

DENICLER
MILANO

W.KRUK
1840

BYTOM
SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

VISTULA



VRG

VISTULA RETAIL GROUP

INITIAL JULY AND 2Q20 NUMBERS

AUGUST 5, 2020

I DISCLAIMER

This presentation (the "Presentation") was prepared by VRG S.A. (the "Company") with a due care. Still, it may contain certain inconsistencies or omissions. The Presentation does not contain a complete or thorough financial analysis of the Company and the Capital Group and does not present its standing or prospects in a comprehensive or in-depth manner. Therefore, anyone who intends to make an investment decision with respect to the Company should rely on the information disclosed in the official reports of the Company, published in accordance with the laws applicable to the Company. This Presentation was prepared for information purposes only and does not constitute an offer to buy or to sell any financial instruments.

The Presentation may contain 'forward-looking statements'. However, such statements cannot be treated as assurances or projections of any expected future results of the Company and the Capital Group. Any statements concerning expectations of future financial results cannot be understood as guarantees that any such results will actually be achieved in future. The expectations of the Management Board are based on their current knowledge and depend on many factors due to which the actual results achieved by the Company may differ materially from the results

presented in this document. Many of those factors are beyond the awareness and control of the Company and the Capital Group or the Company's and Group's ability to foresee them.

Neither the Company, nor its directors, officers, advisors, nor representatives of any such persons are liable on account of any reason resulting from any use of this Presentation. Additionally, no information contained in this Presentation constitutes any representation or warranty of the Company, its officers or directors, advisors or representatives of any of the above persons. The Presentation and the forward-looking statements speak only as at the date of this Presentation. These may not be indicative of results or developments in future periods. The Company does not undertake any obligation to review, to confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this Presentation.

VISTULA

WÓLCZANKA

BYTOM

SZUKA KRAWIECTWA OD 1945

W.KRUK

1 9 2 0

DENICLER

MILANO

01

—

SALES RESULTS



I ACTIONS SUPPORTING REVENUES



Support for on-line ...

Higher outlays for on-line traffic.

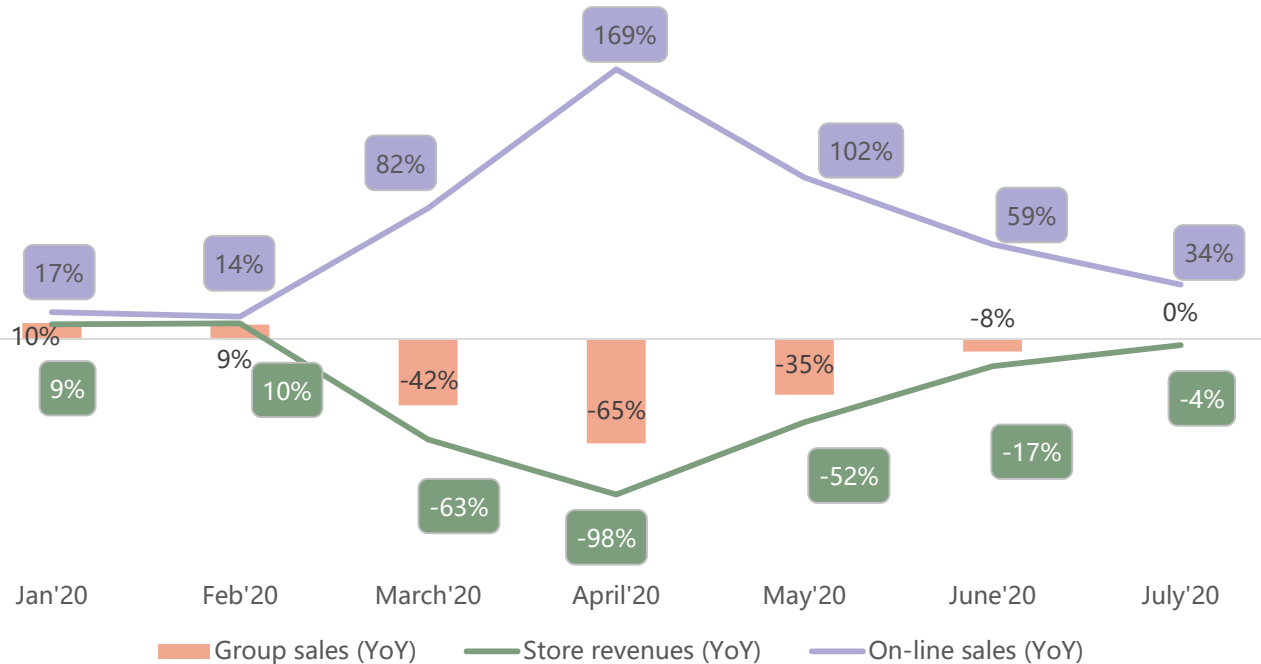
Streamlining of on-line logistics.

