

WKRUK
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DENICLER
MILANO

WÓLCZANKA

BYTOM
SZTUKA KRAWIECTWA OD 1945

VISTULA



VRG
VISTULA RETAIL GROUP

1Q23 PRESENTATION

A modern group with traditions

MAY 18, 2023

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INTRODUCTION



KEY CORPORATE EVENTS OF THE LAST FIVE MONTHS



APPAREL SEGMENT

Introduction of new collections in each of the apparel brands, with a greater share of the women's collection in Vistula and Wólczanka and a higher share of smart casual

Network upgrade (standardization of the appearance of the stores of individual brands).
8 large-format Wólczanka stores

March 2023: opening of Wólczanka Westfield Mokotów and Bytom store in the Promenada Shopping Centre (Warsaw)



JEWELLERY SEGMENT

Introduction of novelties in jewellery (new edition of the Flowers of the Night collection)

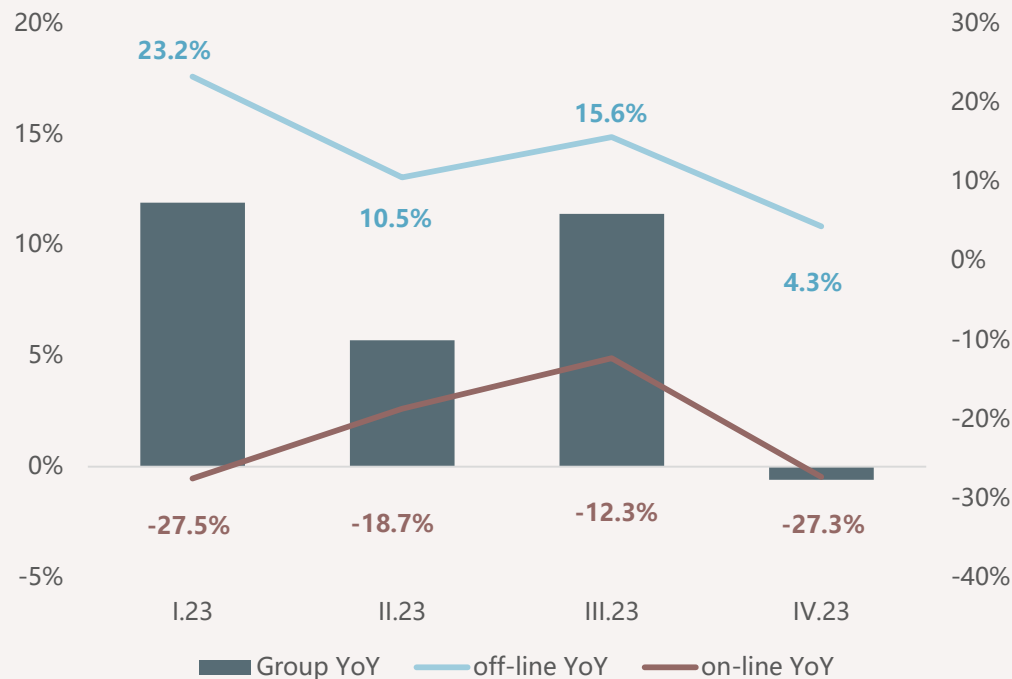
Jewellery and watches collections for special occasions (Valentine's Day, Mother's Day, Children's Day, weddings and communions)

The first W.KRUK store in Poland in the latest ROLEX concept (Westfield Mokotów)

VARIED SITUATION OF THE LAST MONTHS



Revenue dynamics (PLN m)



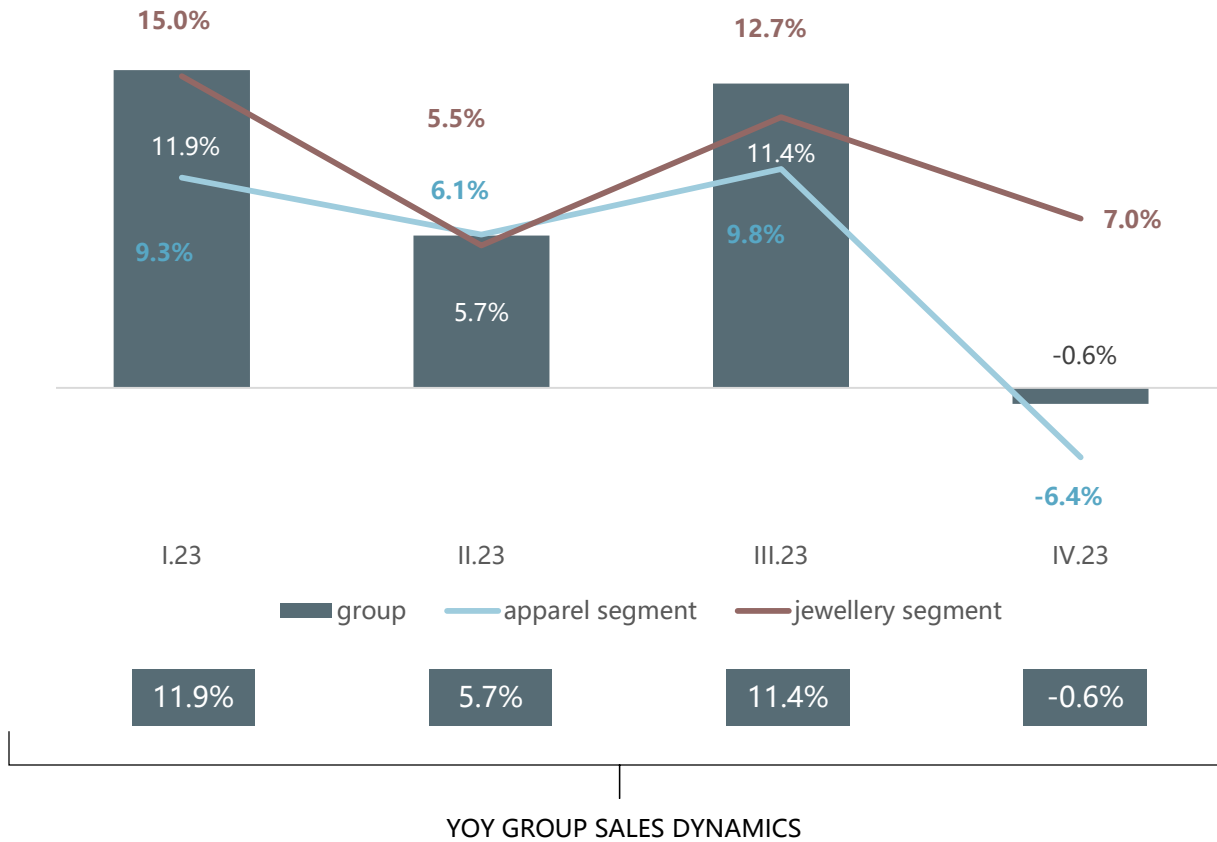
Favorable sales dynamics in the jewellery segment from January 2023 to April 2023 due to strong demand for jewellery and watches.

Significant fluctuations between the dynamics of individual months of 2023 result from changes in consumers' approach to shopping.

Demand from December 2022 postponed to January 2023. Higher increases in March 2023. Weakening in April 2023 due to lower YoY interest in formal apparel.

FAVOURABLE DYNAMICS IN STORES

Revenue dynamics (PLN m)



1 Group

The Group's sales dynamics supported by higher customer purchases in traditional stores (growing average price and average basket).

2 Stores

Positive sales dynamics in traditional stores each month. Lower YoY collection orders. Sales supported by higher YoY prices.

3 E-stores

On-line revenues under the influence of rebuilding sales in traditional stores.



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PERFORMANCE
BY BRANDS



A NETWORK OF PROFITABLE STORES ALL OVER POLAND

NUMBER OF STORES AT THE END OF 1Q23

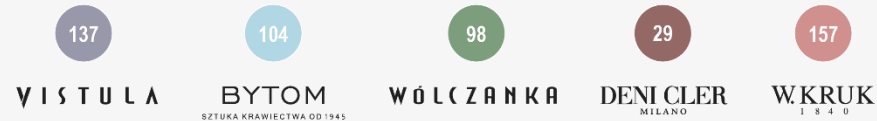
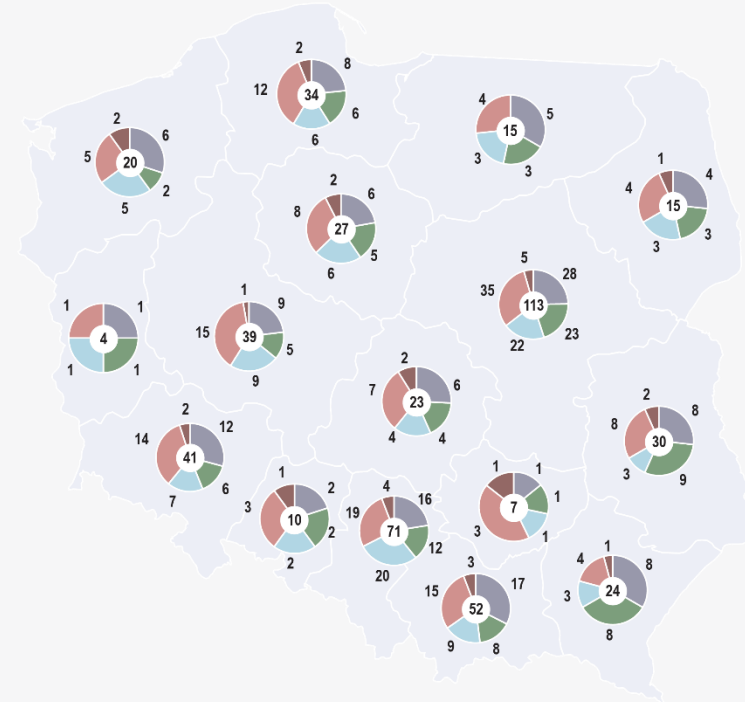
Apparel segment YoY change

VISTULA	137	-8
BYTOM <small>SZTUKA KRAWIECTWA OD 1945</small>	104	-8
WÓLCZANKA	98	-15
DENI CLER <small>MILANO</small>	29	+1

Jewellery segment YoY change

W.KRUK <small>1 8 4 0</small>	157	+9
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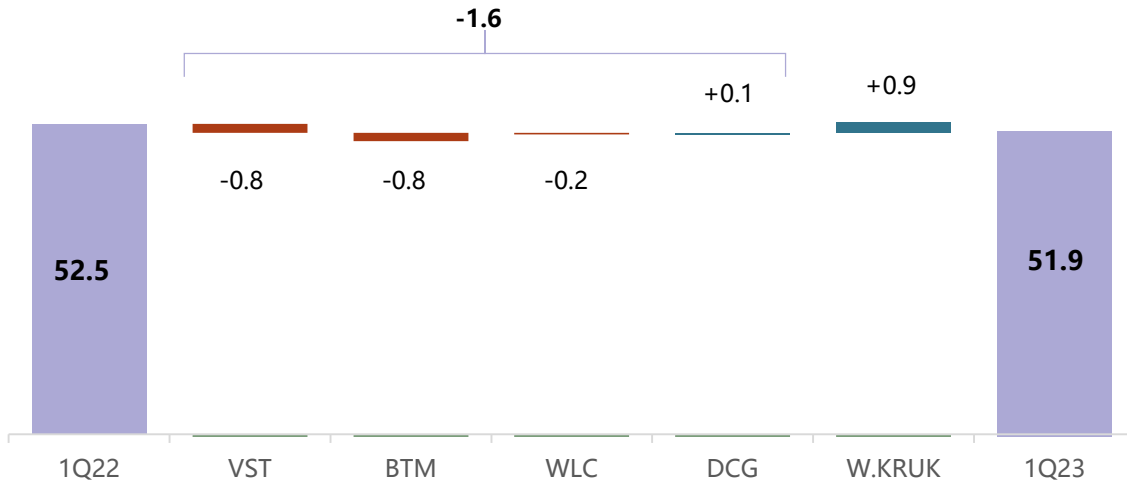
VRG <small>VISTULA RETAIL GROUP</small>	525	-9
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Continuation of optimization of number of stores in apparel brands and development of W.KRUK brand.

