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DENICLER  
MILANO

WÓLCZANKA

BYTOM

VISTULA

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VRG  
VISTULA RETAIL GROUP

# 4Q21 RESULTS PRESENTATION

APRIL 11, 2022

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# INTRODUCTION



# | 2021 – A TWO-SPEED YEAR

## 1H21

Influenced by pandemics,  
with lock-downs in January  
and from 20 March to 4 May



**On-line development**



## 2H21

Demand recovery despite pandemics,  
no restrictions on traditional stores

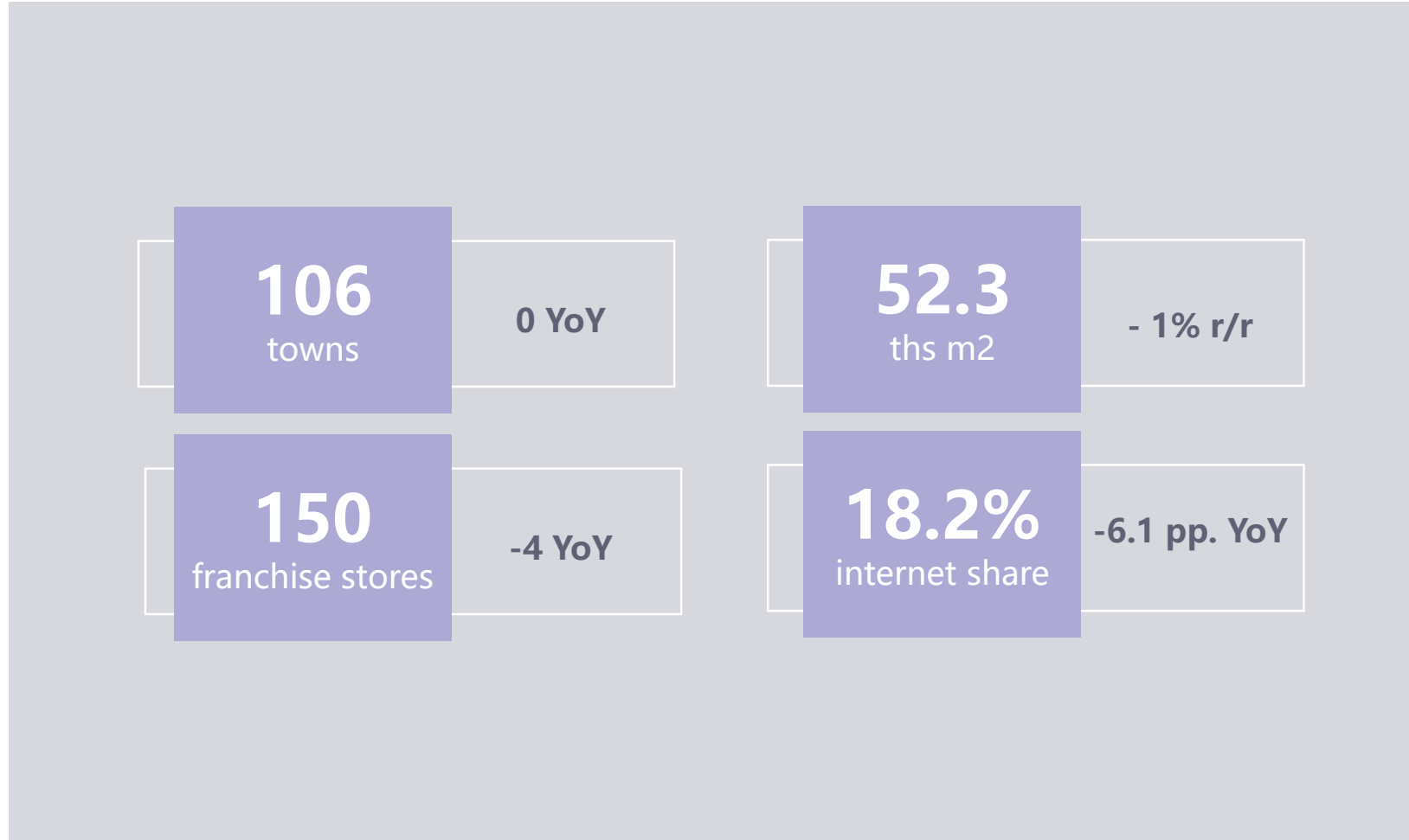


**Off-line development**

# FURTHER NETWORK OPTIMISATION

## NUMBER OF STORES EOP 4Q21 YoY

<b>VISTULA</b>	<b>145</b>	<b>- 4</b>
<b>BYTOM</b> <small>SZTUKA KRAWIECTWA OD 1945</small>	<b>114</b>	<b>- 3</b>
<b>WÓLCZANKA</b>	<b>116</b>	<b>- 13</b>
<b>DENICLER</b> <small>MILANO</small>	<b>29</b>	<b>- 3</b>
<b>W.KRUK</b> <small>1 8 4 0</small>	<b>146</b>	<b>+3</b>
<b>VRG</b> <small>VISTULA RETAIL GROUP</small>	<b>550</b>	<b>- 20</b>



# | 2 BUSINESS PILLARS



## APPAREL SEGMENT

successful introduction of new collections and new products

development of the casual offer

new concepts of stores

## JEWELLERY SEGMENT

strong off-line sales

favourable trends in sales of watches

gold and silver jewellery in demand



# VERY GOOD RESULTS IN 4Q21 AND 2021

## 4Q21 IFRS16

REVENUES

PLN 348.8m

50.3% YoY

EBIT

PLN 53.6m

4Q20: PLN (2.9)m

GROSS PROFIT MARGIN

55.1%

3.8 pp. YoY

NET PROFIT (LOSS)

PLN 39.8m

4Q20: PLN (13.9)m

## 2021 IFRS16

REVENUES

PLN 1,069.9m

25.3% YoY

EBIT

PLN 97.5m

2020: PLN (11.9)m

GROSS PROFIT MARGIN

53.1%

4.2 pp. YoY

NET PROFIT (LOSS)

PLN 66.3m

2020: PLN (39.9)m

# | 2021 TARGETS ACHIEVED

## REVENUES

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



**+25.3%**

E-commerce share at c. 20%.



**18.2%**



## EFFICIENCY

Gross profit margin YoY increase



**53.1%** + 4.2pp.

Maintaining cost efficiency.  
SG&A as % of revenues.



**43.4%** - 5.4pp.

Sizeably improved YoY financial  
results.



Net profit close to  
2019 levels

Maintenance of safe liquidity  
position.



Net cash



# STRENGTHENING THE MANAGEMENT AND SUPERVISORY BOARDS

**Janusz Płocica**  
CEO

**Marta Fryzowska**  
Vice President  
of the Management Board

**Michał Zimnicki**  
Vice President  
of the Management Board, CFO

## VRG S.A. MANAGEMENT BOARD

Mr **Jan Pilch**, currently delegated to the CEO position, will return to the Supervisory Board once Mr. Janusz Płocica takes over the position of the CEO on April 19, 2022.