... and off-line stores

Promotions to attract customers to stores in May and June.

Focus on higher conversion in stores in July.

COVID-19 IMPACT ON REVENUES



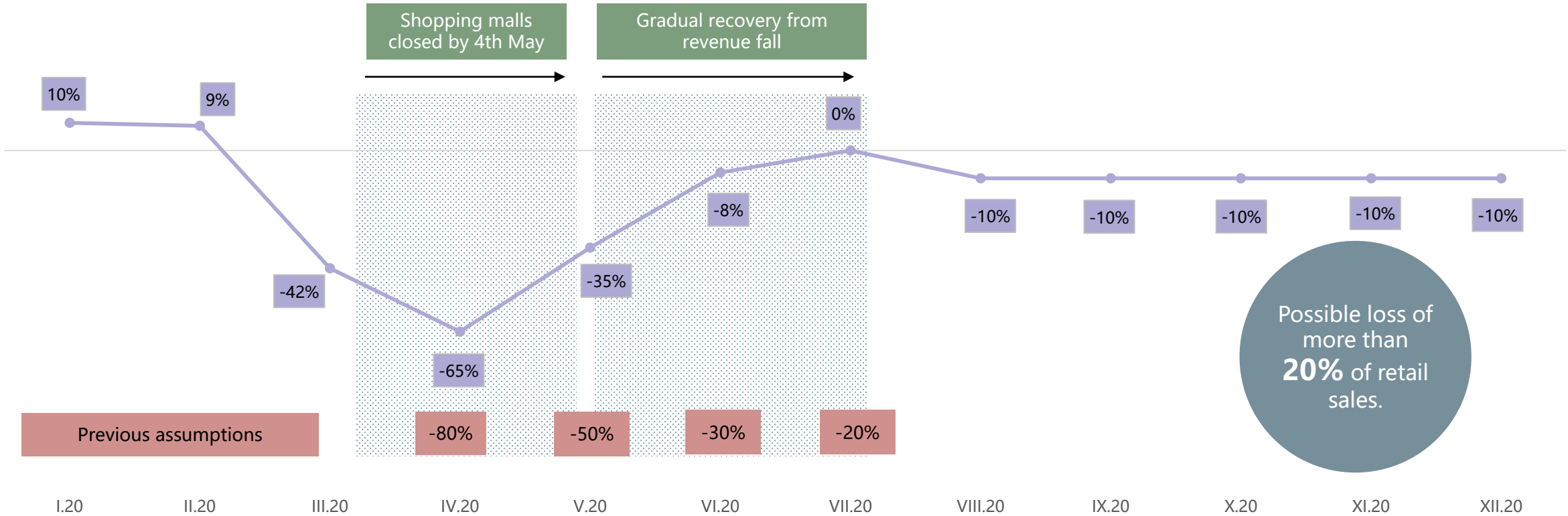
1 E-stores

E-stores of our brands operate and record high sales growths, despite opening of traditional stores. Weaker MoM dynamics due to rebound of sales in the traditional channel.

2 Stores

Majority of Group's traditional stores were opened on May 4. Floorspace at the end of July 2020 came in at 53.1 ths m2, -0.6% YoY

I REVENUES ABOVE BASE CASE SCEARIO



I STABLE GROUP REVENUES

JULY 2020

Group's gross profit margin:

49.6%

- 0.6pp.

Key trends

- faster recovery of demand in the jewellery segment than in the apparel segment,
- focus on conversion due to lower traffic,
- lower MoM share of on-line sales positively influenced gross profit on sales margin.

Group revenues

PLN 85.2m

0.2% YoY

Apparel segment
revenues

PLN 48.6m

-5.0% YoY

Jewellery segment
revenues

PLN 34.9m

10.8% YoY



VISTULA

WÓLCZANKA

BYTOM

SZTUKA KRAWIECTWA OD 1945

W.KRUK

1 9 9 0

DENICLER

MILANO

02

—

COSTS AND LIQUIDITY



I STABILISING ACTIONS

Cost reductions:

HR, rentals,
marketing

01

Working capital
improvements

02

Maintaining
liquidity

03



I ACTIONS TOWARDS HR AND RENTAL COSTS

HR COSTS

- May and June: holiday use, impact of subsidies and salary reduction.
- July: extension of 4/5 of working time in stores of apparel brands, departure from this solution in W.KRUK stores.