STABLE FLOORSPACE

Group floorspace change YoY (ths m2)



- Group floorspace stood at 51.9 ths m2 at the end of 1Q23, down 1.2% YoY.
- Apparel segment floorspace amounted to 39.3 ths m2, down 1.6 ths m2, -3.8% YoY, due to closing down of unprofitable stores.
- Floorspace of the jewellery segment increased by 0.9 ths m2 net, to 12.6 ths m2, +7.9% YoY, due to development of own and franchise stores.

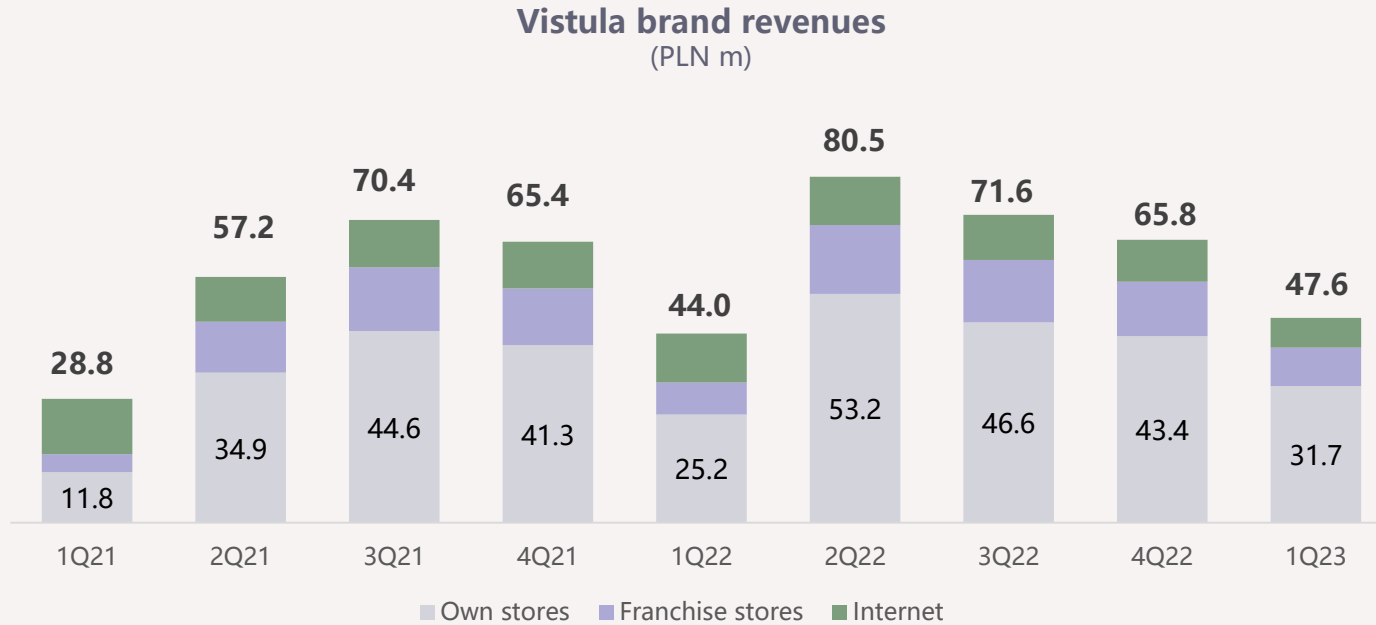
Group floorspace change YoY (ths m2)



- Throughout the year, only small changes took place in Group's floorspace.
- Own stores floorspace reached 42.2 ths m2, 1.4% increase YoY.
- Franchise stores floorspace fell by 1.2 ths m2 to 9.7 ths m2, i.e. by 11.2% YoY.

STRONG OFF-LINE REVENUE GROWTH

VISTULA

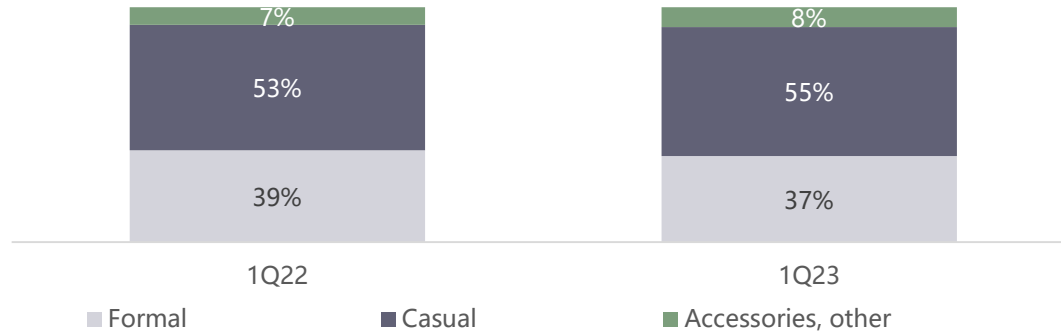


- Revenues in 1Q23 increased by 8.3% YoY, due to a 26.2% YoY growth in own stores (higher average ticket).
- Internet revenues decreased by 39.4% YoY, accounting for 14.5% of brand sales (-11.4pp).



VISTULA: FURTHER GROWTH IN SHARE OF CASUAL IN SALES

Vistula brand revenue split



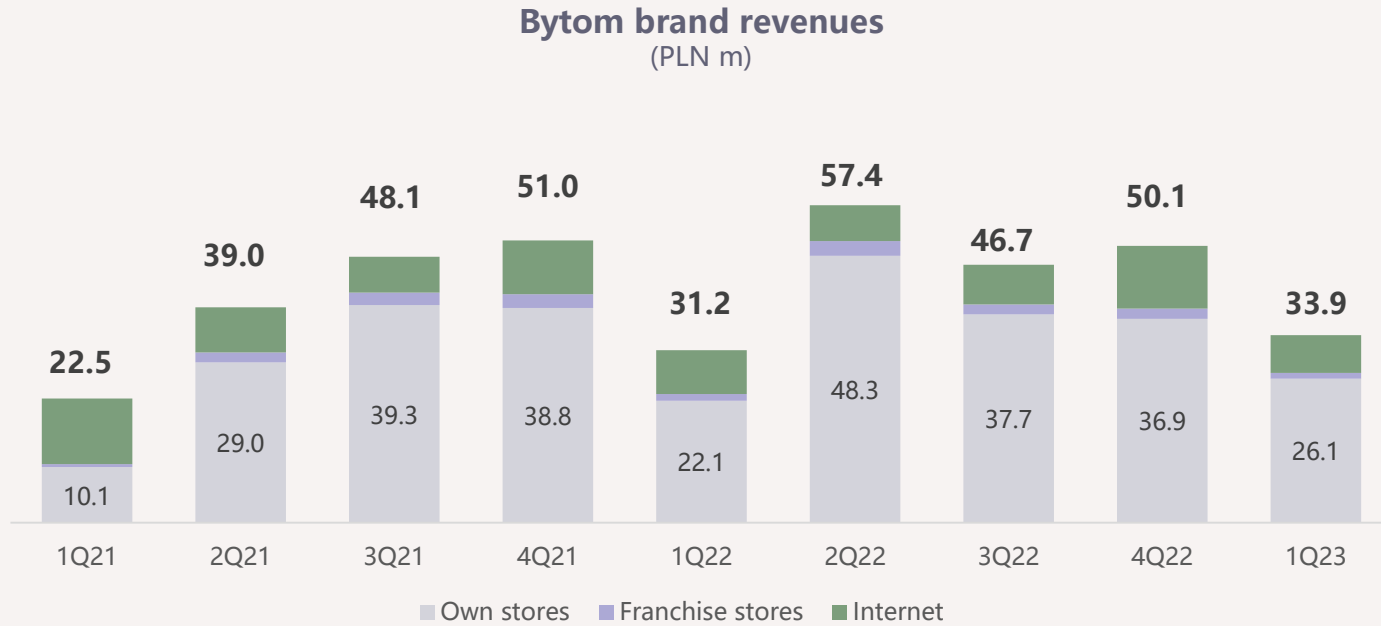
- Growth in casual sales; stronger interest in knitwear and trousers. Lower demand for formal.
- Share of Vistula WOMEN at the level of 4.5% of sales.
- Double-digit increase in sales/m2.

Vistula brand efficiency

	1Q22	1Q23	YoY
Revenues (PLN/m2 per month)	794	895	12.7%
Gross profit margin (%)	53.3%	51.3%	-2.0pp.
Cost of stores (PLN/m2 per month)	422	481	14.0%
Store EBIT (PLN m)	0.0	-1.2	N/M

- Decrease in gross margin YoY due to promotional campaigns, especially in on-line channel, due to greater price sensitivity of the consumer.
- Increase in cost of stores/m2 similar to increase in sales/m2 due to rising rentals and salaries. Depreciation decrease due to closing down of stores.

GROWING OFF-LINE REVENUES

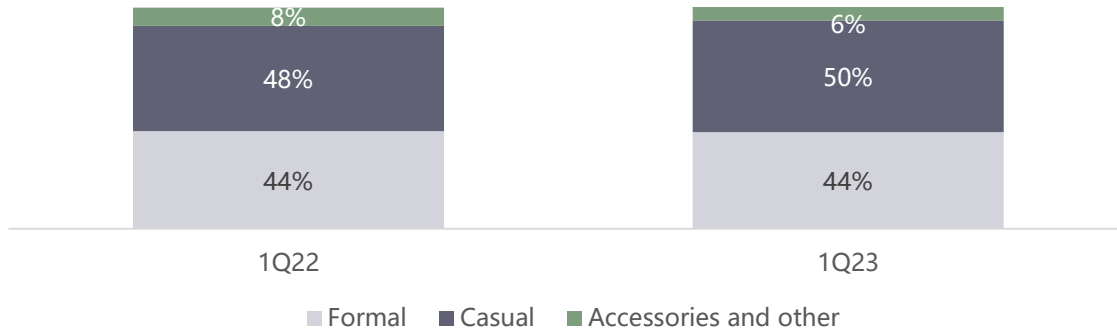


- Revenues in 1Q23 increased by 8.8% YoY, due to 18.2% YoY growth in own stores (stable YoY traffic, higher average basket).
- Internet revenues decreased by 13.3% YoY, accounting for 20.1% of brand sales (-5.2pp).



BYTOM: DOUBLE-DIGIT SALES PER M2 GROWTH

Bytom brand revenue split



- A stable share of formal and a well-received Spring casual offer.
- High sales of shirts and knitwear, especially in the on-line channel.
- Increase in sales/ m2 - higher ticket value with similar YoY traffic.