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PERFORMANCE  
BY BRANDS





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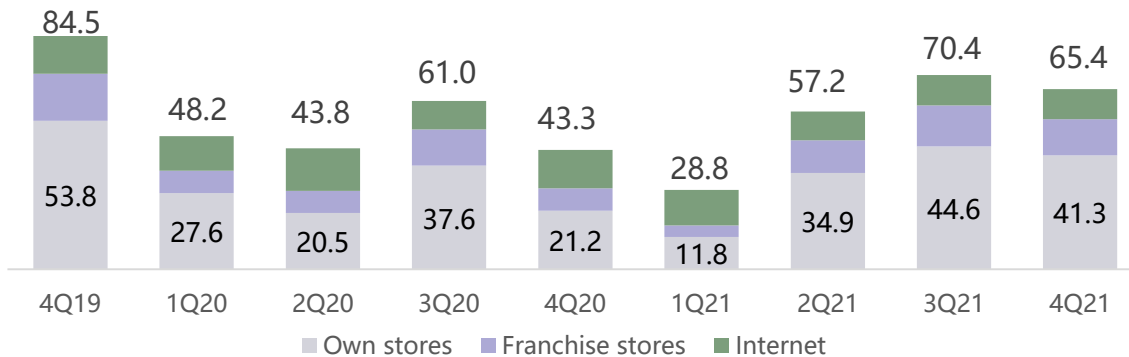
# VISTULA: DOUBLING OF TRADITIONAL STORE SALES

## Vistula brand network

	4Q20	4Q21	YoY
<b>Number of stores</b>	<b>149</b>	<b>145</b>	<b>-4</b>
incl. franchise	65	61	-4
<b>Floorspace (m2)</b>	<b>18,695</b>	<b>18,531</b>	<b>-1%</b>
incl. franchise	6,633	6,298	-5%
<b>Internet % sales</b>	<b>32.1%</b>	<b>16.7%</b>	<b>-15.4pp.</b>

- Vistula brand floorspace fell 1% YoY at the end of 4Q21, while the number of stores of the brand fell by 4 net YoY.
- Both franchise floorspace and number of stores declined YoY at the end of 4Q21. The net decline in the number of brand franchise stores amounted to 4 YoY, while floorspace decreased by 5% YoY.
- Vistula brand revenues reached PLN 65.4m in 4Q21 (up 50.9% YoY) due to faster YoY recovery in demand in traditional stores.

## Vistula brand revenues (PLN m)



- Store revenues amounted to PLN 41.3m, +94.7% YoY, in 4Q21, as customers returned to shopping malls.
- Internet revenues amounted to PLN 10.9m in 4Q21, down 21.4% YoY. Share of internet in sales at 16.7% in 4Q21, 15.4 pp. decline due to stronger off-line growths.
- Franchise revenues reached PLN 13.1m in 4Q21 (+60.1% YoY), while the share of franchise increased from 18.9% in 4Q20 to 20.1% in 4Q21.

# VISTULA: INCREASING SHARE OF FORMAL

Vistula brand revenue split



- Significant YoY increase in formal in 4Q21 along with higher demand for formal clothing due to the return of ceremonies, e.g. New Year's Eve. In 4Q20 stores were closed in November and at the end of the year, causing decline in casual and accessories share in overall sales.
- Increase in share of the main Vistula line in sales at the expense of the modern Vistula Red (more casual) and the higher positioned Lantier line.
- Continued good reception of the women's collection.

Vistula brand efficiency

	4Q20	4Q21	YoY
Revenues (PLN/m2 per month)	772	1,176	52.2%
Gross profit margin (%)	50.9%	60.1%	9.2pp.
Cost of stores (PLN/m2 per month)	346	448	29.5%
Store EBIT (PLN m)	2.6	14.4	442.2%

- Sizeable gross margin YoY growth – lower YoY sell-offs, lower share of on-line channel.
- Increased store costs/ m2 due to increasing commissions and rents.
- Fivefold increase of store EBIT.



# BYTOM

SZTUKA KRAWIECTWA OD 1945



## EXECUTIVE SUMMARY

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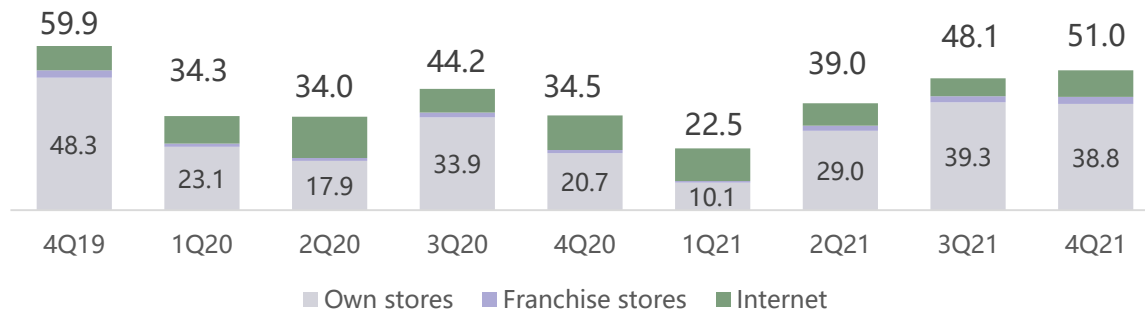
# BYTOM: GROWTH IN OFF-LINE REVENUES

## Bytom brand network

	4Q20	4Q21	YoY
<b>Number of stores</b>	<b>117</b>	<b>114</b>	<b>-3</b>
incl. franchise	9	12	+3
<b>Floorspace (m2)</b>	<b>15,604</b>	<b>15,166</b>	<b>-3%</b>
incl. franchise	954	1 225	28%
<b>Internet % sales</b>	<b>36.4%</b>	<b>19.0%</b>	<b>-17.4pp.</b>

- Number of Bytom stores decreased by 3 net YoY, while the number of franchise stores increased by 3 net YoY.
- Floorspace decreased by 3% YoY. Sizeable changes in floorspace also took place at the level of franchise stores, whose floorspace grew 28% YoY.
- Retail revenues of Bytom brand amounted to PLN 51.0m in 4Q21 (+47.9% YoY).

