and suitable for many occasions and seasons. Through the "So easy to create" campaign, Vistula shows how to create multifunctional and timeless sets for women and men. The collection is designed with a consistent colour palette and the use of top-quality fabrics, which will allow customers to create unmissable styles for many occasions.
- The Celebrations collection will be on sale from April. In addition to classic products in shades of navy blue or black, Vistula presents light, top-quality materials, pastel colours and fashionable cuts. In line with the capsule wardrobe, the season's leitmotif is "easy to wear" pieces, which can easily be combined in many ways and worn for various occasions.

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

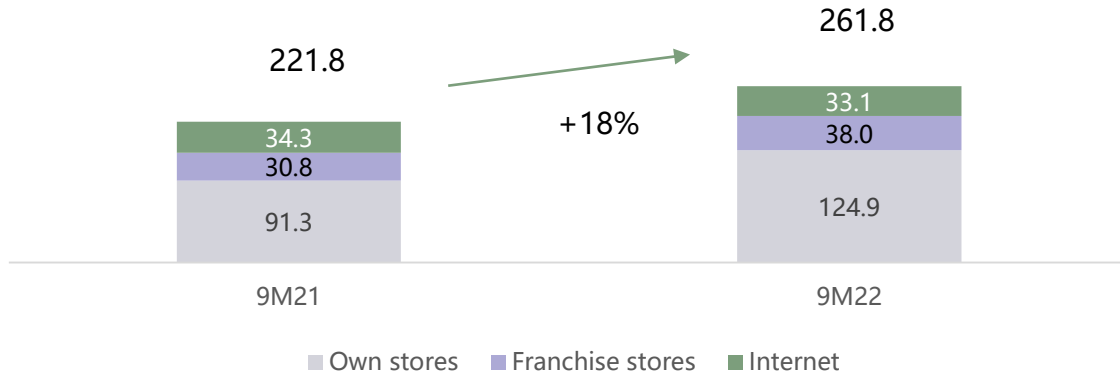
NETWORK DEVELOPMENT

- In 4Q22, the number of brand shops remained stable QoQ.



VISTULA: GROWING STORE EBIT

Bytom brand revenues
(PLN m)



Bytom brand efficiency

	2021	2022	YoY
Revenues (PLN/m2 per month)	997	1,190	19.3%
Gross profit margin (%)	56.8%	57.8%	1.0pp.
Cost of stores (PLN/m2 per month)	383	487	27.0%
Store EBIT (PLN m)	40.9	44.3	8.4%

- Vistula brand revenues amounted to PLN 261.8m in 2022, growing by 18.1% YoY. The brand's stores generated PLN 168.3m, +26.9% YoY, due to a recovery in demand in shopping centres.
- Franchise revenues amounted to PLN 50.7m in 2022, +15.4% YoY. Franchise share increased to 19.4% in 2022, -0.4 pp YoY.
- Internet revenue was PLN 42.9m in 2022, -5.3% y/y. Internet's share of sales 2022 is 16.4% compared to 20.4% in 2021.

- Increase YoY in sales/sqm due to stronger rebound in traditional stores.
- Increase in gross margin YoY due to lower YoY promotions, especially in 1H22.
- Increase in shop costs/m2 above growth in sales/m2: rising rents (low base of 3Q21 itself due to rent adjustments after lock-downs), commissions and salaries.

| BYTOM: EXECUTIVE SUMMARY

SPRING SUMMER 2023 COLLECTION

- The Supreme Comfort collection is the first part of the Spring campaign. The colour palette of rooibos (a warm and rich shade that is a mix of timeless brown and red), beiges, cool blues and the richness of textures on which the line was designed, shapes the vision of the modern man.
- The guiding principle is maximum comfort and utilitarianism. The essence of the line is denim, which is a nod to the latest trends and timeless classics. In addition to the classic denim trousers and jackets, the designers have also created denim shirts, available in two shades: classic blue and subtle blue.
- The Supreme Comfort line also abounds in jackets and coats. Jackets in suede-like fabric, Spring lightweight down jackets, jackets made of water-repellent fabric and cut inspired by the traditional FIELD JACKET and classic trenches.
- Spring is also the time for knitwear. The line includes soft, structured blazers and stretchy, great-fitting shirts that reflect the smart casual nature of this season.
- In December 2022, a Bytom store was opened in the brand's latest concept in Stary Browar in Poznań, with an area of 120 m2.

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

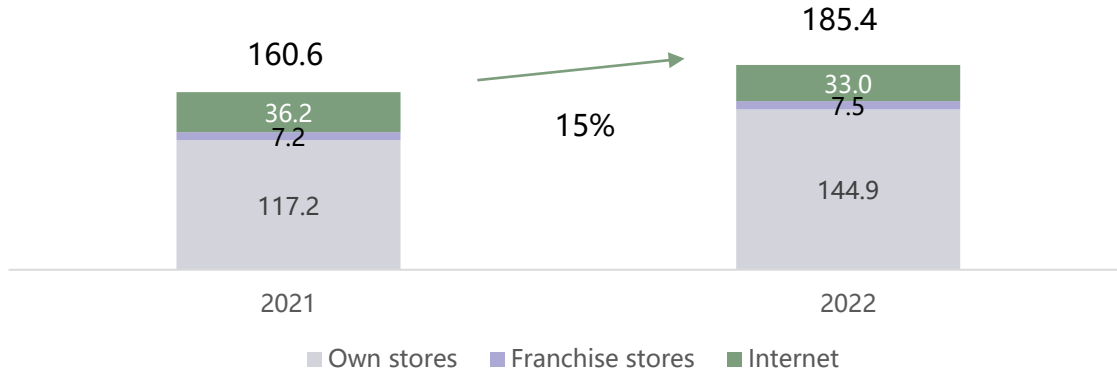
NETWORK DEVELOPMENT

- In 4Q22, the number of stores increased by 1 net QoQ, 2 net own stores were opened and 1 net franchise salon was closed.