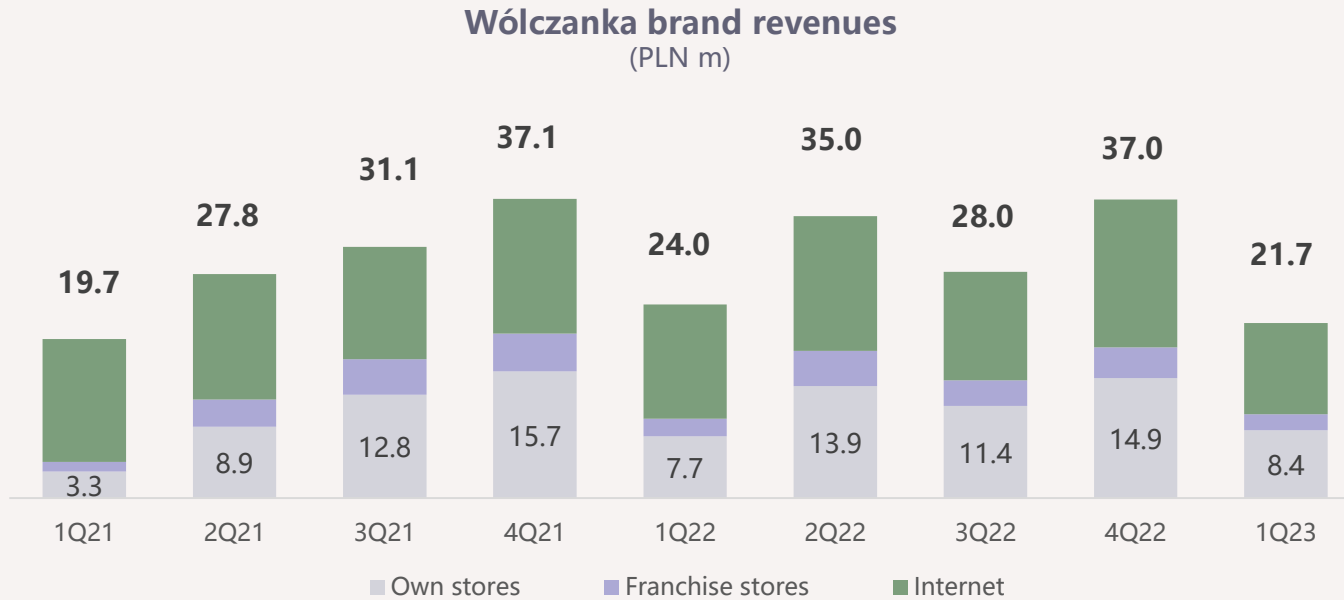
Bytom brand efficiency

	1Q22	1Q23	YoY
Revenues (PLN/m2 per month)	693	797	15.1%
Gross profit margin (%)	53.8%	54.1%	0.3pp.
Cost of stores (PLN/m2 per month)	450	507	12.6%
Store EBIT (PLN m)	-3.5	-3.2	N/M

- Stable YoY gross margin on sales due to a lower share of the on-line channel offering higher stronger promotions than off-line.
- Cost of stores/m2 increased below sales/m2 growth due to a significant decrease in depreciation and commissions/m2. Rising costs of rentals and salaries YoY.

BALANCE BETWEEN ON-LINE AND OFF-LINE

WÓLCZANKA

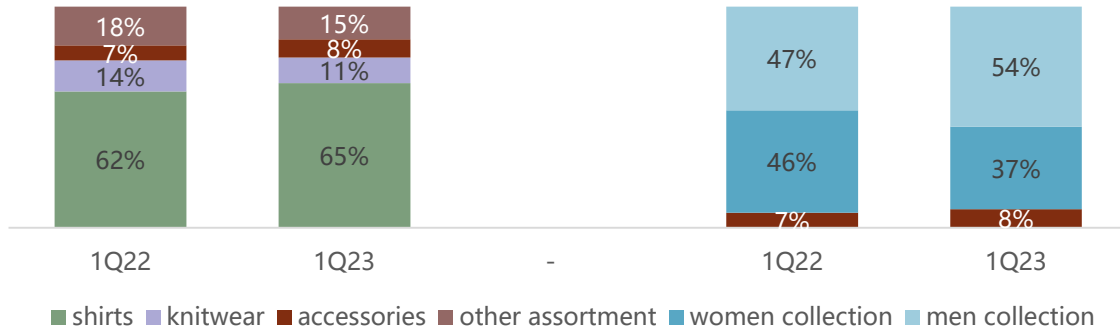


- Revenues in 1Q23 fell by 9.5% YoY. Revenues from own stores increased by 9.7% due to high customer interest in traditional shopping.
- Internet revenues decreased by 19.9% YoY, accounting for 52.1% of brand sales (-6.8pp.). This was the highest share among Capital Group brands.



WÓLCZANKA: SHIRTS REMAIN THE LARGEST CATEGORY

Wólczanka brand revenue split



- The women's collection accounts for c. 40% of the brand's sales and c. 50% of the brand's on-line sales.
- Stable share of accessories in revenue structure. Very good sale of shirts, especially men's formal ones.
- Development of large-format stores - a wider network of traditional stores offering the "total look" assortment.

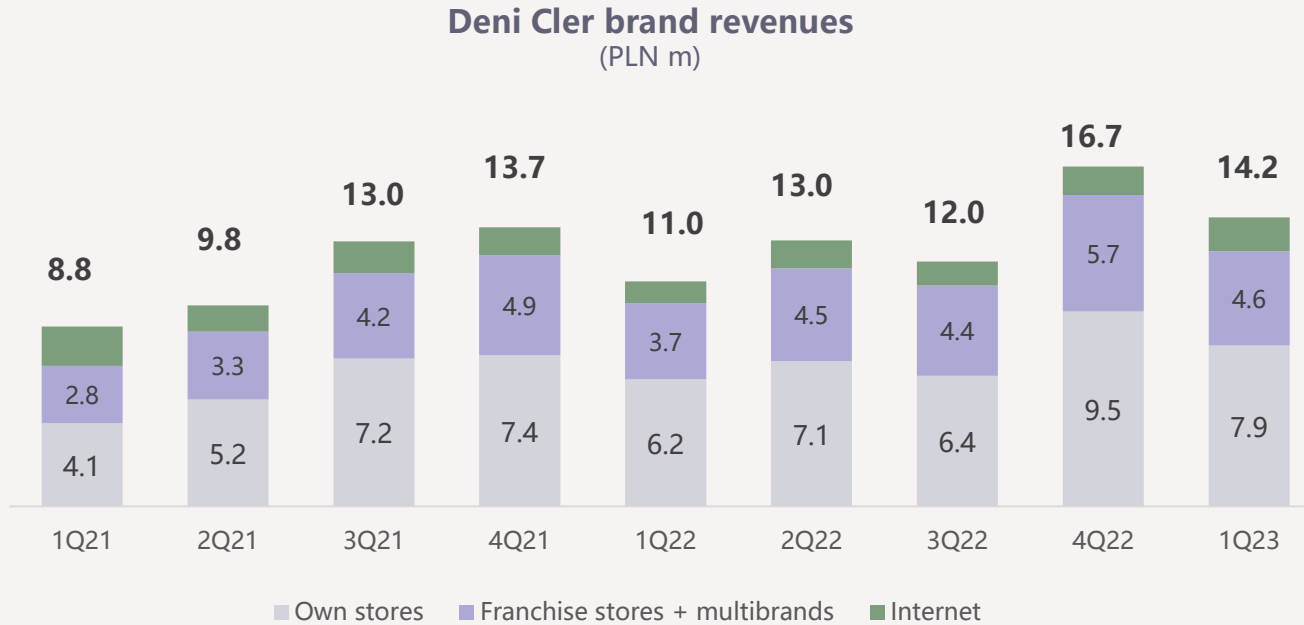
Wólczanka brand efficiency

	1Q22	1Q23	YoY
Revenues (PLN/m2 per month)	1,708	1,572	-8.0%
Gross profit margin (%)	52.7%	54.4%	1.8pp.
Cost of stores (PLN/m2 per month)	833	873	4.8%
Store EBIT (PLN m)	0.9	-0.2	N/M

- Lower sales/m2 YoY, but higher gross margin: fast introduction of new collections and limited discounts (except for best-selling models).
- Increase in costs/ m2 due to higher rentals, salaries and depreciation costs. Decrease in commissions/m2 along with the closing down of franchise stores.

STRONG DEMAND FOR PREMIUM PRODUCTS

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MILANO

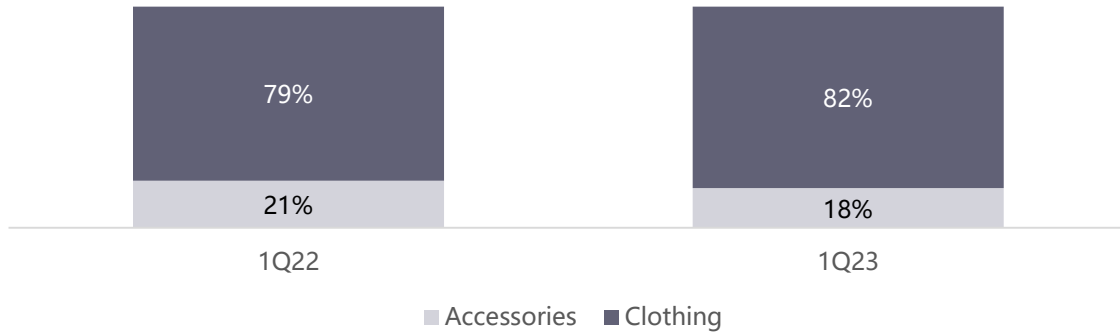


- Revenues in 1Q23 increased by 28.4% YoY. Revenues from own stores increased by 26.8% due to strong demand for premium clothing.
- Internet revenues increased by 55.7% YoY, accounting for 11.8% of brand sales (+2.1pp).



DENI CLER: HIGHEST GROSS PROFIT MARGIN ON SALES

Deni Cler brand revenues



- Very good sales of the brand's main collection, in particular dresses, sweaters, outerwear and trousers.
- High proportion of premium accessories.
- Success of introducing a less formal offer in recent quarters.

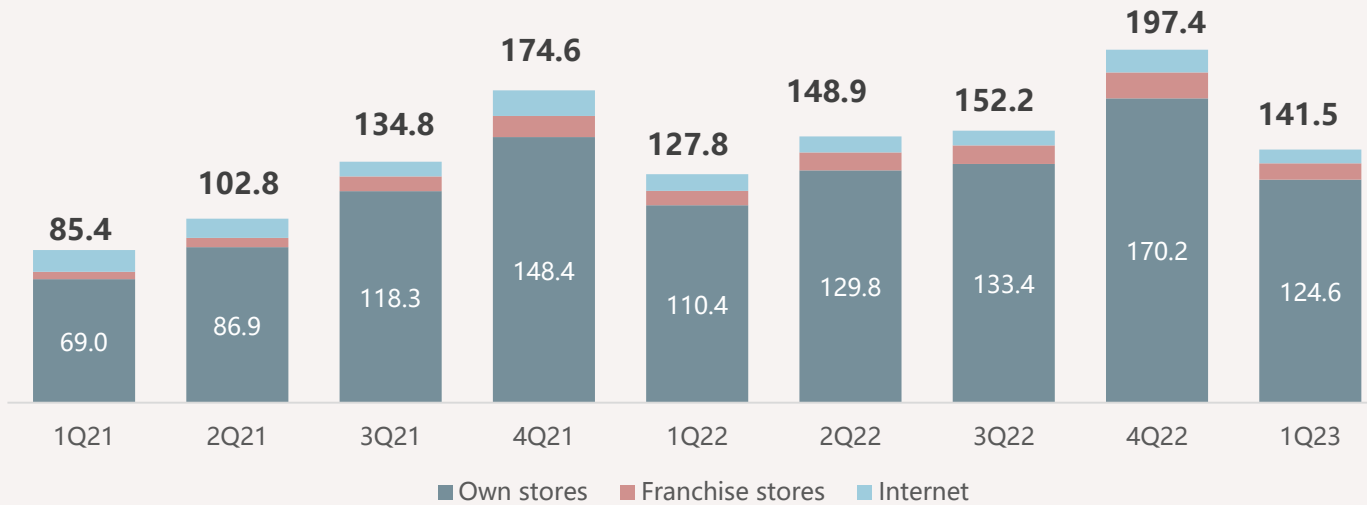
Deni Cler brand efficiency
(PLN m)

	1Q22	1Q23	YoY
Revenues (PLN/m2 per month)	1,327	1,613	21.6%
Gross profit margin (%)	57.7%	61.0%	3.3pp.
Cost of stores (PLN/m2 per month)	561	632	12.6%
Store EBIT (PLN m)	1.7	3.1	82.2%

- Increase in gross margin YoY due to smaller YoY promotions. The highest gross margin in the group.
- Growth in costs/m2 significantly below sales/m2. Rising rentals, commissions, salaries and depreciation.
- As a result, a high double-digit increase in store EBIT.