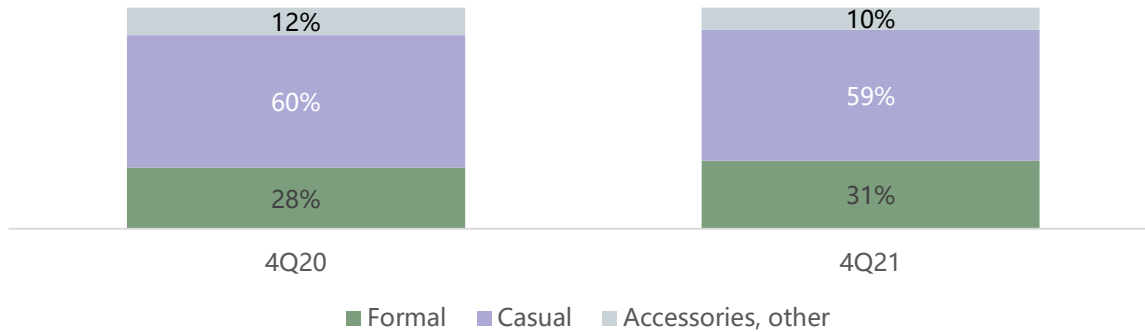
## Bytom brand revenues (PLN m)



- Traditional stores revenues amounted to PLN 38.8m, +87.3% YoY, in 4Q21 resulted from the return of customers to shopping malls.
- Internet revenues amounted to PLN 9.7m in 4Q21 (-22.8% YoY), accounting for 19.0% of sales vs 36.4% in 4Q20.
- Franchise revenues amounted to PLN 2.5m in 4Q21 (+103.9% YoY), while its share in overall sales grew YoY from 3.6% in 4Q20 to 5.0% in 4Q21.

# BYTOM: HIGH, POSITIVE STORE EBIT

Bytom brand revenue split



- Growing share of formal sales due to the pre-Christmas and New Year's Eve periods. In 4Q20 stores lockdown in November and at the end of the year. As a result, a slight decrease in the share of casual and accessories in sales.
- High, double-digit growth in sales / m2 - improvement in offline sales due to demand for formal and casual clothing.

Bytom brand efficiency

	4Q20	4Q21	YoY
Revenues (PLN/m2 per month)	737	1,114	51.1%
Gross profit margin (%)	50.4%	60.8%	10.4pp.
Cost of stores (PLN/m2 per month)	388	457	17.9%
Store EBIT (PLN m)	-0.7	10.1	N/M

- Significantly higher YoY gross margin due to lower YoY promotions.
- Increase in store costs/ m2 was significantly lower than sales/ m2: higher rentals but drop in depreciation.
- As a result high, positive store EBIT.





WÓLCZANKA



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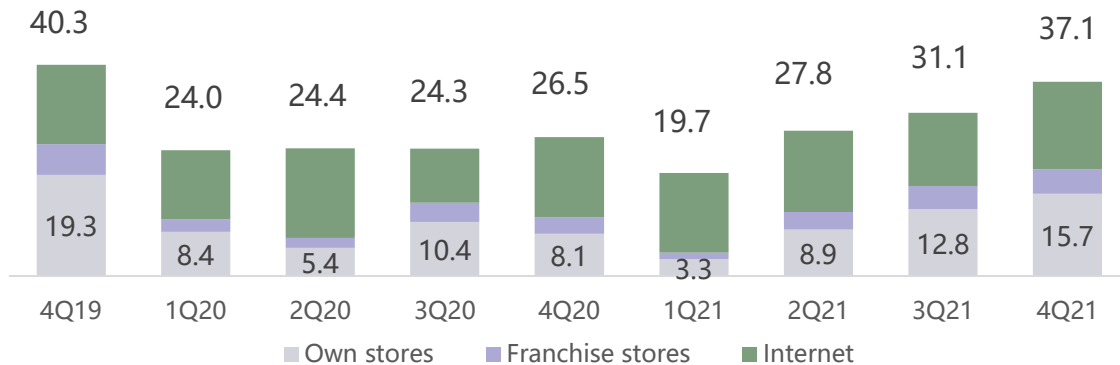
# WÓLCZANKA: AN ON-LINE BRAND

## Wólczanka brand network

	4Q20	4Q21	YoY
<b>Number of stores</b>	<b>129</b>	<b>116</b>	<b>-13</b>
incl. franchise	53	48	-5
<b>Floorspace (m2)</b>	<b>4,658</b>	<b>4,399</b>	<b>-6%</b>
incl. franchise	1,626	1,499	-8%
<b>Internet % sales</b>	<b>57.9%</b>	<b>45.1%</b>	<b>-12.8pp.</b>

- Wólczanka network decreased by 13 stores net YoY. Mostly own stores were closed – number of franchise stores dropped by 5 net YoY.
- Brand's floorspace fell 6% YoY, while franchise store floorspace decreased by 8% YoY.
- Wólczanka revenues reached PLN 37.1m in 4Q21 (+40.0% YoY), due to a balanced share of on-line and off-line in sales.

## Wólczanka brand revenues (PLN m)



- Traditional store revenues amounted to PLN 15.7m, +94.6% YoY, in 4Q21.
- Internet revenues amounted to PLN 16.7m in 4Q21 (+9.0% YoY), constituting 45.1% of sales vs 57.9% in 4Q20.
- Franchise revenues reached PLN 4.6m in 4Q21 (up 50.4% YoY). Share of franchise in revenues came in at 12.5% in 4Q21, up 7.5pp. YoY.

# A GROWING SHARE OF NEW ASSORTMENT

Wólczanka brand revenue split



- Increase in sales of knitted fabrics due to broadened range of polo shirts, t-shirts and sweaters. A higher share of the remaining assortment due to a wider range of trousers (for men and women) and introduction of dresses and jackets to the brand's offer.
- Fall in share of shirts is the result of development of new product groups and brand transition towards the total look offer.
- Stable share of women's collection results from good reception by customers of the broadened range of the brand.

Wólczanka brand efficiency

	4Q20	4Q21	YoY
Revenues (PLN/m2 per month)	1,885	2,847	51.1%
Gross profit margin (%)	52.2%	61.0%	8.8pp.
Cost of stores (PLN/m2 per month)	736	921	25.2%
Store EBIT (PLN m)	3.5	10.6	205.2%

- Significant double-digit growth in revenues/ m2: growing sales both on-line and off-line, among other due to broader assortment.
- Significantly higher YoY gross margin due to a higher share of new assortment and lower YoY promotions.
- Increase in costs/ m2 sizeably lower than revenues/m2: higher rentals and wages but lower depreciation.
- Triple-digit store EBIT increases.



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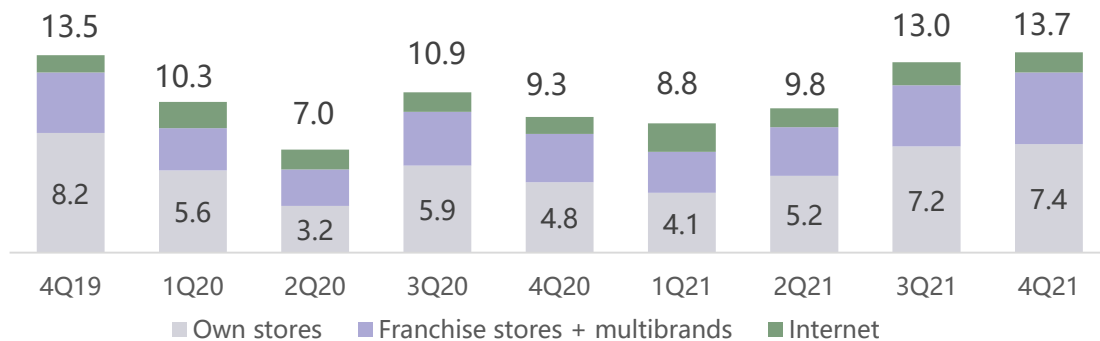
# DENI CLER: DYNAMIC REVENUE GROWTH