BYTOM: HIGH DOUBLE-DIGIT GROWTH IN STORE EBIT

Bytom brand revenues
(PLN m)



- Bytom brand revenues amounted to PLN 185.4m in 2022, growing by 15.4% YoY. The brand's stores generated PLN 144.9m, +23.6% YoY.
- Franchise revenues amounted to PLN 7.5m in 2022, +5.1% YoY. Franchise share was 4.1% in 2022, down 0.4pp YoY.
- Internet revenue was PLN 33.0m in 2022, -9.1% YoY. Internet share of sales 2022 is 17.8% compared to 22.6% in 2021.

Bytom brand efficiency

	2021	2022	YoY
Revenues (PLN/m2 per month)	871	1,056	21.3%
Gross profit margin (%)	55.8%	58.0%	2.2pp.
Cost of stores (PLN/m2 per month)	390	486	24.4%
Store EBIT (PLN m)	17.6	22.3	26.8%

- High double-digit sales/m2 growth due to expanded collections and lower COVID-19 restrictions.
- Higher YoY gross margin due to lower YoY promotions in both on-line and off-line channels, especially in 1H22.
- Increase in store costs/m2 similar to the increase in sales/m2: rising rental costs (low base of 3Q21 itself due to rent adjustments after lock-downs), commissions and salaries, but lower depreciation.
- Significant increase in store EBIT.

| WÓLCZANKA: EXECUTIVE SUMMARY

SPRING/SUMMER 2023

- „Close to you” is the latest campaign by the Wólczanka brand, which talks about closeness in a multidimensional way: the closeness that fabrics create with our body, with our passions and personality, and the closeness in our relationships with other people.
- Wólczanka's Spring designs attract attention with their base but also saturated, energetic colours. Wólczanka's new collection features natural beiges combined with juicy navy blue, saturated browns with an addition of sensual red and light rhubarb pink. The colour palette in the men's collection is also based on basic colours: beige, navy blue, black and white. In addition, the men's proposals also include this season's very fashionable marine and rhubarb colours.
- New additions include oversized shirts, cotton dresses, jackets, new jumper silhouettes and new flared jeans - all of which create a perfect capsule for creating a variety of outfits in the spirit of a relaxed and comfortable total look.
- This season, the Wólczanka brand strongly distinguishes women and proposes styles that emphasise their femininity and naturalness.

WÓLCZANKA (FASHION FOR MEN AND WOMEN)

- Polish chain of own and franchise boutiques and 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.

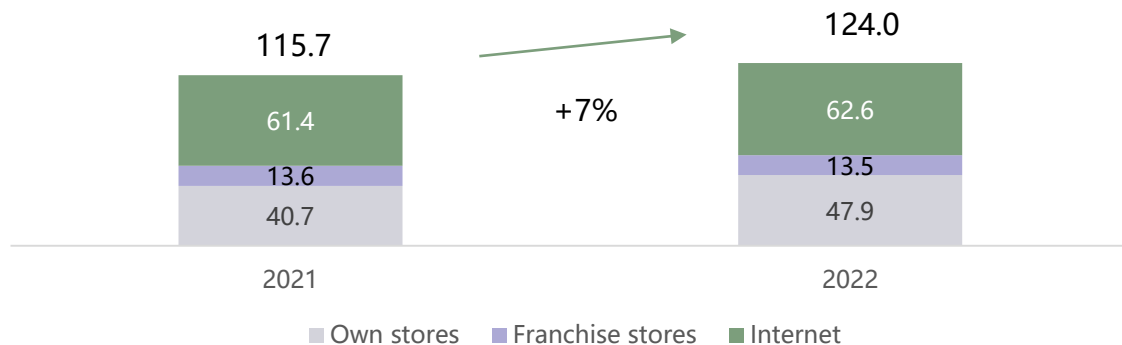
NETWORK DEVELOPMENT

- A net decrease in the number of salons by 2 QoQ. These were franchise stores.



WÓLCZANKA: HIGHEST SHARE OF ON-LINE IN SALES

Wólczanka brand revenues
(PLN m)



- Wólczanka brand revenues amounted to PLN 124.0m in 2022, growing by 7.2% YoY. The brand's stores generated PLN 47.9m, +17.8% YoY.
- Franchise revenues amounted to PLN 13.5m in 2022, stable YoY. Franchise share was 10.9% in 2022, down 0.8 pp YoY.
- Internet revenue was PLN 62.6m in 2022, +1.9% YoY. Internet share of sales 2022 is 50.5% compared to 53.1% in 2021.

Wólczanka brand efficiency

	2021	2022	YoY
Revenues (PLN/m2 per month)	2,167	2,245	3.6%
Gross profit margin (%)	56.1%	55.5%	-0.6pp.
Cost of stores (PLN/m2 per month)	777	915	17.6%
Store EBIT (PLN m)	23.4	18.3	-21.9%

- Increase in revenue/m2 due to, among other things, lower covid restrictions and a rebound in sales in traditional stores.
- Lower gross margin on sales in both on-line and off-line channels, especially in the first two quarters.
- Increase in costs/m2 above growth in sales/m2: increase in rentals (low base of 3Q21 itself due to rent adjustments after lock-downs), depreciation and wages, but decrease in commissions.
- EBIT of stores lower YoY due to weaker YoY 3Q22.

| DENI CLER: EXECUTIVE SUMMARY

SPRING/SUMMER COLLECTION

- Deni Cler's collection for the Spring/Summer 2023 season was called "THE MAGIC OF CINEMA". It was inspired by film and the icons of world cinema. It consists of 6 capsules.
- The first is dedicated to Monica Bellucci and refers to classic Italian elegance with a workleisure vibe.
- The second capsule is dedicated to Cate Blanchett and is dominated by intense colours: violet, lime and optical illusion-inspired prints.
- The muse of the third capsule is French film actress Brigitte Bardot - designed in a sport-glam style, the line is distinct in colour, based on pure white, juicy orange and navy blue.
- For the fourth capsule, the designers were inspired by Penelope Cruz. The capsule introduces us to summer. It is dominated by monochrome natural fabrics in sunset colours.
- Group five is inspired by British actress Audrey Hepburn. Ethereal, romantic, airy designs for summer are present in the capsule.
- The sixth and final capsule is dedicated to Marilyn Monroe. It is dominated by juicy reds and intense pinks.