REVENUE GROWTH CONTINUES

W.KRUK brand retail revenues
(PLN m)

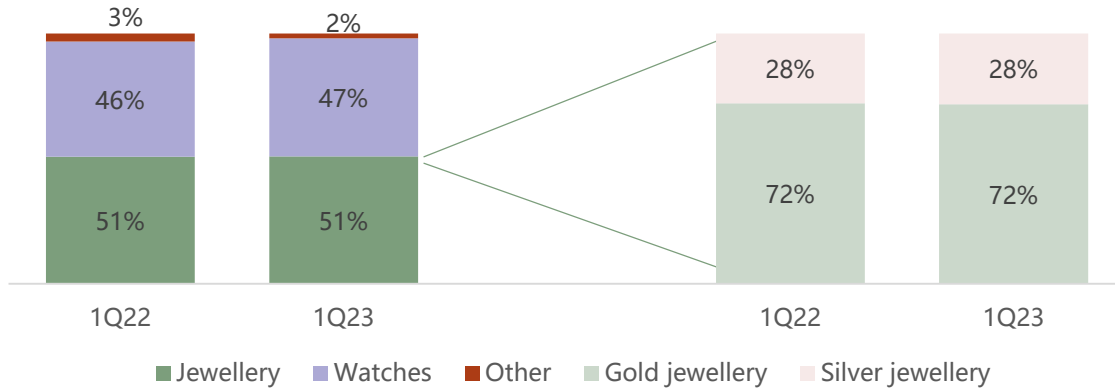


- Revenues in 1Q23 increased by 10.7% YoY. Revenue from traditional stores increased by 12.9% due to network expansion and traffic growth.
- Internet revenues fell by 18.3% YoY, accounting for 5.4% of brand sales (-1.9pp). Decreases as a result of shifting revenues between channels.



W.KRUK: DOUBLE-DIGIT STORE EBIT GROWTH

W.KRUK brand revenue split



- Double-digit increases in watch sales - a positive impact of development of the watches offer. As a result, a high and stable YoY share of watches in sales.
- Comparably high dynamics of sales growth in the jewellery section in 1Q23. Beneficial effect of the novelty (Flowers of the Night collection).
- Increase in sales/ m2 in the quarter along with floorspace development.

W.KRUK brand efficiency

	1Q22	1Q23	YoY
Revenues (PLN/m2 per month)	3,689	3,757	1.8%
Gross profit margin (%)	50.8%	52.1%	1.3pp.
Cost of stores (PLN/m2 per month)	989	1,027	3.9%
Store EBIT (PLN m)	30.6	35.0	14.2%

- Growing gross margin on sales due to more frugal discount policy.
- Low single-digit increase in costs/m2 higher than growth in revenues/m2: increase in rentals, commissions and salaries, but decrease in depreciation and other costs.
- As a result, strongly growing EBIT of stores.

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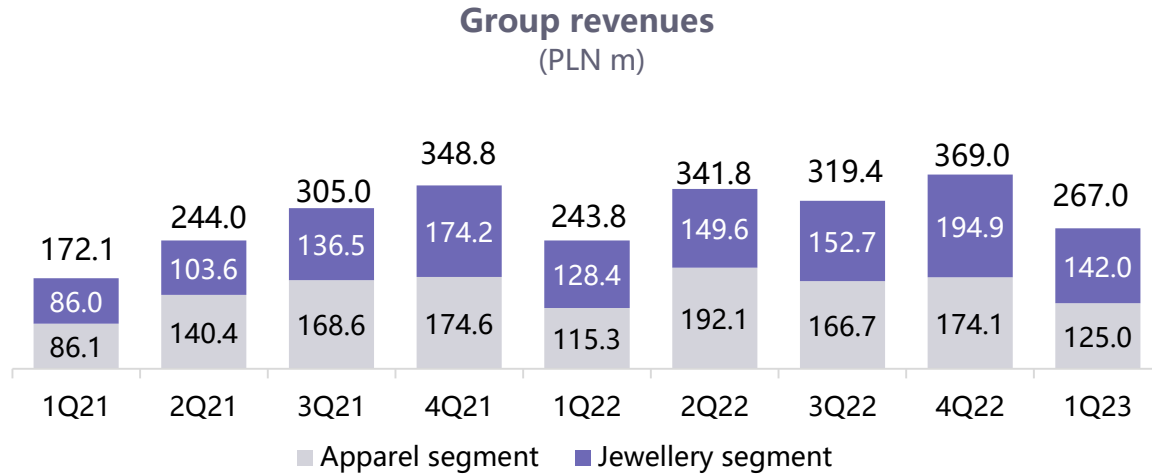
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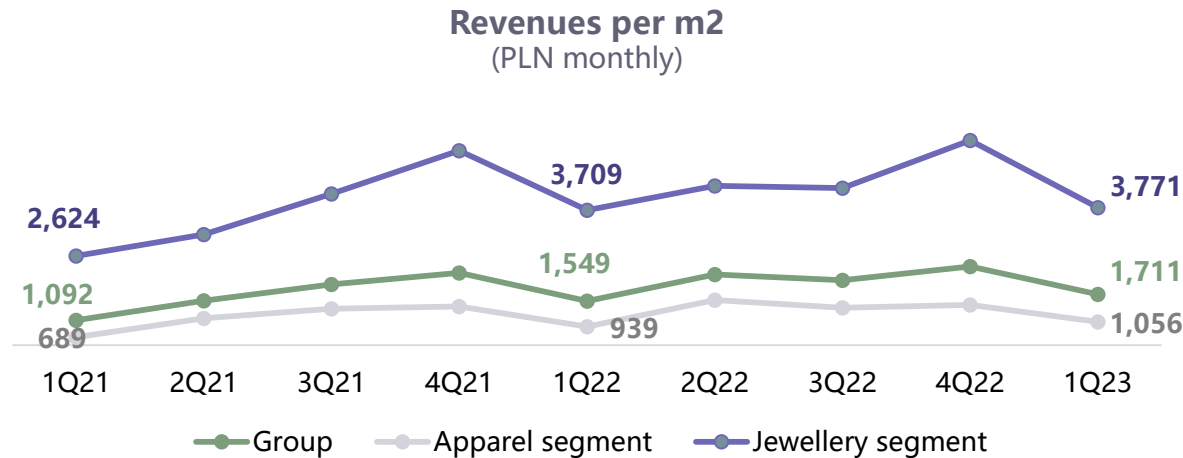
GROUP RESULTS



FAVOURABLE TRENDS IN REVENUES/M2



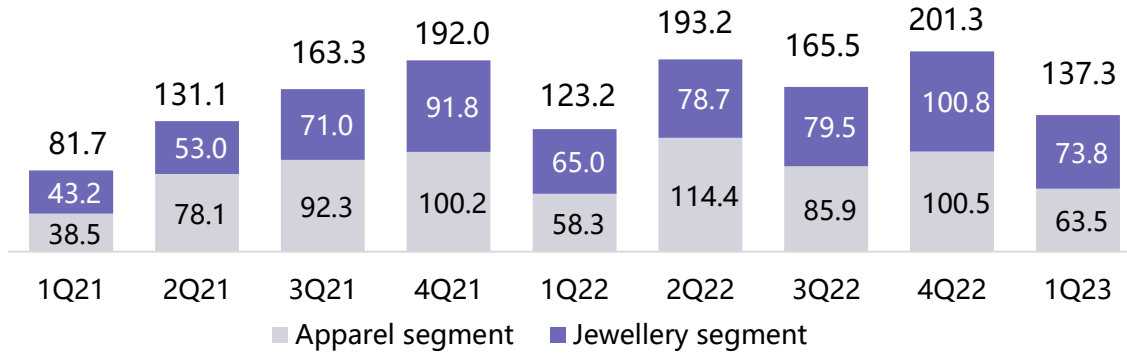
- Group sales in 1Q23 amounted to PLN 267.0 million (+9.5% YoY), due to a rebound in traditional sales.
- In 1Q23, revenues of the apparel segment increased by 8.4% YoY, reaching PLN 125.0 million.
- Revenues of the jewellery segment amounted to PLN 142.0 million, an increase of 10.6% YoY in 1Q23. Increase in share of jewellery segment from 52.7% in 1Q22 to 53.2% in 1Q23.



- In 1Q23 group sales/ m2 reached PLN 1,711, +10.5% YoY.
- Revenues/ m2 for the apparel segment amounted to PLN 1,056 in 1Q23, +12.4% YoY.
- Jewellery segment revenues/ m2 reached PLN 3,771 in 1Q23, up 1.7% YoY.

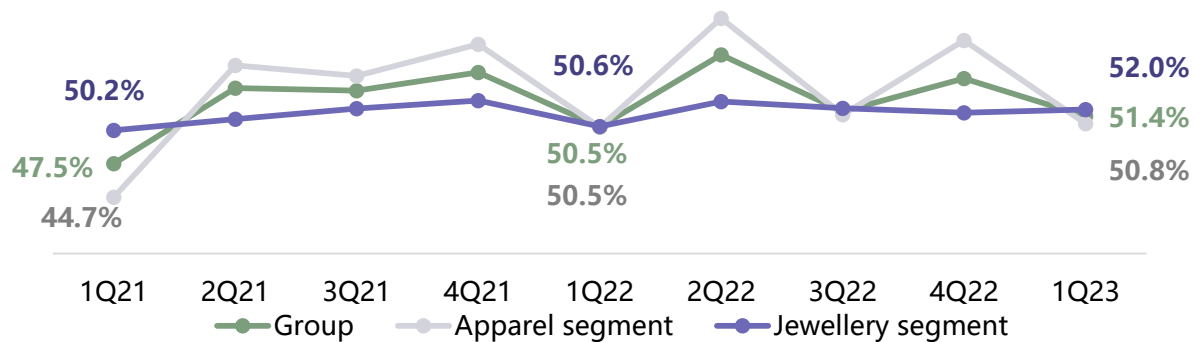
GROWING GROSS PROFIT ON SALES

Gross profit on sales
(PLN m)



- Group gross profit on sales amounted to PLN 137.3m in 1Q23 (+11.4% YoY).
- In 1Q23 gross profit on sales in apparel segment reached PLN 63.5m, +9% YoY due to introduction of new collection at higher margins.
- Gross profit on sales in jewellery segment in 1Q23 amounted to PLN 73.8m, +13.6% YoY.

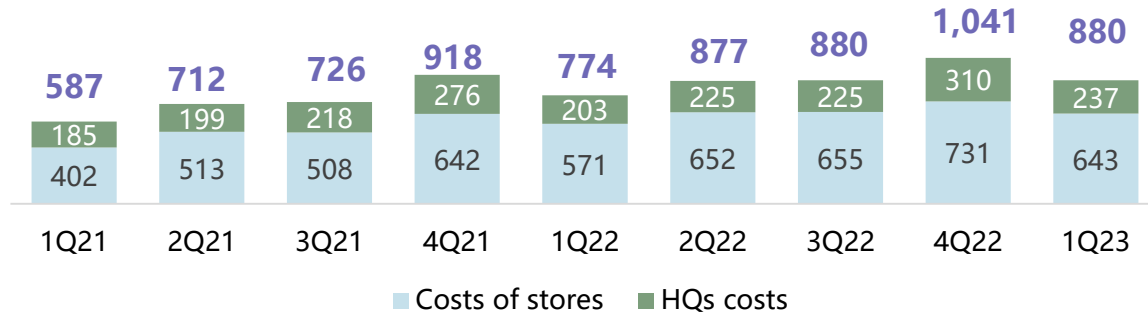
Gross profit on sales margin



- Group gross profit on sales margin reached 51.4% in 1Q23, +0.9pp. YoY, due to higher margins in both segments.
- Apparel segment gross profit margin increased by 0.3pp. YoY to 50.8% in 1Q23, due to higher margins on new collections.
- Jewellery segment in 1Q23 noted a 1.4pp YoY higher gross profit margin at the level of 52.0% due to a stable share of watches.