## Deni Cler brand network

	4Q20	4Q21	YoY
<b>Number of stores</b>	<b>32</b>	<b>29</b>	<b>-3</b>
incl. franchise	9	6	-3
<b>Floorspace (m2)</b>	<b>3 064</b>	<b>2 835</b>	<b>-7%</b>
incl. franchise	669	440	-34%
<b>Internet % sales</b>	<b>12.4%</b>	<b>10.0%</b>	<b>-2.4pp.</b>

- 29 monobrand stores (both own and franchise) in top shopping malls in Poland.
- Development of shop-in-shop concept. Deni Cler collections available at selected partners running multibrand stores in 21 towns in the country (stable QoQ).
- Overall, Deni Cler network encompasses a total of 50 points of sales all over the country.
- 4Q21 Deni Cler brand revenues amounted to PLN 13.7m, up 47.5% YoY. Revenues slightly above a record 4Q19.

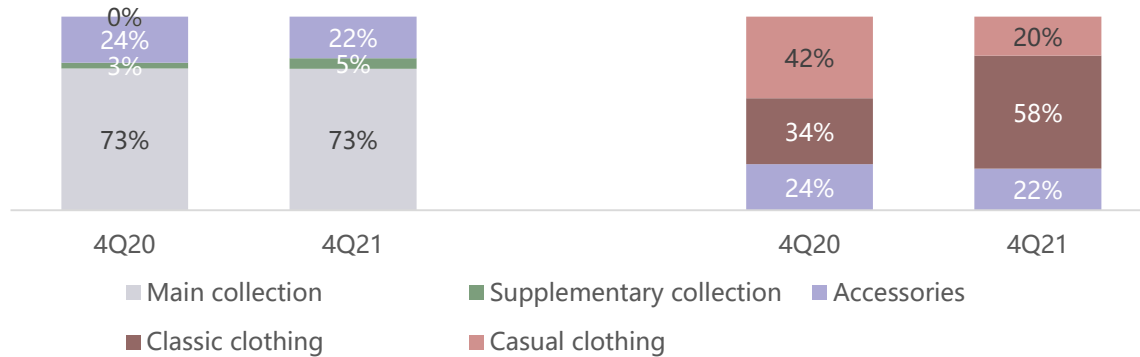
## Deni Cler brand revenues (PLN m)



- Traditional store revenues amounted to PLN 7.4m, +54.1% YoY, as customers returned to stores.
- Internet generated PLN 1.4m in revenues in 4Q21 (+18.4% YoY) and accounted for 10.0% of the brand's revenues.
- Revenues from franchises and multibrands amounted to PLN 4.9m in 4Q21 (+48.0% YoY). As a result, this line's share in revenues remained stable YoY, at 35.8% of 4Q21 sales.

# DENI CLER: DOUBLING OF STORE EBIT

Deni Cler brand revenue split



Deni Cler brand efficiency

	4Q20	4Q21	YoY
Revenues (PLN/m2 per month)	1,008	1,606	59.4%
Gross profit margin (%)	62.6%	64.5%	1.9pp.
Cost of stores (PLN/m2 per month)	411	567	37.9%
Store EBIT (PLN m)	2.0	4.0	97.7%

- Emphasis on capsule collections. Development of accessories, which have a significant share in collection (handbags, shoes).
- Classic clothing is still the biggest element of the collection. Fall in casual clothing along with return to celebration, especially New Year's Eve (stores lockdown in November and at the end of December 2020).
- Share of e-commerce in sales remains below other brands of the apparel segment due to the nature of clothing and the target group (higher price segment).

- Significant growth in revenues/ m2 due to development of the multi-brand network and rebound in sale of classic collections.
- Gross margin increase YoY due to lesser YoY promotions. The highest gross margin in the group.
- Lower YoY growth in costs/ m2 as compared to sales/ m2: higher rentals and commissions but drop in depreciation.
- As a result, doubling store EBIT.



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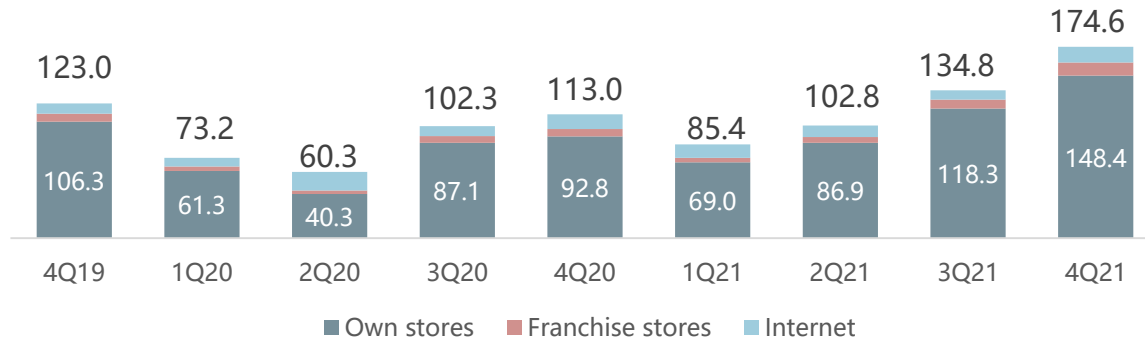
# W.KRUK: RECORD HIGH BRAND REVENUES

## W.KRUK brand network

	4Q20	4Q21	YoY
<b>Number of stores</b>	<b>143</b>	<b>146</b>	<b>+ 3</b>
incl. franchise	18	23	+ 5
<b>Floorspace (m2)</b>	<b>11,027</b>	<b>11,394</b>	<b>3%</b>
incl. franchise	1,121	1,511	35%
<b>Internet % sales</b>	<b>11.9%</b>	<b>8.1%</b>	<b>-3.7pp.</b>

- Continuation of W.KRUK brand development. Growth in net number of stores by 3 YoY and 3% YoY increase in brand's floorspace.
- The brand already had 23 franchise stores at the end of 4Q21, 5 more YoY. Franchise store floorspace increased by 35% YoY.
- W.KRUK retail revenues in 4Q21 reached PLN 174.6m (up 54.6% YoY). Record-high revenue level.