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.

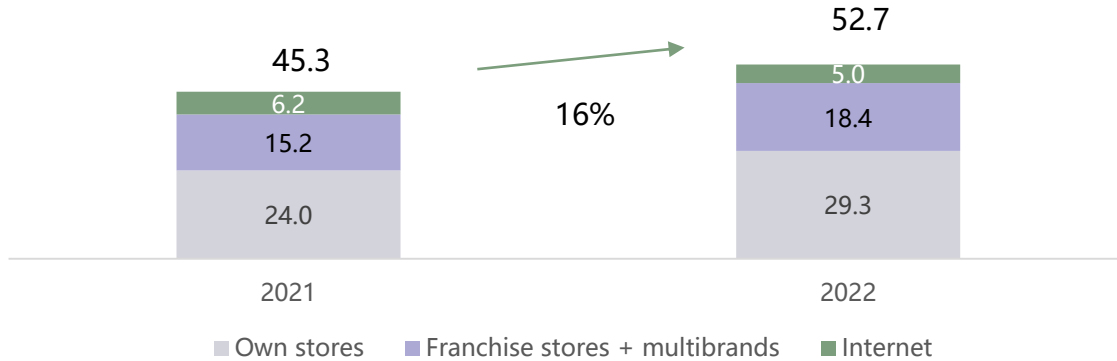
NETWORK DEVELOPMENT

- The number of own and franchised salons remained stable in 4Q22. In addition, at the end of 4Q22, the brand had 22 multibrand stores, stable QoQ.



DENI CLER: CONTINUED GROSS MARGIN GROWTH

Deni Cler brand revenues
(PLN m)



- Deni Cler brand revenues amounted to PLN 52.7m in 2022, growing by 16.3% YoY. The brand's stores generated PLN 29.3m, +22.2% YoY.
- Franchise and multibrand revenues amounted to PLN 18.4m in 2022, up 21.0% YoY. Franchise share increased from 33.6% in 2021 to 34.9% in 2022.
- Internet revenue was PLN 5.0m in 2022, -18.6% YoY. Internet share of sales 2022 is 9.5% compared to 13.6% in 2021.

Deni Cler brand efficiency

	2021	2022	YoY
Revenues (PLN/m2 per month)	1,308	1,573	20.3%
Gross profit margin (%)	58.7%	63.5%	4.9pp.
Cost of stores (PLN/m2 per month)	484	603	24.7%
Store EBIT (PLN m)	9.8	13.3	35.0%

- Double-digit increases in sales/m2 due to a rebound in traditional stores and dynamic growth through multibrand stores.
- Increase in gross margin YoY in 2022 due to lower promotions and sales and improved margins in the on-line channel.
- Increase in costs/m2 similar to the increase in sales/m2: higher rentals (low base of 3Q21 itself due to rent adjustments after lock-downs), increase in wages and commissions but decrease in depreciation.
- As a result, high growth in store operating profit YoY.