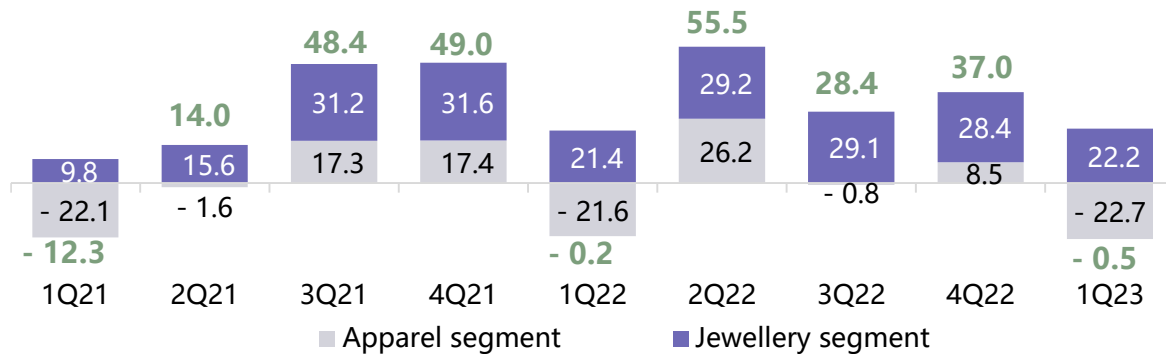
HIGHER SG&A/M2 COSTS

Monthly operating costs per m2
(PLN, IAS17)



- Group operating costs/m2 (IAS17) reached in 1Q23 PLN 880/m2 per month, up 13.8% YoY.
- Costs of stores at PLN 643/m2 (+12.7% YoY), while HQs costs/m2 at PLN 237/m2, +16.8% YoY (under IAS17), due to growing costs of traditional marketing.
- Under IAS17, apparel segment costs reached PLN 725/m2 in 1Q23, up 14.3% YoY, while the jewellery segment costs in 1Q23 amounted to PLN 1,367/m2 per month, up 8.0% YoY.

Operating profit
(PLN m, IAS17)



- Group EBIT amounted to -PLN 0.5m in 1Q23 under IAS17, stable YoY.
- In 1Q23, apparel segment's EBIT was -PLN 22.7m under IAS17 (-PLN 19.0m EBIT under IFRS16), stable YoY.
- In 1Q23, jewellery segment's EBIT under IAS17 was PLN 22.2m, +3.6% YoY (PLN 23.7m under IFRS16).

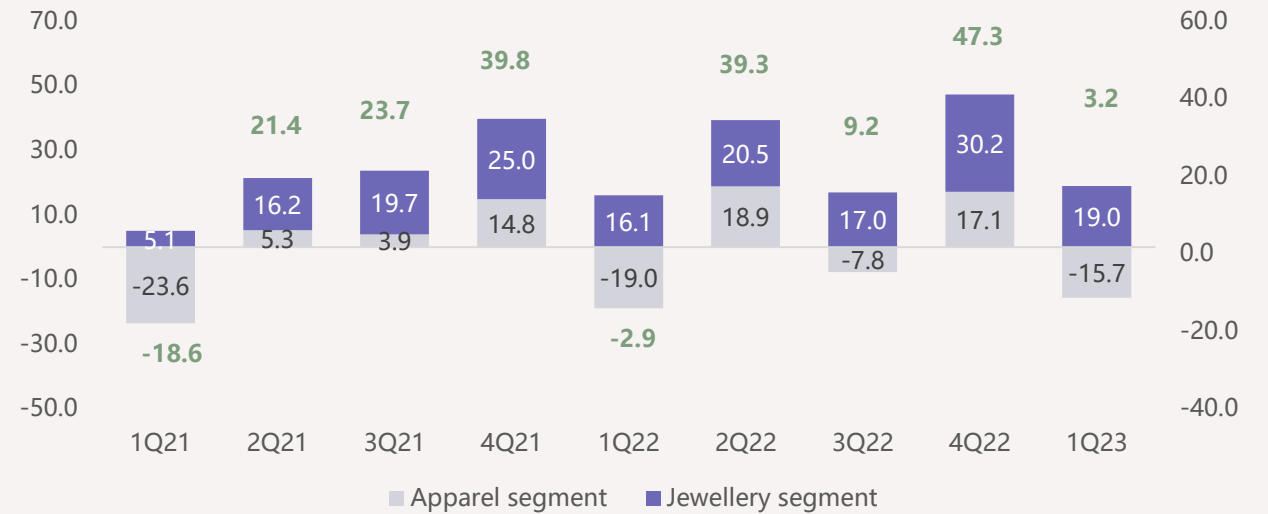
FROM LOSSES TO EARNINGS IN 1Q23

PLN m, IFRS16	1Q22	1Q23	YoY
Revenues	243.8	267.0	9.5%
Gross profit on sales	123.2	137.3	11.4%
<i>Gross profit on sales margin</i>	<i>50.5%</i>	<i>51.4%</i>	<i>0.9pp.</i>
SG&A costs	117.4	132.7	13.1%
EBIT	5.0	4.7	-5.7%
<i>EBIT margin</i>	<i>2.1%</i>	<i>1.8%</i>	<i>-0.3pp.</i>
Net financial activity	-8.7	-0.4	
Net profit	-2.9	3.2	N/M
<i>Net margin</i>	<i>-1.2%</i>	<i>1.2%</i>	<i>2.4pp.</i>

EBITDA	32.6	35.3	8.5%
<i>EBITDA margin</i>	<i>13.4%</i>	<i>13.2%</i>	<i>-0.2pp.</i>

- More favourable YoY result on other operating activities due to lower YoY costs of liquidation of assets (inventories).
- More favourable YoY balance of financial activity:
 - IFRS16: PLN 0.9 million FX gains in 1Q23 vs -3.9 million in 1Q22
 - IAS17: PLN 0.9 million FX gains in 1Q23 vs. 2.4 million FX losses in 1Q22
 - interest under IFRS16: PLN 1.3 million in 1Q23, stable YoY.

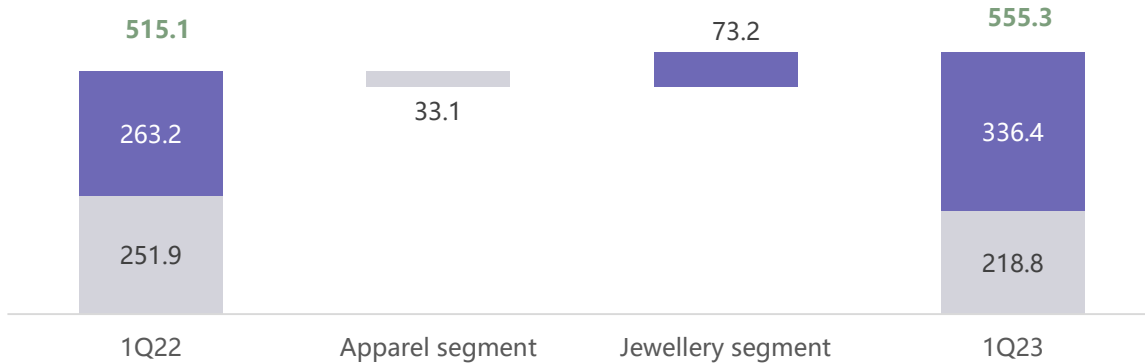
Net profit by segments (PLN m, IFRS16)



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

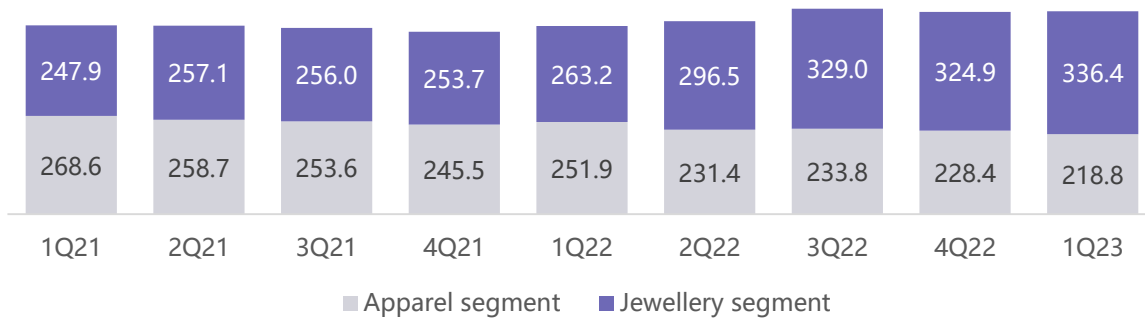
INVENTORY GROWTH FOR PLANNED NETWORK EXPANSION

Change in inventories
(PLN m)



- Inventories up 7.8% YoY to PLN 553.3m in 1Q23.
- Apparel segment inventory declines continued, with a 13.1% YoY fall due to order optimisation and further run-off of collections from earlier quarters.
- Jewellery segment inventories increased by 27.8% YoY due to expected network growth in 2023 and higher purchase cost (inflation and exchange rate).

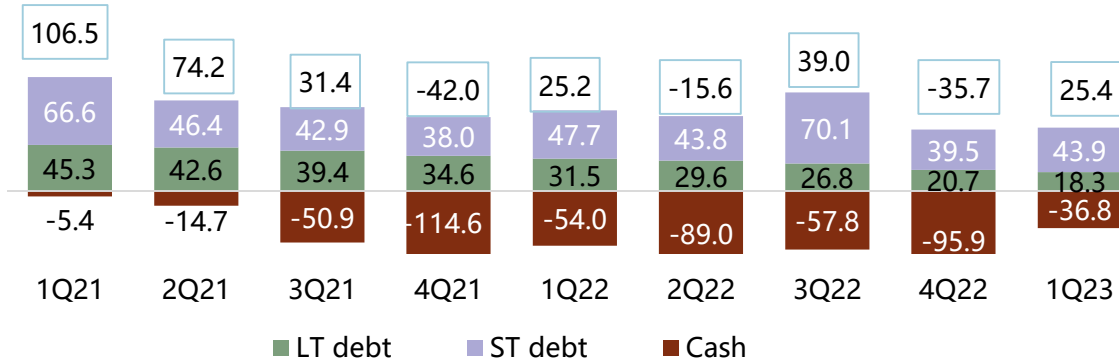
Inventory by segments
(PLN m)



- Group inventories/ m2 at the end of 1Q23 amounted to PLN 10,697, +9.1% YoY.
- Apparel segment inventories per m2 amounted to PLN 5,563, down 9.7% YoY.
- Due to the characteristics of the industry, inventories per m2 in the jewellery segment amounted to PLN 26,757, an increase of 18.4% YoY (price increases, stocking up for openings in 1H23).

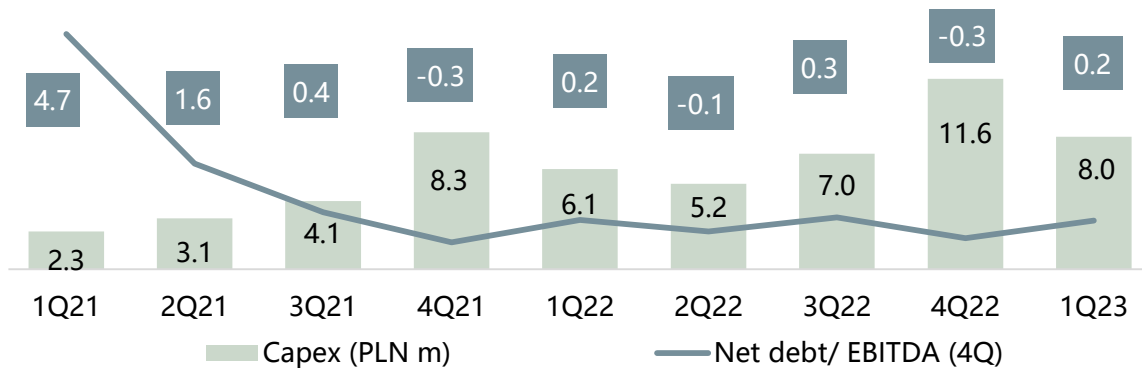
SAFE INDEBTEDNESS LEVEL

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 313.9m in 1Q23.
- Planned reduction of long-term debt. Usage of reverse factoring for supply chain financing reached PLN 14.4m in 1Q23.
- Group's net debt under IAS17 came in at PLN 25.4m at the end of 1Q23, stable YoY.