## W.KRUK brand retail revenues (PLN m)

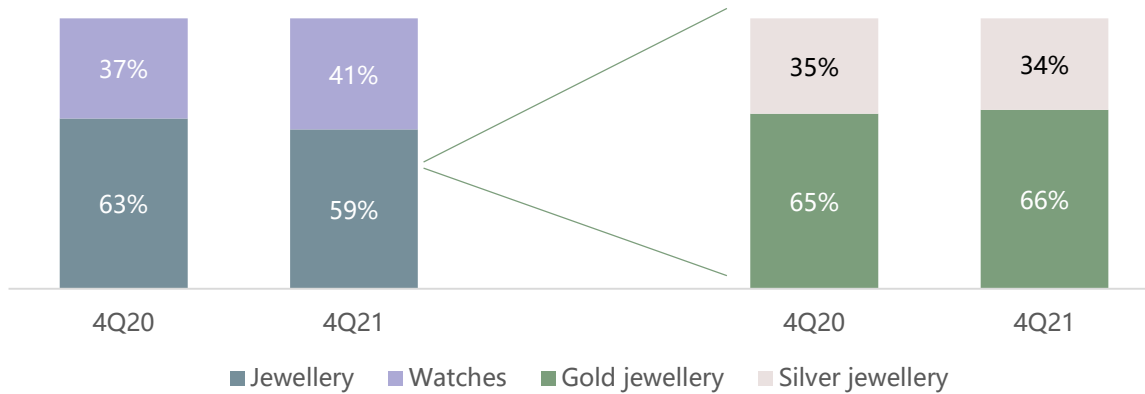


- Revenues from W.KRUK brand traditional stores in 4Q21 amounted to PLN 148.4m (an increase of 59.9% YoY).
- Internet revenues amounted to PLN 14.2m, +6.2% YoY. In 4Q21, internet accounted for 8.1% of sales compared to 11.9% in 4Q20.
- Franchise revenues amounted to PLN 12.0m in 4Q21, an increase of 77.5% YoY, and their share in 4Q21 sales amounted to 6.9%, +0.9pp. YoY.



# W.KRUK: GROWING SHARE OF WATCHES

W.KRUK brand revenue split



- Growing share of watches in relation to jewellery. Advantageous influence of exclusivity on the sale of luxury Rolex and Patek Philippe watches, but also a rebound in jewellery sales.
- In the jewellery section, there was a stable split between silver and gold jewellery in the 4Q21 sales structure.
- High sales growth/ m2 in the quarter due to high demand for jewellery and watches during the pre-Christmas season.

W.KRUK brand efficiency

	4Q20	4Q21	YoY
Revenues (PLN/m2 per month)	3,439	5,143	49.5%
Gross profit margin (%)	53.7%	53.3%	-0.4pp.
Cost of stores (PLN/m2 per month)	940	1 246	32.5%
Store EBIT (PLN m)	29.8	50.7	70.3%

- Stable gross margin due to a fixed margin policy.
- Increase in cost/ m2 lower than revenue/ m2 growth: higher rental and commission costs but lower depreciation.
- As a result, high double-digit store EBIT growth.

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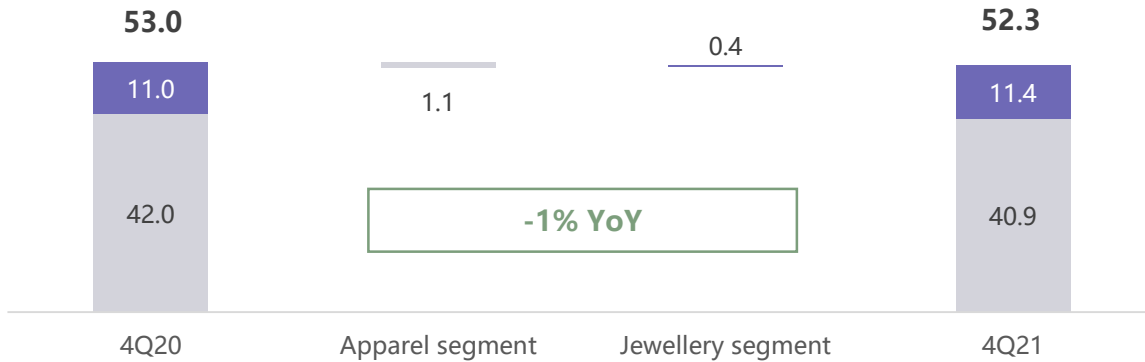
GROUP RESULTS



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# STABLE GROUP FLOORSPACE

Group floorspace change YoY  
(ths m2)



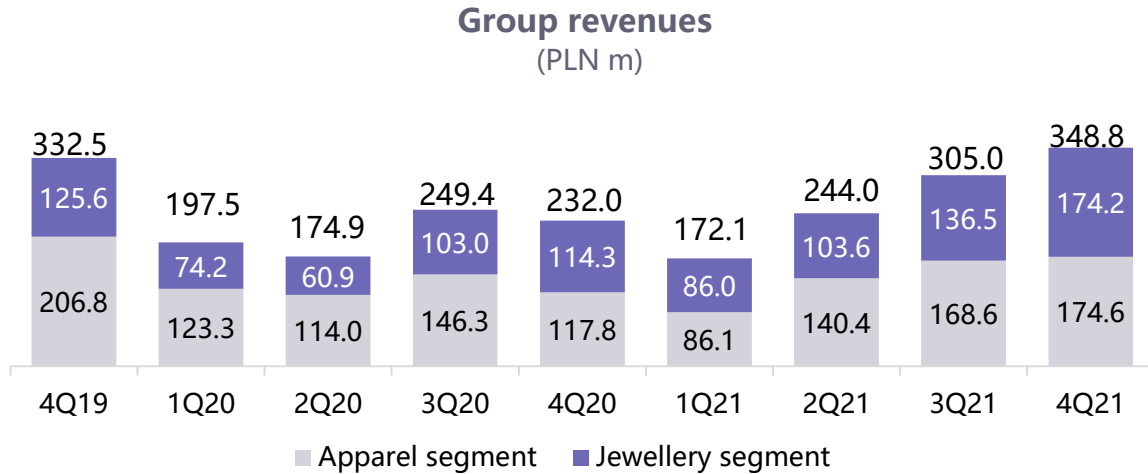
- Group floorspace reached 52.3 ths m2 at the end of 4Q21, down 1.4% YoY.
- The apparel segment floorspace fell 1.1 ths m2, down 2.6% YoY, due to closing down of unprofitable stores.
- The jewellery segment floorspace grew 0.4 ths m2 net, up 3.3% YoY, due to development of franchise stores.