| W.KRUK: EXECUTIVE SUMMARY

NOVELTIES IN THE COLLECTIONS

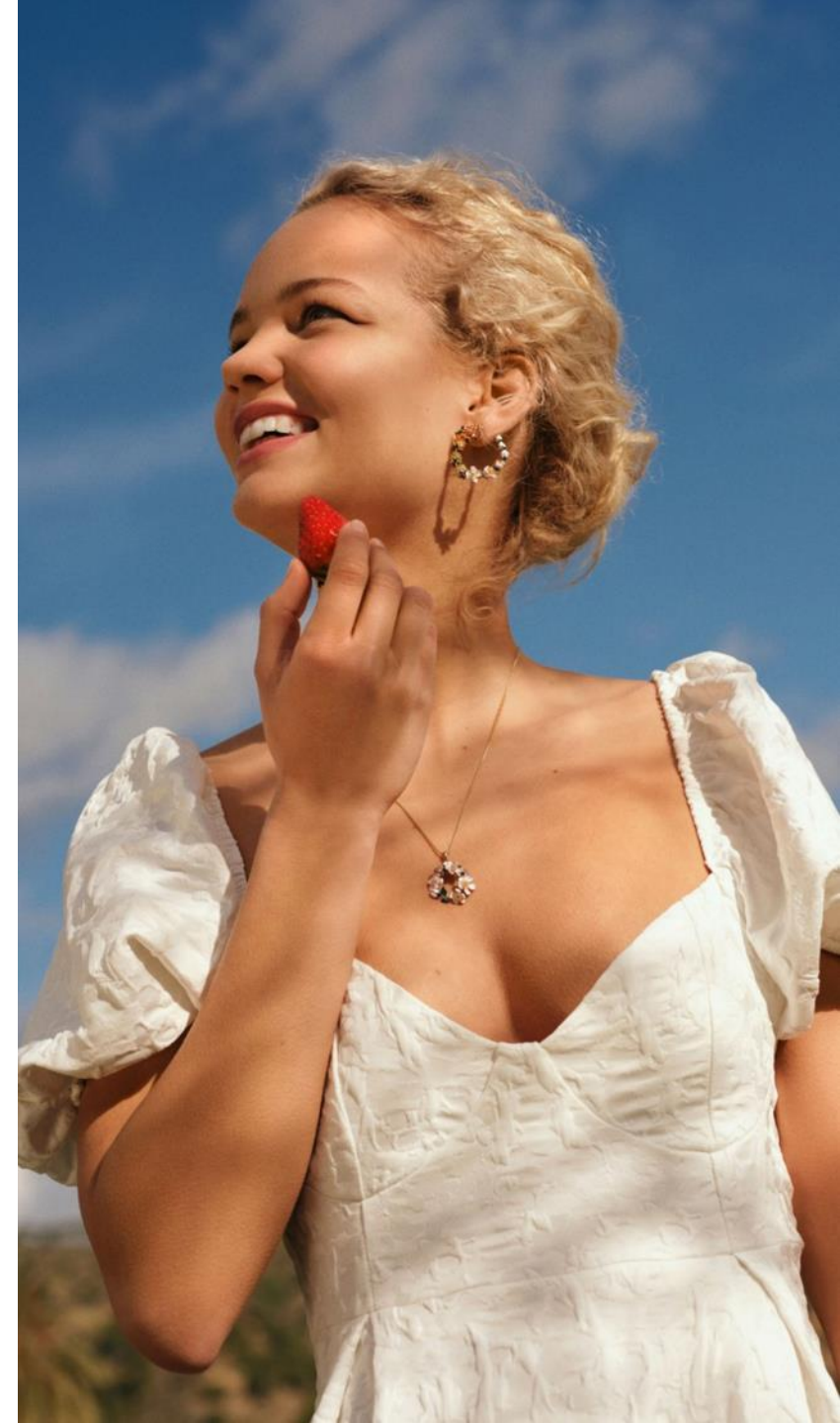
- W.KRUK welcomes the new season with another part of dedicated bestselling jewellery collection „Flowers of the Night“. The collection was inspired by violet and pink lilacs, cherry blossoms and the natural ripening cycle of the strawberry fruit.
- The modern jewellery made of silver and gold is dominated by shades of purple, pink, white and red. The beautiful colours of the flowers have been reproduced thanks to the traditional and extremely precise technique of hand-coating the bullion with coloured enamel.
- Picky Pica, a brand owned by W.KRUK, presented a new Sugar collection for spring, which delights with its intense colours and imaginative designs.
- As every year, April will be full of premieres of Swiss watch brands, of which WKRUK is a representative.

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, 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.

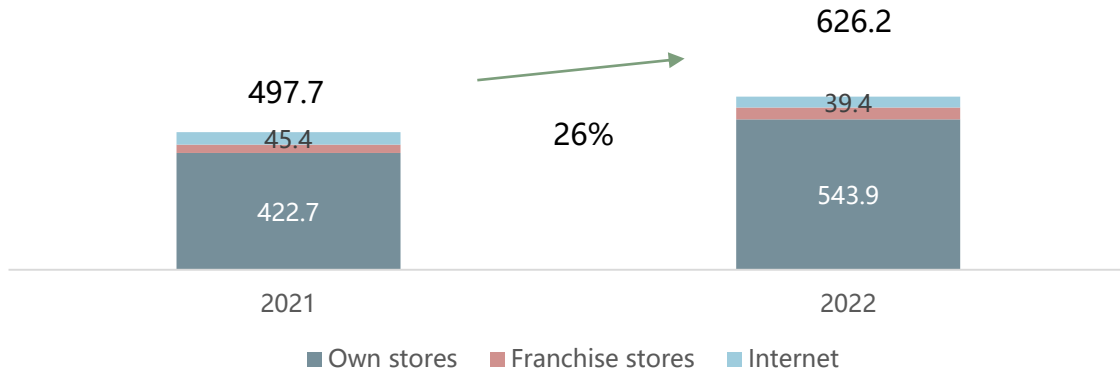
NETWORK DEVELOPMENT

- The number of net brand stores remained stable in 4Q22. Net 1 own store was closed and 1 franchise store opened.



W.KRUK: DOUBLE-DIGIT STORE EBIT

W.KRUK brand retail revenues
(PLN m)



- Retail revenues of the W.KRUK brand amounted to PLN 626.2m in 2022, growing by 25.8% YoY. The brand's stores generated PLN 543.9m in revenue, +28.7% YoY.
- Franchise revenues amounted to PLN 42.9m in 2022, up 44.6% YoY. The franchise share was 6.8%, compared to 6.0% in 2021.
- Internet revenues amounted to PLN 39.4m in 2022, -13.1% YoY. Internet contributed 6.3% to 2022 sales, compared to 9.1% in 2021.

W.KRUK brand efficiency

	2021	2022	YoY
Revenues (PLN/m2 per month)	3,739	4,416	18.1%
Gross profit margin (%)	52.2%	52.2%	0.1pp.
Cost of stores (PLN/m2 per month)	937	1,128	20.5%
Store EBIT (PLN m)	135.0	167.1	23.8%

- Double-digit growth in sales/m2 in 2022 due to strong demand for watches and jewellery.
- Stable gross margin due to fixed margin policy.
- Costs/ m2 growth comparable to sales/ m2 growth: increase in commissions, rentals (low base of 3Q21 alone due to post-lockdown rental adjustments) and salaries.
- As a result, double-digit EBIT growth.

STABLE GROUP STRUCTURE

VRG

COMPANIES INCLUDED IN THE CONSOLIDATED STATEMENTS FOR 4Q22

JEWELLERY SEGMENT

W.KRUK S.A.