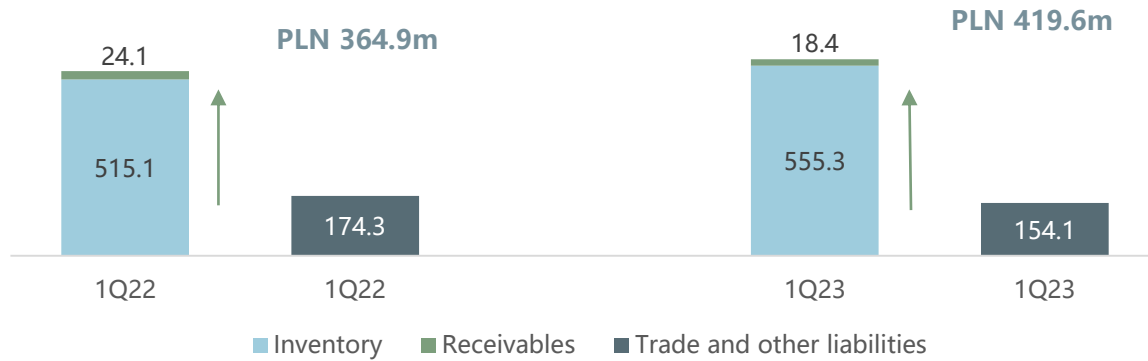
Capex vs. net debt/EBITDA
(IAS17)



- Net debt/EBITDA (4Q, IAS17) at 0.2x – stable YoY due to increasing EBITDA and long-term debt reduction.
- Excluding reverse factoring, the Group's net debt ratio would come at 0.1x.
- Higher YoY capital expenditure in 1Q23, due to carried out renovations and openings of new own stores (new concepts in the apparel segment, new W.KRUK stores).

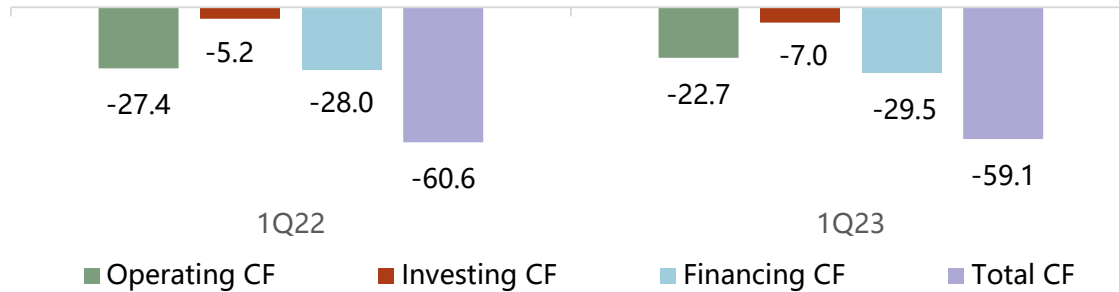
SEASONAL ENGAGEMENT OF CASH

Net working capital
(PLN m)



- Inventories increasing YoY: decrease in the apparel segment, growth in the jewellery segment.
- YoY decrease in receivables due to lower YoY prepayments for Spring/Summer collection orders.
- Slightly lower YoY liabilities due to increased inventory levels in the jewellery segment.

Quarterly cash flows
(PLN m)



- Stably negative operating cash flows despite higher working capital burden due to higher pre-tax profit.
- Higher YoY level of net capital expenditures - continuation of modernization of stores in both segments.
- Financial flows reflect a strong liquidity situation and consistent reduction of debt.

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2023+ OUTLOOK



TAILORED OFFER FOR WOMEN AND MEN FOR SS2023



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Traditional style in a formal collection, perfect for the office and for celebrations.

Growing share of smart casual and casual. The use of light and natural fabrics, suitable for Spring and Summer.

CLOTHES AND ACCESSORIES FOR MEN



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WÓLCZANKA

Using high brand recognition to develop women's collection.

Development of a modern "total look" offer for both men and women.

CLOTHES AND ACCESSORIES FOR WOMEN AND MEN



DENI CLER

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The Group's exposure to the premium segment.

Collections including both formal clothing and growing part of casual and clothing for celebrations.

CLOTHES AND ACCESSORIES FOR WOMEN

W.KRUK WIDE OFFER FOR SPRING/SUMMER 2023

POPULAR OFFER

JEWELLERY

Continuation of the author's Flowers of the Night collection and the „Immensity of feelings" campaign with a special Mother's Day offer. A wide range of communion and wedding jewellery. Development of the Picky Pica Sugar collection.

WATCHES

Popular brands: Tissot, Citizen, Doxa, Certina, Seiko, Epos.
Fashion brands: Swatch, Gucci, Emporio Armani, Michael Kors, Tommy Hilfiger, Guess, Hugo Boss.



LUXURY OFFER

JEWELLERY

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

WATCHES

The most prestigious watches: Rolex and Patek Philippe (the only distributor in Poland), renowned manufacturers such as: Cartier, Chopard, Hublot, Panerai, Jaeger-LeCoultre, Omega, Tudor, Tag Heuer, Longines.

ACCESSORIES

Bags, wallets and cases as well as silk scarves and scarves and original W.KRUK perfumes.

Communication: TV, press, digital, PR, premiere event of the Flowers of the Night collection and cooperation with influencers.

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%

The need to renew the Group's stores after 2020-21, when capital expenditures were suspended due to the pandemic. Current brand collections are wider due to stronger introduction of women's collections, "total look" and a new range of jewellery and watches.

Planned capital expenditures in 2023 at the level of c. PLN 42 million (both for openings and modernization) compared to PLN 30 million in 2022.



PLANS FOR 2023 MAINTAINED

2023 TARGETS

continuing revenue growth in both segments

work on gross margin improvement in an inflationary environment

safe financial position

→ Aim for 2023 is to achieve **higher YoY operating and net results**



DIVERSIFIED CAPITAL GROUP

Zarząd VRG na bieżąco monitoruje wyniki sprzedażowe i marżowe wszystkich marek i będzie elastycznie dostosowywał działania do sytuacji rynkowej.

OPPORTUNITIES:

good reception of the new collections of the Group's brands

favorable macroeconomic trends

RISKS:

pressure on margins

intensification of competition

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.



ACTION PLAN FOR 2023

- Last week of May 2023 - recommendation of the Management Board regarding the dividend from profits for 2022
- Last week of May 2023 - opinion of the Supervisory Board regarding the recommendation of the Management Board
- Last week of June 2023 - General Meeting, Shareholders' decision regarding dividend payment

VISTULA

BYTOM
SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER
MILANO

W.KRUK
1 9 4 0

05

—

Q&A



VISTULA

BYTOM

SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER

MILANO

WKRUK

1 8 4 0

06

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BACK-UP



| NEW COLLECTIONS IN ALL BRANDS IN 1Q23

V I S T U L A

INCREASING SHARE
OF WOMEN'S
COLLECTION IN SALES.

BYTOM

SZTUKA KRAWIECTWA OD 1945

DOUBLE-DIGIT
REVENUE/M2
GROWTH.

W Ó L C Z A N K A

THE HIGHEST SHARE
OF INTERNET.



W. KRUK
1 8 4 0

THE FASTEST
FLOORSPACE
GROWTH.



DENI CLER
MILANO

THE HIGHEST GROSS
PROFIT MARGIN.

VISTULA: EXECUTIVE SUMMARY

SPRING/SUMMER 2023 COLLECTION

- The Celebrations collection in stores since April. In addition to classic products in shades of navy blue or black, Vistula presents light, top-quality materials, pastel colors and fashionable cuts. According to the assumptions of the capsule wardrobe, the leitmotif of the season are "easy to wear" elements that can be easily combined in many ways and worn on various occasions.
- *So easy to style. Summer collection.* Summer edition is an extension of the leitmotif of the season - the capsule wardrobe. In communication, the brand focuses on building awareness and highlighting the advantages of the capsule wardrobe.
- Vistula highlights products that are most popular in the Summer and respond to customer needs (summer suits, T-shirts and polo shirts, light shirts, fabric trousers and shorts) and shows how to combine them into stylizations for various occasions.
- Vistula emphasizes that properly selected products look good on every figure, and thanks to selection of the highest quality materials, such as linen, cotton, leather or tencel, the clothes will last for years.
- In Summer 2023 communication, Vistula also focuses on building brand awareness around the women's collection, educating about the capsule wardrobe as a fundamental assumption of every woman's wardrobe.

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 1Q23, the number of brand stores decreased by 5 QoQ.



| BYTOM: EXECUTIVE SUMMARY

SPRING/SUMMER 2023 COLLECTION

- Supreme Comfort is the first part of the brand's image Spring campaign. A palette of colors such as roobos (a warm and rich shade that is a mix of timeless brown and red), beiges, cool blues and a wealth of textures, on the basis of which the spring collection was designed, shapes the vision of a modern man.
- The key guideline is maximum comfort and utilitarianism. The essence of the line is denim, which is a tribute to the latest trends and timeless classics. In addition to classic denim trousers and jackets, designers also took care of denim shirts, available in two shades: classic blue and delicate blue.
- The Spring collection also abounds in jackets and coats. Jackets in a suede-like fabric, Spring lightweight down jackets, jackets made of water-repellent fabric with a cut inspired by the traditional FIELD JACKET and classic trench coats.
- Sunset Shades is another version for the image campaign, available from April. The stylizations are expressive, contrasting and informal. Cool navy blues and blues harmoniously combine with white and fresh mint. A noble flash appears. The fabrics are dominated by soft cottons and airy linen, which perfectly emphasize the casual style of the collection. Characteristic for this edition of clothes to smart casual shirts, cotton t-shirts and summer versions of classic suits.

BYTOM (FASHION FOR MEN)

- A Polish brand with a tradition of tailoring craftsmanship dating back to 1945.
- Tailor-made service available in selected brand stores, preserving the brand's traditional values.
- Men's formal and smart casual fashion.

NETWORK DEVELOPMENT

- In 1Q23, the number of stores decreased by 3 stores net QoQ. Optimization of floorspace concerned own and franchise stores.



| WÓLCZANKA: EXECUTIVE SUMMARY

SPRING/SUMMER 2023 COLLECTIONS

- Spring campaign of the "Close to You" attracted attention with basic, but also saturated, energetic colors. New items in it were shirts in oversize cuts, cotton dresses, jackets, new silhouettes of sweaters, as well as new models of jeans with flared legs - all this created a perfect capsule for creating various styles in the spirit of a relaxed and comfortable "total look".
- Summer edition of the brand's image campaign is "Nature, so close to you!" focuses on convenience and comfort, on clothes in which you can relax and enjoy the holiday atmosphere. The collection includes lightweight, breathable fabrics such as linen, organic cotton, perfect for Summer. In addition to the classic shirt offer, the summer collection is complemented by dresses, shorts or mini polo capsules and t-shirts in juicy summer colors.
- In both collections, the Wólczanka brand strongly distinguishes women and proposes styles that emphasize their femininity and naturalness.

WÓLCZANKA (FASHION FOR MEN AND WOMEN)

- Polish network of boutiques and own and franchise stores with women's and men's clothing (total look).
- The offer includes: shirts, sweaters, trousers, dresses, skirts, polo and t-shirts, jackets and accessories.
- Development of the "total look" concept and large-format stores.

NETWORK DEVELOPMENT

- Decrease in the number of stores by 7 net QoQ. These were own and franchise salons. Opening of new stores, e.g. in CH Promenada and in Wesfield Mokotów (both in Warsaw).



| 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.

NETWORK DEVELOPMENT

- The net number of brand stores increased by 1 QoQ. It was a store in Cracow in Bonarka City Centre.
- At the end of 1Q23, the brand's offer was available in 23 multibrand stores.



| W.KRUK: EXECUTIVE SUMMARY

NOVELTIES IN COLLECTIONS

- W.KRUK started the Spring/Summer 2023 season with another edition of the original, best-selling Flowers of the Night jewellery collection. The collection was inspired by purple and pink lilacs, cherry blossoms and the natural ripening cycle of the strawberry fruit.
- Modern jewellery made of silver and gold is dominated by shades of purple, pink, white and red. The beautiful colors of flowers have been reproduced thanks to the traditional and extremely precise technique of manually covering the metal with colored enamel.
- Picky Pica, a brand belonging to W.KRUK, presented a new Sugar collection in Spring, which is characterized by intense colors and ingenious designs.
- In May, on the occasion of Mother's Day, a campaign dedicated to "Immensity of feelings" was launched.
- In the current season, the brand's communication is also focused on communion and wedding jewellery.