Group floorspace change YoY  
(ths m2)

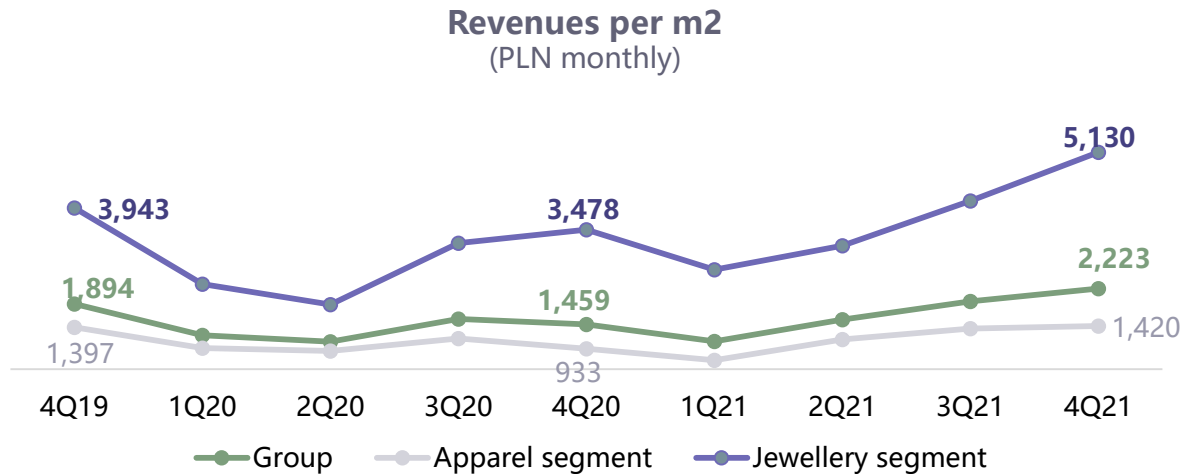


- Over the course of the year, own stores were closed while franchise stores floorspace remained stable.
- Own stores floorspace fell by 0.7 ths m2, down 1.6% YoY.
- Franchise stores floorspace remained stable YoY.

# FAVOURABLE TRENDS IN REVENUES/M2



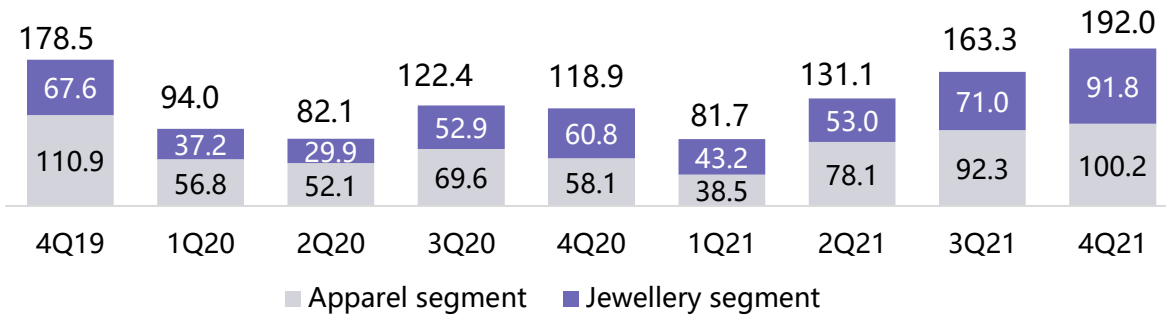
- Group revenues reached PLN 348.8m in 4Q21 (up 50.3% YoY), due to rebound in traditional stores of both segments.
- Apparel segment revenues grew 48.3% YoY, reaching PLN 174.6m, in 4Q21.
- Jewellery segment revenues amounted to PLN 174.2m, up 52.5% YoY in 4Q21. Growth in share of this segment from 49.2% in 4Q20 to 49.9% in 4Q21.



- In 4Q21 group sales/ m2 reached PLN 2,223, up 52.4% YoY.
- Revenues/ m2 for the apparel segment amounted to PLN 1,420 in 4Q21, up 52.2% YoY.
- Jewellery segment revenues/ m2 reached PLN 5,130 in 4Q21, up 47.5% YoY.

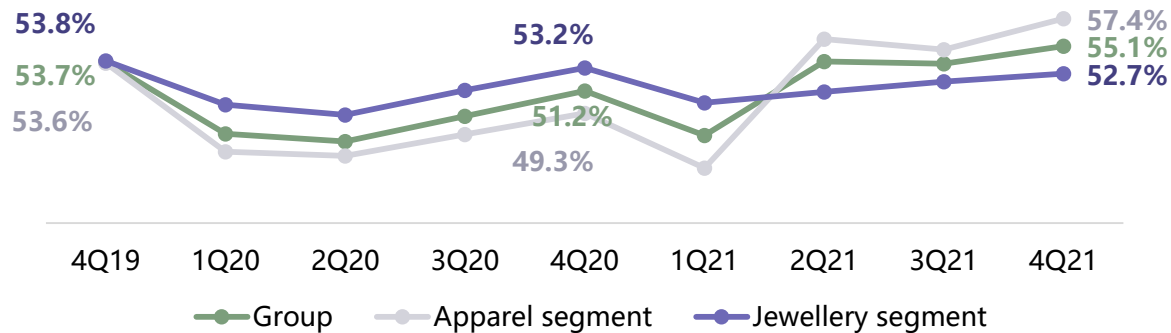
# REBOUND IN APPAREL SEGMENT MARGIN

Gross profit on sales  
(PLN m)



- Group gross profit on sales amounted to PLN 192.0m in 4Q21 (up 61.5% YoY).
- In 4Q21 gross profit on sales of the apparel segment reached PLN 100.2m, up 72.5% YoY.
- Gross profit on sales of the jewellery segment amounted to PLN 91.8m, +51.0% YoY, in 4Q21.

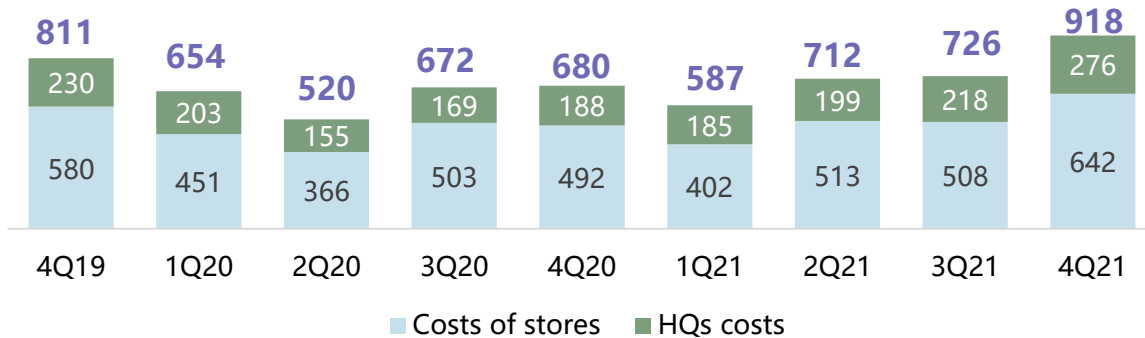
Gross profit on sales margin



- Group gross profit margin reached 55.1% in 4Q21, up 3.8 pp. YoY.
- The apparel segment gross profit margin increased 8.1 pp. YoY to 57.4% in 4Q21, due to lower YoY promotions and lower share of internet.
- The jewellery segment noted a 0.5 pp. YoY drop in 4Q21 gross profit margin, to 52.7% level, due to higher share of watches.