RENTAL COSTS

- Successfully renegotiated rents for 90% of the Group's floorspace.
- Negotiations on the remaining 10% should be completed within the next few weeks.



| SAFE LIQUIDITY POSITION



WORKING CAPITAL

- Reduction of Autumn/Winter orders by 30% in the apparel segment and 20% in the jewellery segment.
- Delayed shipment dates by suppliers.
- Use of supply chain financing.

INDEBTEDNESS

- Secured current financing:
- extension of multi-purpose loan agreements with PKO BP for 2 years,
 - the total value of financing from PKO BP for all Group members at PLN 190m (PLN 265m in total for all banks),
 - overdraft facilities from PKO BP guaranteed by BGK.

VISTULA

WÓLCZANKA

BYTOM

SZTUKA KRAWIECTWA OD 1945

W.KRUK

1 8 4 0

DENICLER

MILANO

03

—

PRELIMINARY 2Q20 RESULTS



I PRELIMINARY 2Q20 RESULTS

PLN m, IFRS16	2Q19	2Q20	YoY
Revenues	270.2	174.9	-35%
EBITDA	56.7	18.4	-68%
EBIT	28.6	-10.4	N/M
Net income (loss)	23.9	-2.3	N/M

PLN m, IAS17	2Q19	2Q20	r/r
Revenues	270.2	174.9	-35%
EBITDA	34.8	-5.6	N/M
EBIT	28.7	-11.3	N/M
Net income (loss)	22.0	-8.3	N/M

Estimated 2Q20 gross profit on sales margin in came in at c. 46.9% and was some 6.6 pp. lower than in 2Q19 due to higher YoY promotions caused by the COVID-19 pandemic.

Estimated SG&A costs in 2Q20 amounted to c. PLN 83m. The 28% YoY decline resulted from the savings made. EBIT was positively affected by c. PLN 7.8m in subsidies for salaries, and negatively by c. PLN 13.9m from write-offs on inventories older than SS20 collection.

PLN 6m of FX gains due to application of IFRS16. FX gains also occurred under IAS17.

PRELIMINARY 1H20 RESULTS

PLN m, IFRS16	1H19	1H20	r/r
Revenues	484.6	372.3	-23%
EBITDA	81.4	35.8	-56%
EBIT	27.3	-22.3	N/M
Net income (loss)	21.5	-34.3	N/M

PLN m, IAS17	1H19	1H20	r/r
Revenues	484.6	372.3	-23%
EBITDA	39.4	-11.8	N/M
EBIT	27.7	-23.5	N/M
Net income (loss)	20.8	-22.3	N/M

Estimated gross profit on sales margin in H120 amounted to c. 47.3% and was some 4.2 pp. lower than in 1H19 due to higher YoY promotions caused by the COVID-19 pandemic.

Estimated SG&A costs in 1H20 amounted to c. PLN 188m. The 15% YoY drop resulted from the savings made. The impact of one-offs was similar to 2Q20.

Some PLN 11m of FX losses due to the application of IFRS16.

VISTULA

WÓLCZANKA

BYTOM

SZUKA KRAWIECTWA OD 1945

W.KRUK

1 9 2 0

DENICLER

MILANO

04

—

IR

ACTIONS



| UPCOMING IR EVENTS



26th August

before market opens

Publication of 2Q20 results along with supplementary materials

26th August

during the trading session

- Videoconference on 2Q20 results
- Similar level of detailed disclosure as in past presentations

1st week

of September

- Publication of preliminary revenues for August 2020

I PERSONS TO CONTACT

regarding operational issues
(current brands' functioning)

Mr Radosław Jakociuk

Vice-President, Management Board Member

e-mail: Radoslaw.Jakociuk@vrg.pl

regarding financial matters

Mr Ernest Podgórski

Supervisory Board Member delegated to temporary
perform duties of Management Board Member
Responsible for Financial Matters

e-mail: Ernest.Podgorski@vrg.pl

We are also available under:

relacjeinwestorskie@vrg.pl



VISTULA

WÓLCZANKA

BYTOM

SZTUKA KRAWIECTWA OD 1945

W.KRUK

1 8 4 0

DENI CLER

MILANO

05

—

Q&A



VRG
VISTULA RETAIL GROUP

VRG
VISTULA RETAIL GROUP

THANK YOU

VRG S.A.
Pilotów 10 St.
31-462 Cracow