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

- Number of brand stores increased by 5 net in 1Q23. Net 4 own stores and 1 franchise store opened.



STABLE GROUP STRUCTURE

VRG

COMPANIES INCLUDED IN THE CONSOLIDATED STATEMENTS FOR 1Q23

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

		1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
APPAREL SEGMENT	total	421	415	409	404	398	391	383	382	368
	franchise	135	135	131	127	126	123	119	116	104
VISTULA	total	148	148	146	145	145	144	142	142	137
	franchise	64	64	63	61	62	62	61	61	55
WÓLCZANKA	total	127	121	119	116	113	110	107	105	98
	franchise	53	53	51	48	47	45	43	41	36
BYTOM	total	115	116	115	114	112	109	106	107	104
	franchise	10	11	11	12	11	10	9	8	7
DENI CLER	total	31	30	29	29	28	28	28	28	29
	franchise	8	7	6	6	6	6	6	6	6
JEWELLERY SEGMENT	total	140	142	143	146	148	148	152	152	157
	franchise	18	20	21	23	23	26	25	26	27
TOTAL	total	561	557	552	550	546	539	535	534	525
	franchise	153	155	152	150	149	149	144	142	131

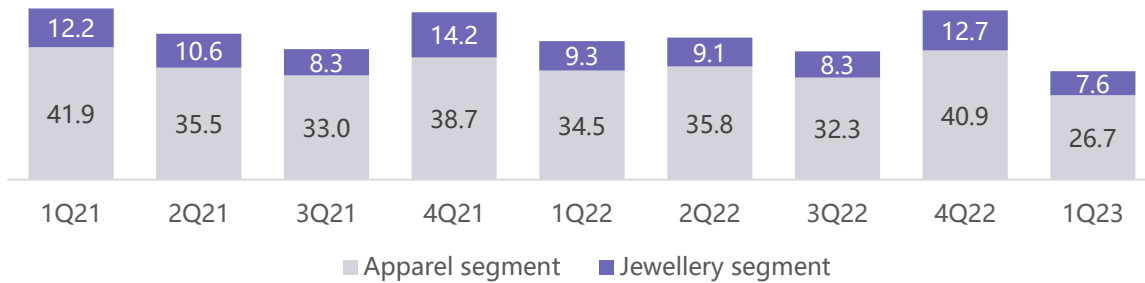
STABLE YOY FLOORSPACE

M2 OF FLOORSPACE

		1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
APPAREL SEGMENT	total	41,564	41,337	40,864	40,930	40,891	40,385	39,778	39,833	39,333
	franchise	9,789	9,794	9,577	9,462	9,425	9,236	9,019	8,798	7,962
VISTULA	total	18,586	18,593	18,390	18,531	18,509	18,404	18,118	18,139	17,733
	franchise	6,525	6,532	6,435	6,298	6,374	6,341	6,256	6,224	5,640
WÓLCZANKA	total	4,662	4,430	4,371	4,399	4,643	4,544	4,567	4,480	4,487
	franchise	1,625	1,625	1,567	1,499	1,459	1,392	1,355	1,287	1,126
BYTOM	total	15,327	15,417	15,267	15,165	14,946	14,638	14,293	14,415	14,187
	franchise	1,045	1,135	1,135	1,225	1,153	1,063	968	848	757
DENI CLER	total	2,989	2,897	2,835	2,835	2,792	2,799	2,799	2,799	2,926
	franchise	594	502	440	440	440	440	440	440	440
JEWELLERY SEGMENT	total	10,918	11,060	11,173	11,394	11,650	11,630	12,262	12,150	12,574
	franchise	1,113	1,255	1,368	1,511	1,511	1,645	1,623	1,710	1,780
TOTAL	total	52,482	52,397	52,038	52,324	52,541	52,016	52,039	51,983	51,907
	franchise	10,902	11,049	10,945	10,973	10,936	10,882	10,642	10,508	9,742

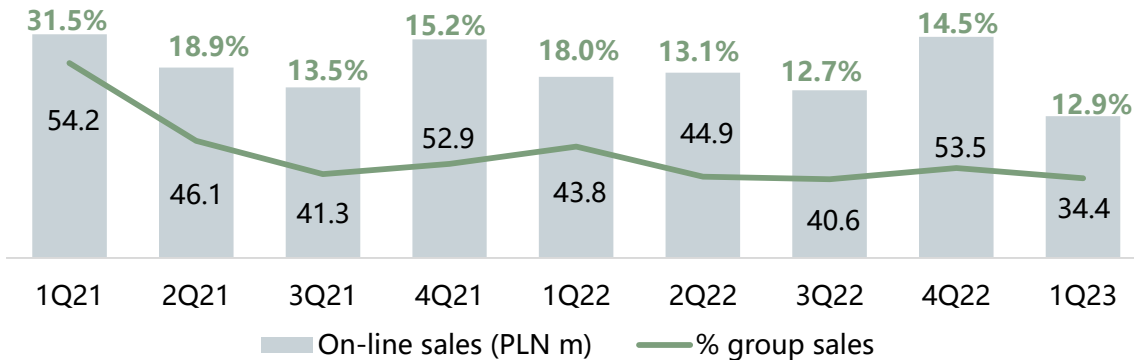
OWN E-STORES OF FIVE BRANDS

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.

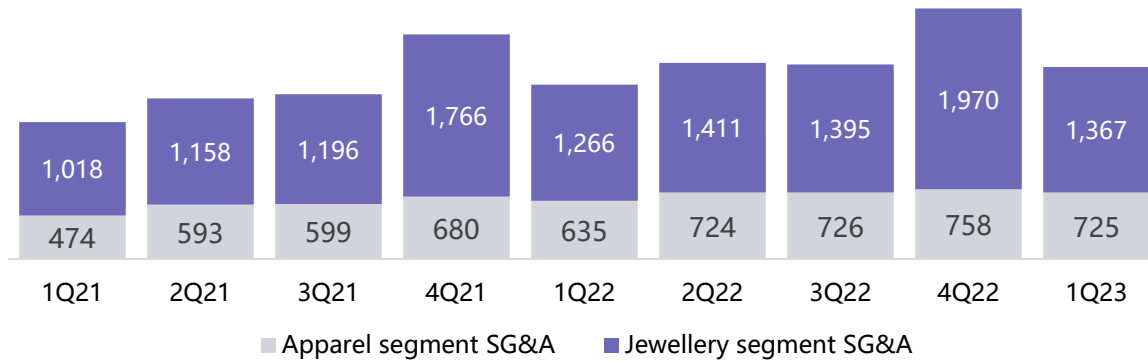
Group on-line sales



- In 1Q23 on-line sales amounted to PLN 34.4m, fall by 21.6% YoY, due to rebound in sales in traditional stores.
- As a result, share of internet in sales fell from 18.0% in 1Q22 to 12.9% in 1Q23.
- In addition to its own e-stores, the Group is developing cooperation of individual brands with external marketplaces, in particular Zalando.

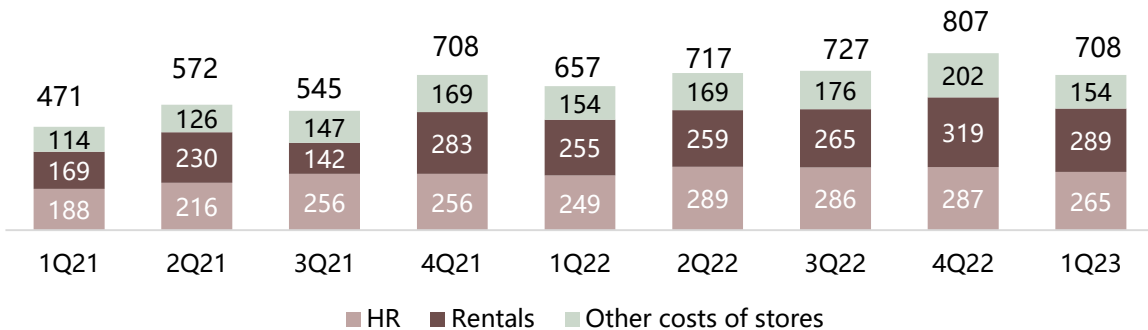
COSTS/ M2 UNDER CONTROL

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.

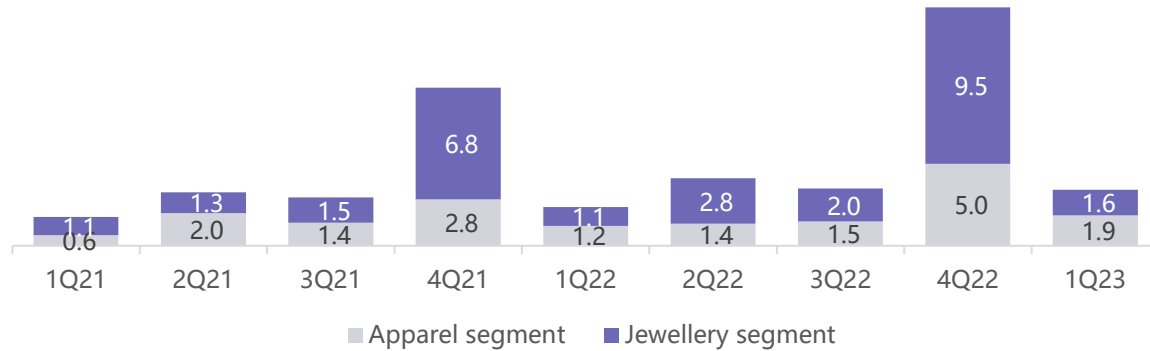
Costs of own stores per month/ m2
(PLN, excl. IFRS16)



- 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.

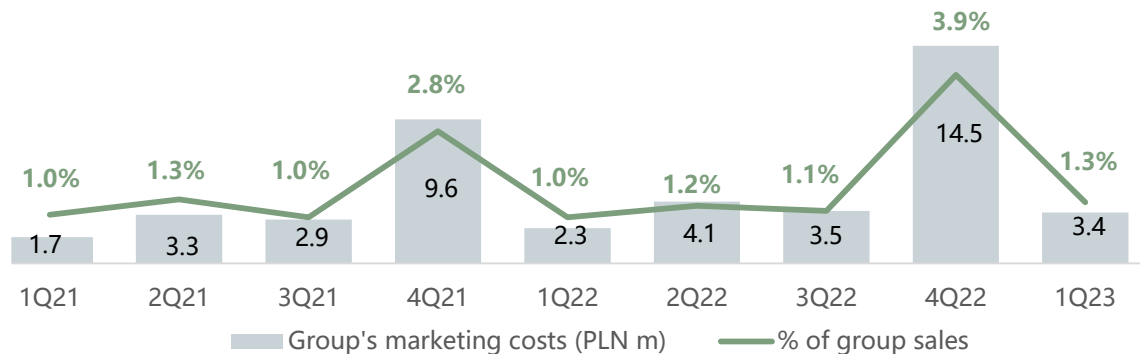
INCREASE IN OFF-LINE MARKETING EXPENSES

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 1Q23, marketing expenses amounted to PLN 3.4m, an increase of 45.0% YoY due to growth in both segments.

Group off-line marketing costs



- 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.