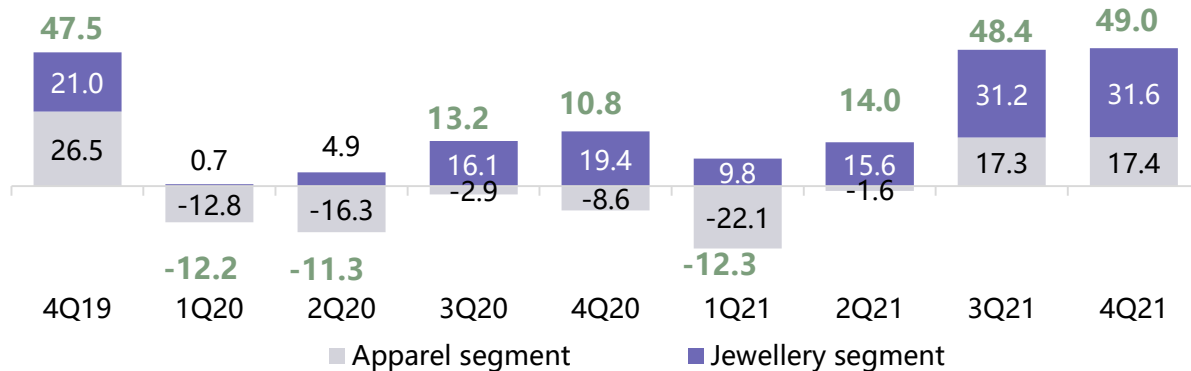
# HIGH OPERATING PROFIT GROWTH

Monthly operating costs per m2  
(PLN, IAS17)



- Group operating costs/ m2 (IAS17) reached PLN 918/ m2 monthly and up 35.0% YoY in 4Q21. Growth in costs/m2 was lower than revenues/m2 resulted from cost discipline.
- Costs of stores at PLN 642/ m2 (+30.5% YoY), while HQs costs/ m2 at PLN 276/ m2, +46.8% YoY (under IAS17).
- Under IAS17, the apparel segment costs reached PLN 684/m2 in 4Q21, up 28.5% YoY, while the jewellery segment costs amounted to PLN 1,766/m2 per month, up 41.5% YoY in 4Q21.

Operating profit  
(PLN m, IAS17)



- Group EBIT reached PLN 49.0m in 4Q21 under IAS17, +352.4% YoY. IFRS16 EBIT amounted to PLN 53.6m.
- 4Q21 EBIT of the apparel segment amounted to PLN 17.4m under IAS17 (PLN 20.6m EBIT under IFRS16) compared to PLN 8.6m operating loss in 4Q20.
- Operating profit of the jewellery segment under IAS17 reached PLN 31.6m in 4Q21, +62.9% YoY.

# 4Q21 RESULTS SIZEABLY BETTER YOY

PLN m, IFRS16	4Q20	4Q21	YoY
<b>Revenues</b>	<b>232.0</b>	<b>348.8</b>	<b>50.3%</b>
Gross profit on sales	118.9	192.0	61.5%
<i>Gross profit on sales margin</i>	<i>51.2%</i>	<i>55.1%</i>	<i>3.8pp.</i>
SG&A costs	121.9	139.4	14.4%
<b>EBIT</b>	<b>-2.9</b>	<b>53.6</b>	<b>N/M</b>
<i>EBIT margin</i>	<i>-1.2%</i>	<i>15.4%</i>	<i>16.6pp.</i>
Net financial activity	-13.8	-4.0	
<b>Net profit</b>	<b>-13.9</b>	<b>39.8</b>	<b>N/M</b>
<i>Net margin</i>	<i>-6.0%</i>	<i>11.4%</i>	<i>17.4pp.</i>
<b>EBITDA</b>	<b>22.8</b>	<b>79.7</b>	<b>249.4%</b>
<i>EBITDA margin</i>	<i>9.8%</i>	<i>22.8%</i>	<i>13.0pp.</i>
PLN m, IAS17	4Q20	4Q21	YoY
SG&A costs	108.2	143.6	32.8%
<b>EBIT</b>	<b>10.8</b>	<b>49.0</b>	<b>352.4%</b>
<b>Net profit</b>	<b>2.7</b>	<b>34.7</b>	<b>1,177.6%</b>
<b>EBITDA</b>	<b>16.4</b>	<b>54.4</b>	<b>232.0%</b>

- Higher YoY revenues due to favorable sales trends in both segments. Gross margin increase YoY due to very good performance of the apparel segment.
- YoY growth in SG&A costs due to increased selling and general and administration costs.
- The difference between the result in IFRS16 and IAS17 results from rental recognition - linear depreciation under IFRS16.
- PLN 3.2m reversal of write-offs on inventories (PLN 1.6m in 4Q20) neutral for the results - these inventories were sold (impact on gross margin).
- More favorable YoY net financial activity. PLN 0.5m in FX gains under IFRS16 versus PLN 10.1m loss in 4Q20. Interest on IFRS16 amounted to PLN 1.3m in 4Q21, compared to PLN 2.1m in 4Q20.
- Net profit of PLN 39.8m in 4Q21 compared to PLN 13.9m profit in 4Q20.

# | 2021 RESULTS SIZEABLY BETTER YOY

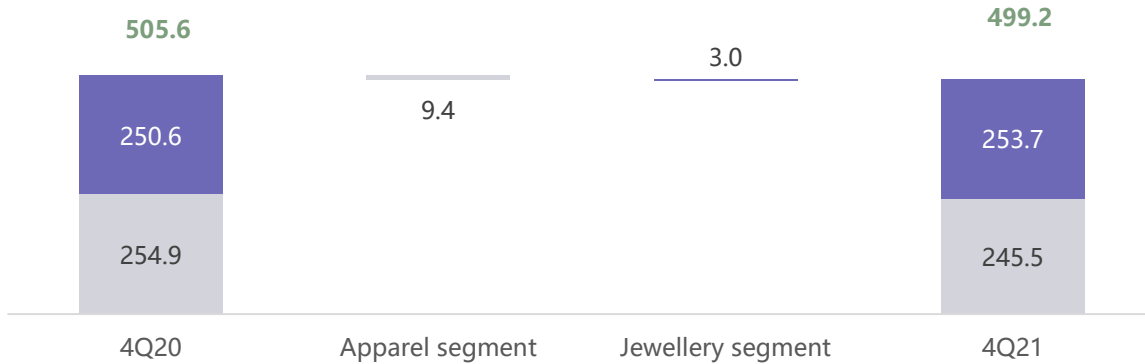
PLN m, IFRS16	2020	2021	YoY
<b>Revenues</b>	<b>853.7</b>	<b>1,069.9</b>	<b>25.3%</b>
Gross profit on sales	417.3	568.2	36.1%
<i>Gross profit on sales margin</i>	<i>48.9%</i>	<i>53.1%</i>	<i>4.2pp.</i>
SG&A costs	416.8	464.4	11.4%
<b>EBIT</b>	<b>-11.9</b>	<b>97.5</b>	<b>N/M</b>
<i>EBIT margin</i>	<i>-1.4%</i>	<i>9.1%</i>	<i>10.5pp.</i>
Net financial activity	-36.2	-13.9	
<b>Net profit</b>	<b>-39.9</b>	<b>66.3</b>	<b>N/M</b>
<i>Net margin</i>	<i>-4.7%</i>	<i>6.2%</i>	<i>10.8pp.</i>
<b>EBITDA</b>	<b>98.4</b>	<b>201.6</b>	<b>104.8%</b>
<i>EBITDA margin</i>	<i>11.5%</i>	<i>18.8%</i>	<i>7.3pp.</i>
PLN m, IAS17	2020	2021	YoY
SG&A costs	404.2	462.1	14.3%
<b>EBIT</b>	<b>0.5</b>	<b>99.1</b>	<b>N/M</b>
<b>Net profit</b>	<b>-10.3</b>	<b>70.4</b>	<b>N/M</b>
<b>EBITDA</b>	<b>23.4</b>	<b>120.5</b>	<b>413.9%</b>