Jewellery, watches, accessories

APPAREL SEGMENT

VRG S.A.
parent company

Vistula, Wólczanka, Bytom brands,
trademark

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

CONTINUED OPTIMISATION OF THE NUMBER OF STORES

NUMBER OF STORES

		1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
APPAREL SEGMENT	total	440	427	426	427	421	415	409	404	398	391	383	382
	franchise	126	126	129	136	135	135	131	127	126	123	119	116
VISTULA	total	148	145	147	149	148	148	146	145	145	144	142	142
	franchise	59	60	62	65	64	64	63	61	62	62	61	61
WÓLCZANKA	total	137	132	130	129	127	121	119	116	113	110	107	105
	franchise	50	49	50	53	53	53	51	48	47	45	43	41
BYTOM	total	125	120	117	117	115	116	115	114	112	109	106	107
	franchise	8	8	8	9	10	11	11	12	11	10	9	8
DENI CLER	total	30	30	32	32	31	30	29	29	28	28	28	28
	franchise	9	9	9	9	8	7	6	6	6	6	6	6
JEWELLERY SEGMENT	total	140	140	140	143	140	142	143	146	148	148	152	152
	franchise	14	15	16	18	18	20	21	23	23	26	25	26
TOTAL	total	580	567	566	570	561	557	552	550	546	539	535	534
	franchise	140	141	145	154	153	155	152	150	149	149	144	142

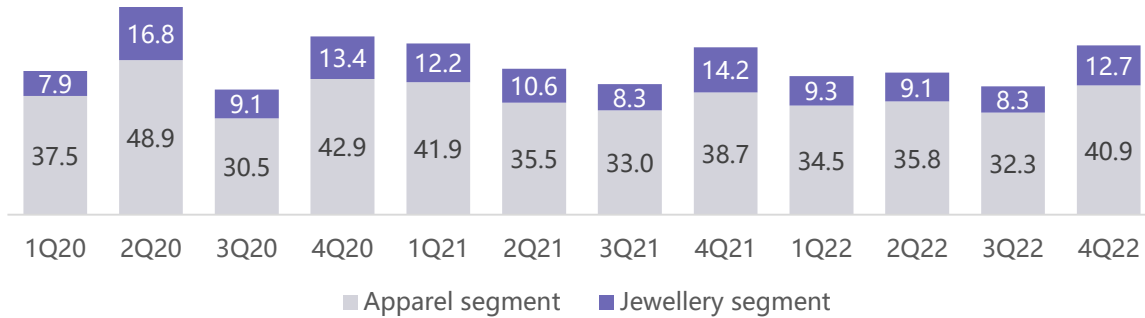
STABLE YOY FLOORSPACE

M2 OF FLOORSPACE

		1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
APPAREL SEGMENT	total	42,962	41,953	41,891	42,021	41,564	41,337	40,864	40,930	40,891	40,385	39,778	39,833
	franchise	9,123	9,195	9,368	9,882	9,789	9,794	9,577	9,462	9,425	9,236	9,019	8,798
VISTULA	total	18,650	18,291	18,508	18,695	18,586	18,593	18,390	18,531	18,509	18,404	18,118	18,139
	franchise	5,991	6,094	6,311	6,633	6,525	6,532	6,435	6,298	6,374	6,341	6,256	6,224
WÓLCZANKA	total	4,877	4,716	4,685	4,658	4,662	4,430	4,371	4,399	4,643	4,544	4,567	4,480
	franchise	1,504	1,473	1,530	1,626	1,625	1,625	1,567	1,499	1,459	1,392	1,355	1,287
BYTOM	total	16,487	16,000	15,634	15,604	15,327	15,417	15,267	15,165	14,946	14,638	14,293	14,415
	franchise	908	908	859	954	1,045	1,135	1,135	1,225	1,153	1,063	968	848
DENI CLER	total	2,947	2,947	3,064	3,064	2,989	2,897	2,835	2,835	2,792	2,799	2,799	2,799
	franchise	720	720	669	669	594	502	440	440	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	12,262	12,150
	franchise	856	896	965	1,121	1,113	1,255	1,368	1,511	1,511	1,645	1,623	1,710
TOTAL	total	53,693	52,702	52,647	53,048	52,482	52,397	52,038	52,324	52,541	52,016	52,039	51,983
	franchise	9,979	10,091	10,333	11,003	10,902	11,049	10,945	10,973	10,936	10,882	10,642	10,508

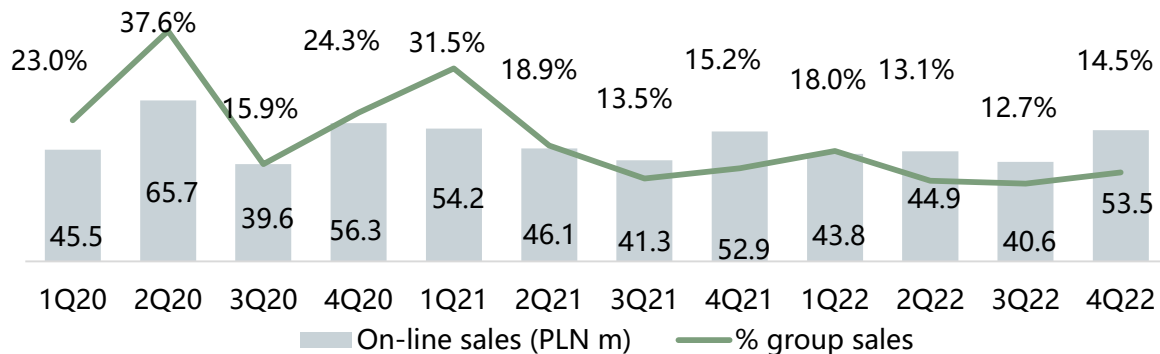
OWN E-STORES OF FIVE BRANDS

On-line sales by segments
(PLN m)