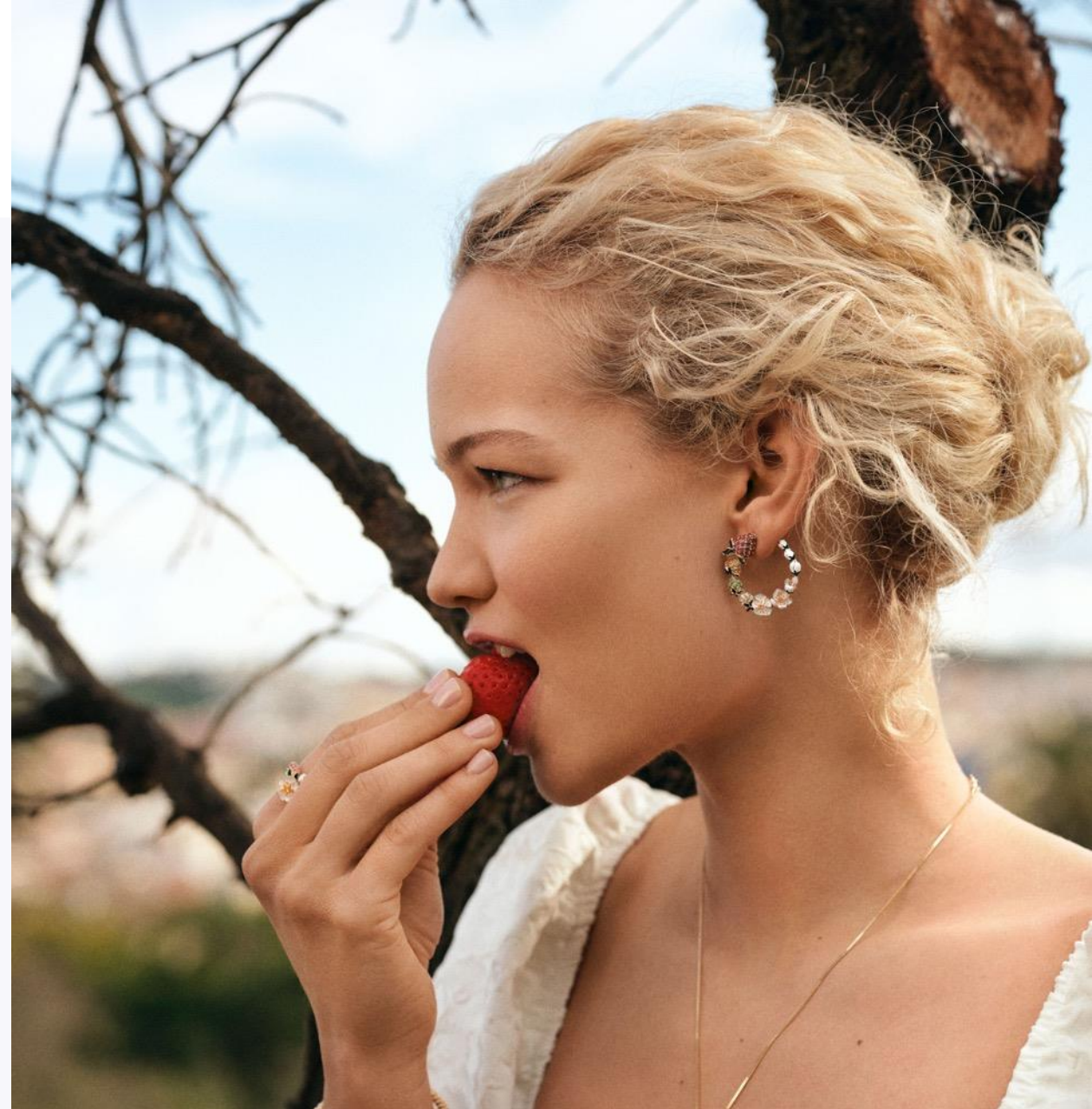
HISTORICAL QUARTERLY RESULTS, IFRS16

PLN m	2Q21	2Q22	YoY	3Q21	3Q22	YoY	4Q21	4Q22	YoY	1Q22	1Q23	YoY
Revenues	244.0	341.8	40.1%	305.0	319.4	4.7%	348.8	369.0	5.8%	243.8	267.0	9.5%
Gross profit on sales	131.1	193.2	47.3%	163.3	165.5	1.3%	192.0	201.3	4.8%	123.2	137.3	11.4%
Gross profit on sales margin	<i>53.7%</i>	<i>56.5%</i>	<i>2.8pp.</i>	<i>53.5%</i>	<i>51.8%</i>	<i>-1.7pp.</i>	<i>55.1%</i>	<i>54.5%</i>	<i>-0.5pp.</i>	<i>50.5%</i>	<i>51.4%</i>	<i>0.9pp.</i>
SG&A costs	109.7	132.8	21.0%	119.2	132.6	11.3%	139.4	157.1	12.7%	117.4	132.7	13.1%
Net other operating line	-4.7	-0.2		-1.1	0.5		1.0	-2.1		-0.8	0.1	
EBIT	16.7	60.2	260.1%	43.0	33.3	-22.5%	53.6	42.1	-21.5%	5.0	4.7	-5.7%
EBIT margin	<i>6.9%</i>	<i>17.6%</i>	<i>10.8pp.</i>	<i>14.1%</i>	<i>10.4%</i>	<i>-3.7pp.</i>	<i>15.4%</i>	<i>11.4%</i>	<i>-4.0pp.</i>	<i>2.1%</i>	<i>1.8%</i>	<i>-0.3pp.</i>
Net financial line	10.1	-10.2		-13.2	-21.6		-4.0	17.6		-8.7	-0.4	
Pre-tax profit	26.8	50.0	86.7%	29.8	11.7	-60.7%	49.6	59.7	20.3%	-3.7	4.3	N/M
Taxes	-5.3	-10.7		-6.1	-2.5		-9.8	-12.3		-0.8	1.1	
Net income	21.4	39.3	83.5%	23.7	9.2	-61.2%	39.8	47.3	19.0%	-2.9	3.2	N/M
Net margin	<i>8.8%</i>	<i>11.5%</i>	<i>2.7pp.</i>	<i>7.8%</i>	<i>2.9%</i>	<i>-4.9pp.</i>	<i>11.4%</i>	<i>12.8%</i>	<i>1.4pp.</i>	<i>-1.2%</i>	<i>1.2%</i>	<i>2.4pp.</i>
EBITDA	43.5	87.0	100.2%	67.7	60.6	-10.4%	79.7	70.1	-12.0%	32.6	35.3	8.5%
EBITDA margin	<i>17.8%</i>	<i>25.5%</i>	<i>7.6pp.</i>	<i>22.2%</i>	<i>19.0%</i>	<i>-3.2pp.</i>	<i>22.8%</i>	<i>19.0%</i>	<i>-3.8pp.</i>	<i>13.4%</i>	<i>13.2%</i>	<i>-0.2pp.</i>

RESULTS UNDER IAS17

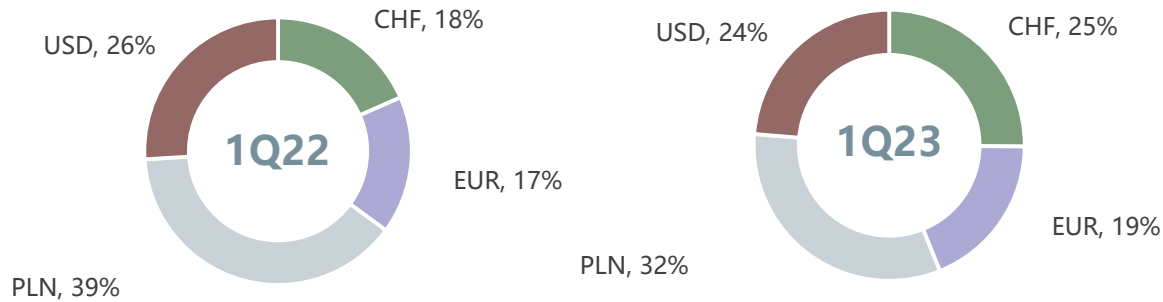
PLN m, IAS17	1Q22	1Q23	YoY
Revenues	243.8	267.0	9.5%
Gross profit on sales	123.2	137.3	11.4%
<i>Gross profit on sales margin</i>	<i>50.5%</i>	<i>51.4%</i>	<i>0.9pp.</i>
SG&A costs	121.8	137.3	12.8%
EBIT	-0.2	-0.5	N/M
<i>EBIT margin</i>	<i>-0.1%</i>	<i>-0.2%</i>	<i>-0.1pp.</i>
Net financial line	-3.6	-0.0	
Net income	-2.9	-0.7	N/M
<i>Net margin</i>	<i>-1.2%</i>	<i>-0.3%</i>	<i>0.9pp.</i>

EBITDA	5.5	4.8	-13.5%
<i>EBITDA margin</i>	<i>2.3%</i>	<i>1.8%</i>	<i>-0.5pp.</i>

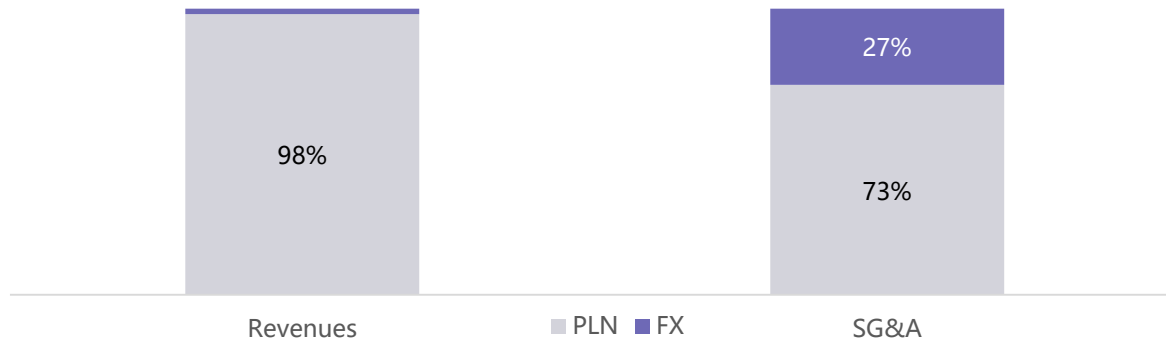


FX RISK EXPOSURE

Purchases by currencies
(PLN m)



1Q23 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	1Q22	4Q22	1Q23
Long-term debt	31.5	20.7	18.3
Bank loans	30.6	19.5	16.6
Finance leases	0.9	1.2	1.7
Short-term debt	47.7	39.5	43.9
Bank loan	24.1	22.8	28.8
Finance leases	0.7	0.6	0.7
Reverse factoring	22.9	16.1	14.4
Cash	54.0	95.9	36.8
Net debt	25.2	-35.7	25.4
Finance leases IFRS16	334.5	302.0	313.9
Net debt IFRS16	359.7	266.3	339.3

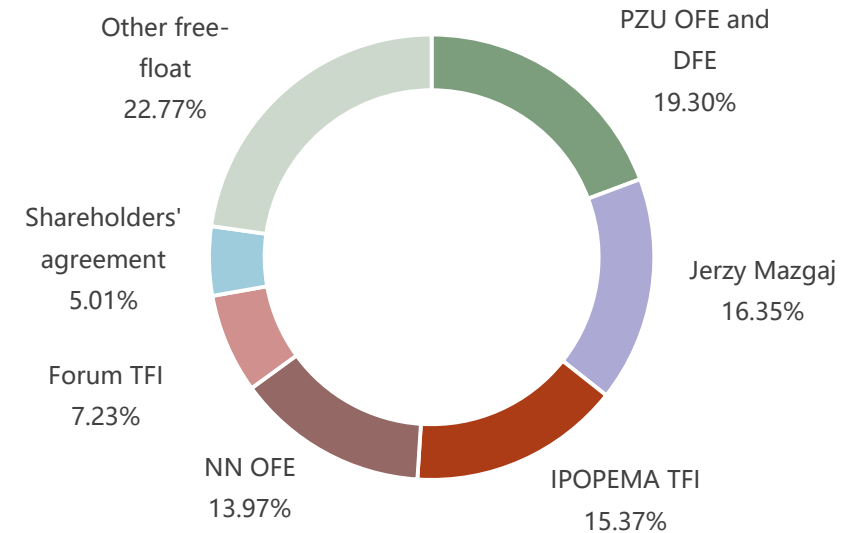
- Interest bearing indebtedness includes: bank loans, finance leases and reverse factoring (taken over with Bytom S.A. merger).
- Bank loans include: overdrafts and investment bank loans. Bank loan collateral comprises of: a floating charge on inventory, a fixed charge on "Vistula", "Wólczanka", "Bytom", "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 14.4m of reverse factoring used to finance suppliers at the end of 1Q23.
- PLN 313.9m of IFRS16 liabilities (finance leases) at the end of 1Q23.

SHAREHOLDER STRUCTURE

Shareholder structure as at 17.05.2023 (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