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

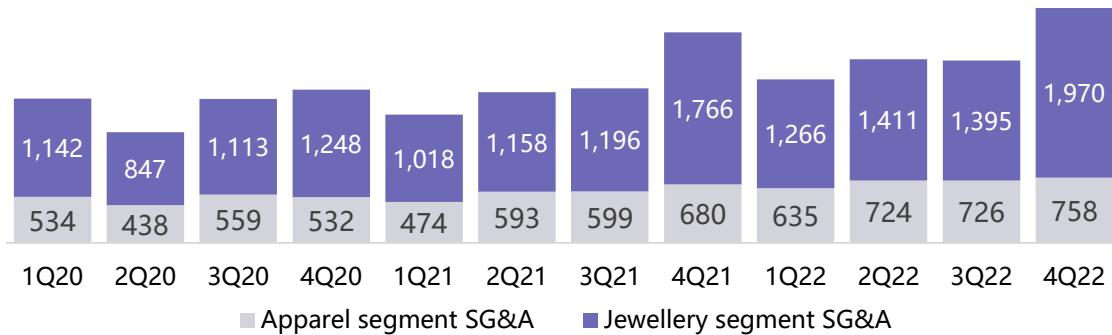
Group on-line sales



- In 4Q22, on-line sales amounted to PLN 53.5m, up 1.2% YoY due to a sales rebound in traditional stores.
- Internet share fell from 15.2% in 4Q21 to 14.5% in 4Q22, due to, among others, a high base and a weaker YoY macroeconomic environment in 4Q22.
- In addition to its own e-stores, the Group is developing cooperation of individual brands with external marketplaces, in particular Zalando.

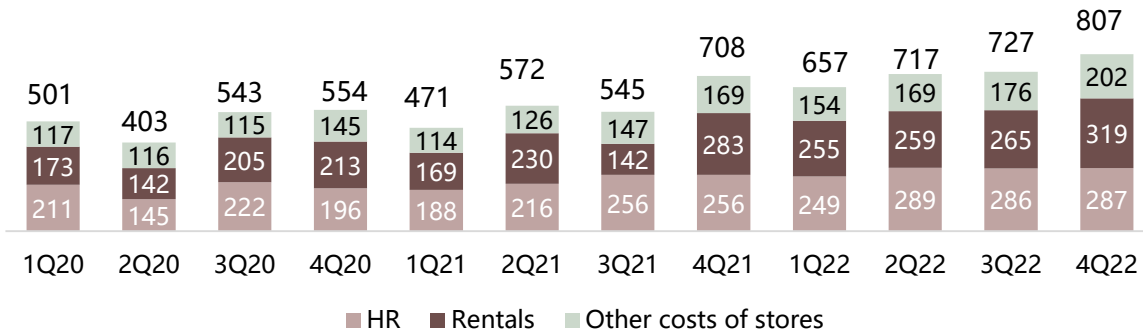
COSTS/ M2 UNDER CONTROL

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

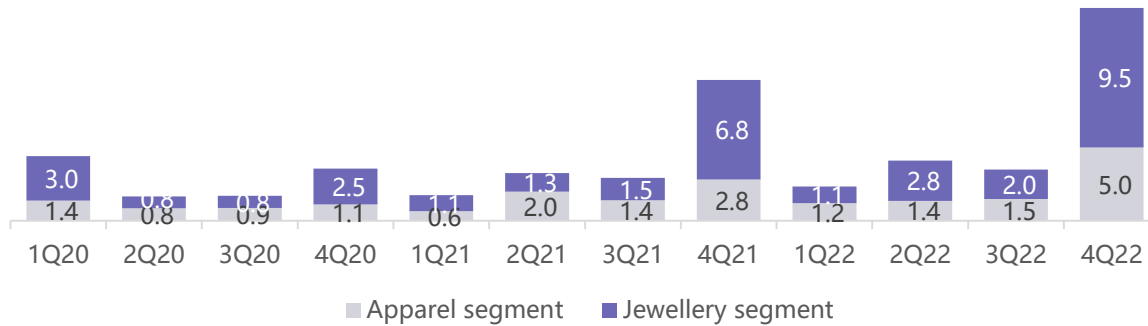
Costs of own stores per month/ m2
(PLN, excl. IFRS16)



- 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.

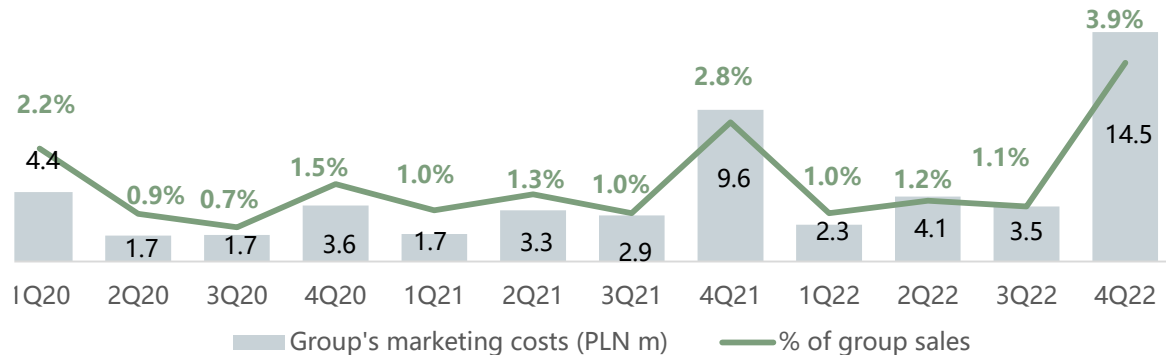
INCREASE IN OFF-LINE MARKETING EXPENSES

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 4Q22, marketing expenses amounted to PLN 14.5m, an increase of 51.0% YoY due to growth in both segments.

Group off-line marketing costs



- In 2022 off-line marketing expenses amounted to PLN 24.5m, up 39.4% 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. These include TV advertisement.

HISTORICAL QUARTERLY RESULTS, IFRS16

PLN m	1Q21	1Q22	YoY	2Q21	2Q22	YoY	3Q21	3Q22	YoY	4Q21	4Q22	YoY
Revenues	172.1	243.8	41.6%	244.0	341.8	40,1%	305.0	319.4	4.7%	348,8	369.0	5.8%
Gross profit on sales	81.7	123.2	50.8%	131.1	193.2	47,3%	163.3	165.5	1.3%	192,0	201.3	4.8%
Gross profit on sales margin	47.5%	50.5%	3.1pp.	53.7%	56,5%	2.8pp.	53.5%	51.8%	-1.7pp.	55.1%	54.5%	-0.5pp.
SG&A costs	96.1	117.4	22.1%	109.7	132.8	21.0%	119.2	132.6	11.3%	139.4	157.1	12.7%
Net other operating line	-1.4	-0.8		-4.7	-0.2		-1.1	0.5		1.0	-2.1	
EBIT	-15.8	5.0	N/M	16.7	60.2	260.1%	43.0	33.3	-22.5%	53.6	42.1	-21.5%
EBIT margin	-9.2%	2.1%	11.2pp.	6.9%	17.6%	10.8pp.	14.1%	10.4%	-3.7pp.	15.4%	11.4%	-4.0pp.
Net financial line	-6.7	-8.7		10.1	-10.2		-13.2	-21.6		-4.0	17.6	
Pre-tax profit	-22.6	-3.7	N/M	26.8	50.0	86.7%	29.8	11.7	-60.7%	49.6	59.7	20.3%
Taxes	-4.0	-0.8		-5.3	-10.7		-6.1	-2.5		-9.8	-12.3	
Net income	-18.6	-2.9	N/M	21.4	39.3	83.5%	23.7	9.2	-61.2%	39.8	47.3	19.0%
Net margin	-10.8%	-1.2%	9.6pp.	8.8%	11.5%	2.7pp.	7.8%	2.9%	-4.9pp.	11.4%	12.8%	1.4pp.
EBITDA	10.7	32.6	203.7%	43.5	87.0	100.2%	67.7	60.6	-10.4%	79.7	70.1	-12.0%
EBITDA margin	6.2%	13.4%	7.1pp.	17.8%	25.5%	7.6pp.	22.2%	19.0%	-3.2pp.	22.8%	19.0%	-3.8pp.

RESULTS UNDER IAS17

PLN m. IAS17	4Q21	4Q22	YoY
Revenues	348.8	369.0	5.8%
Gross profit on sales	192.0	201.3	4.8%
<i>Gross profit on sales margin</i>	<i>55.1%</i>	<i>54.5%</i>	<i>-0.5pp.</i>
SG&A costs	143.6	161.9	12.8%
EBIT	49.0	37.0	-24.5%
<i>EBIT margin</i>	<i>14.0%</i>	<i>10.0%</i>	<i>-4.0pp.</i>
Net financial line	-5.1	7.2	
Net income	34.7	34.8	0.1%
<i>Net margin</i>	<i>10.0%</i>	<i>9.4%</i>	<i>-0.5%</i>

EBITDA	54.4	42.5	-22.0%
<i>EBITDA margin</i>	<i>15.6%</i>	<i>11.5%</i>	<i>-4.1pp.</i>

PLN m. IAS17	2021	2022	YoY
Revenues	1,069.9	1,274.0	19.1%
Gross profit on sales	568.2	683.1	20.2%
<i>Gross profit on sales margin</i>	<i>53.1%</i>	<i>53.6%</i>	<i>0.5pp.</i>
SG&A costs	462.1	558.8	20.9%
EBIT	99.1	120.6	21.8%
<i>EBIT margin</i>	<i>9.3%</i>	<i>9.5%</i>	<i>0.2pp.</i>
Net financial line	-10.1	-11.6	
Net income	70.4	86.0	22.2%
<i>Net margin</i>	<i>6.6%</i>	<i>6.8%</i>	<i>0.2pp.</i>

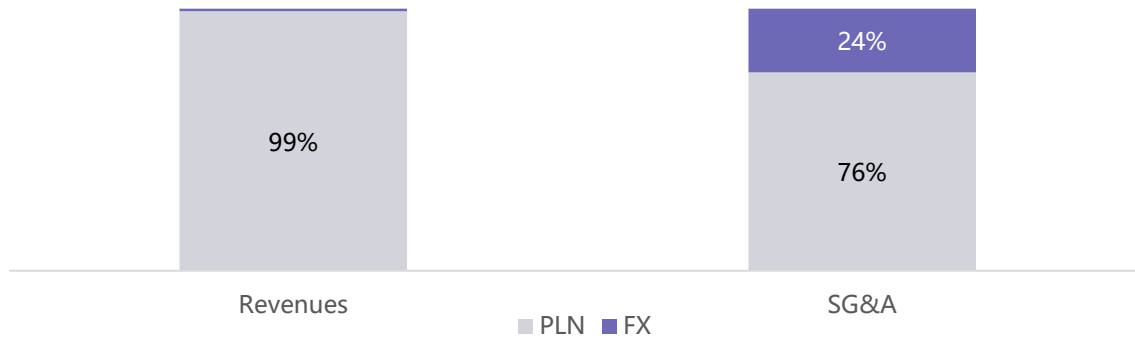
EBITDA	120.0	142.3	18.6%
<i>EBITDA margin</i>	<i>11.2%</i>	<i>11.2%</i>	<i>0.0pp.</i>

FX RISK EXPOSURE

Purchases by currencies
(PLN m)



2022 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	4Q21	2Q22	4Q22
Long-term debt	34.6	29.6	20.7
Bank loans	33.7	28.7	19.5
Finance leases	0.9	0.9	1.2
Short-term debt	38.0	43.8	39.5
Bank loan	20.6	24.2	22.8
Finance leases	0.7	0.6	0.6
Reverse factoring	16.7	19.0	16.1
Cash	114.6	89.0	95.9
Net debt	-42.0	-15.6	-35.7
Finance leases IFRS16	332.9	314.8	302.0
Net debt IFRS16	290.9	299.2	266.3

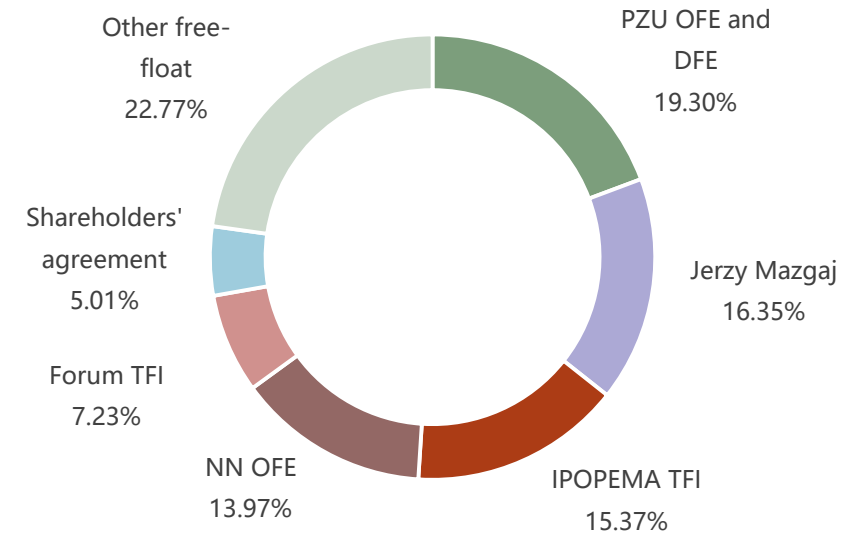
- Interest bearing indebtedness includes: bank loans, finance leases and reverse factoring (taken over with Bytom S.A. merger).
- Bank loans include: overdrafts and investment bank loans. Bank loan collateral comprises of: a floating charge on inventory, a fixed charge on "Vistula", "Wólczanka", "Bytom",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

- Consistent reduction in long-term debt YoY.
- Growing cash levels YoY, despite rising inventories and dividend payments.
- PLN 16.1m of reverse factoring used to finance suppliers at the end of 4Q22.
- PLN 302.0m of IFRS16 liabilities (finance leases) at the end of 4Q22.

SHAREHOLDER STRUCTURE

Shareholder structure as at 04.04.2023 (share in equity and votes)

	Number of shares/votes	% share
1. PZU OFE and DFE	45,251,894	19.30%
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. Shareholders' agreement	11,752,923	5.01%
7. Other free-float	53,382,967	22.77%
Total	234,455,840	



Sources of information on VRG S.A. shareholders

1. information given on the basis of notification received by the Company on the basis of Article 69(1)(2) and Article 87(1)(2b) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to PZU "Złota Jesień" Open Pension Fund and PZU Voluntary Pension Fund managed by Powszechne Towarzystwo Emerytalne PZU S.A. According to the information held by the Company, PZU "Złota Jesień" Open Pension Fund holds alone 44,199,785 shares in the Company, which constitutes 18.85% of the Company's share capital and entitles to 44,199,785 votes, constituting 18.85% of the total number of votes at the Company's General Meeting. According to information possessed by the Company, PZU Voluntary Pension Fund holds independently 1,052,109 shares of the Company, which constitutes 0.45% of the Company's share capital and entitles to 1,052,109 votes, constituting 0.45% in the total number of votes at the General Meeting of the Company.

2. information given on the basis of the notification received by the Company pursuant to Article 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 given on the basis of 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 Closed-end Fund of Non-public Assets managed by IPOPEMA TFI S.A. held 35,431,872 shares in the Company at the Annual General Meeting on 21.06.2022, which represented 15.11% of the Company's share capital and entitles to 35,431,872 votes representing 15.11% of the total number of votes at the Company's General Meeting.

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

5. information given on the basis of the number of shares held jointly by the funds Forum X Closed-end Fund and Forum XXIII Closed-end Fund managed by Forum TFI S.A at the Annual General Meeting on 21.06.2022. According to the information available to the Company, Forum X Closed-end Fund held 6,951,760 shares in the Company at the Annual General Meeting on 21.06.2022, which represented 2.97% of the Company's share capital and entitles to 6,951,760 votes representing 2.97% of the total number of votes at the Company's General Meeting. According to the information available to the Company, Forum XXIII Closed-end Investment Fund at the Annual General Meeting on 21.06.2022

held 9,995,040 shares of the Company, which represented 4.26% of the Company's share capital and entitles to 9,995,040 votes, representing 4.26% in the total number of votes at the General Meeting of the Company.

6. Information given on the basis of the notification received by the Company pursuant to art. 69 paragraph 1 with reference to art. 69a paragraph 1 point 3 of the Act on Public Offer and the Conditions for Introducing Financial Instruments to the Organized Trading System and on Public Companies of 29 July 2005 and concerns Company shares owned jointly by the shareholders agreement of Colian Developer sp. z o.o. sp. k. and Mr. Jan Kolański. According to the information possessed by the Company, Colian Developer sp. z o.o. sp. k. independently owns 3,295,550 shares of the Company, which constitutes 1.40 % of the Company share capital and entitles to 3,295,550 votes constituting 1,40 % in the total number of votes at the Company General Assembly. According to the information available to the Company, Mr Jan Kolański holds 8,457,373 shares in the Company, which represents 3.61% of the Company's share capital and entitles him to 8,457,373 votes, constituting 3.61% of the total number of votes at the Company's General Meeting.

| 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