- Higher YoY revenues: sales growth in the jewellery segment higher than in the apparel segment. Gross margin increase YoY due to lower YoY promotions in all brands.
- SG&A costs higher YoY due to increased sales. Positive impact of PLN 17.8m of rental reductions (of which PLN 12.5m in the apparel segment) on the 2021 results..
- More positive impact of other operating activities YoY: PLN 7.0m write-offs on inventories in 2021 compared to PLN 12.9m in 2020 and PLN 1.0m write-offs on real estate and fixed assets in 2021 (no similar write-off in 2020).
- PLN 8.8m in co-financing from the Social Security (ZUS) in 2021, compared to PLN 7.8m in other operating income in 2020.
- The difference between results under IFRS16 and IAS17 results from rental recognition - linear amortization under IFRS16 and the impact of reductions in rents due to lock-down under IAS17.
- PLN 0.9m of FX losses on IFRS16 in 2021 compared to PLN 27.0m of FX losses on IFRS16 in 2020. Interest on IFRS16 amounted to PLN 5.5m in 2021, compared to PLN 5.2m in 2020.
- As a result, net profit compared to a significant loss in 2020.

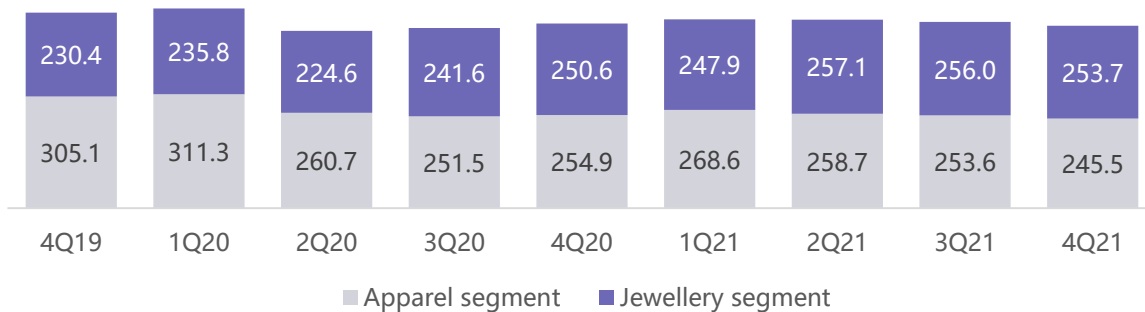


# INVENTORY RELEASE

**Change in inventories**  
(PLN m)



**Inventory by segments**  
(PLN m)

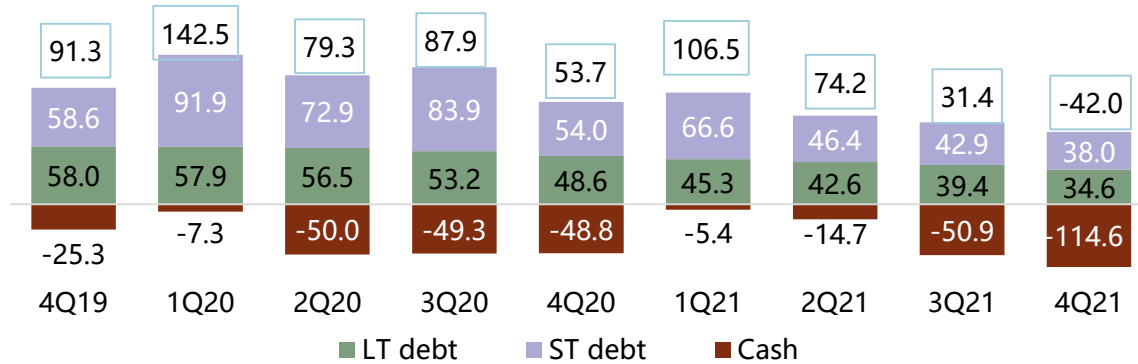


- Inventory down 1.3% YoY to PLN 499.2m in 4Q21 due to lower inventory in the apparel segment and relatively stable inventory in the jewellery segment.
- Apparel segment inventory fell 3.7% YoY, due to strong sales in 4Q21 and stores open before New Year's Eve.
- Inventories in the jewellery segment increased by 1.2% YoY, due to opening of stores with watches and a larger inventory of watches (mainly luxury watches).

- Group inventory/ m2 reached PLN 9,540 at the end of 4Q21, stable YoY.
- Apparel segment inventory per m2 reached PLN 5,998, down 1.1% YoY.
- Due to the market characteristics, inventory per m2 in the jewellery segment amounted to PLN 22,263, down 2.1% YoY.

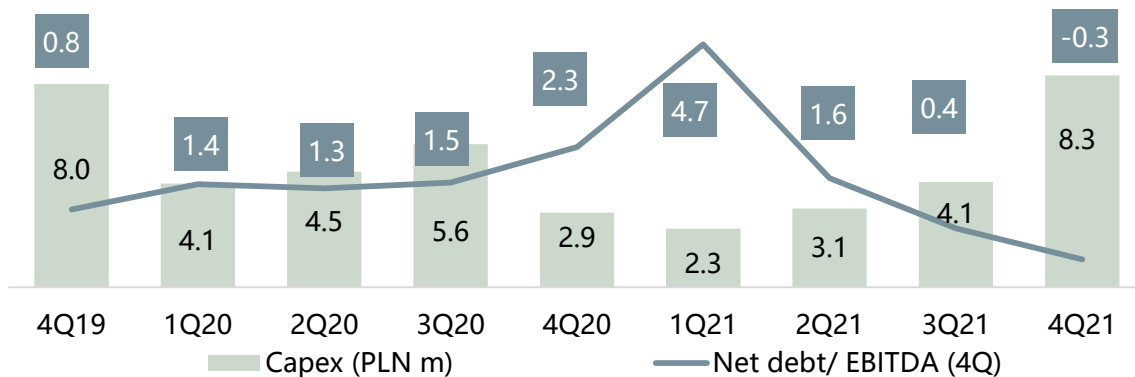
# NET CASH ON THE BALANCE SHEET

**Net debt**  
(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 332.9m in 4Q21.
- Planned reduction of long-term debt. Usage of reverse factoring for supply chain financing reached PLN 16.7m in 4Q21.
- Group's net cash under IAS17 came in at PLN 42.0m at the end of 4Q21, vs PLN 53.7m net debt in 4Q20.

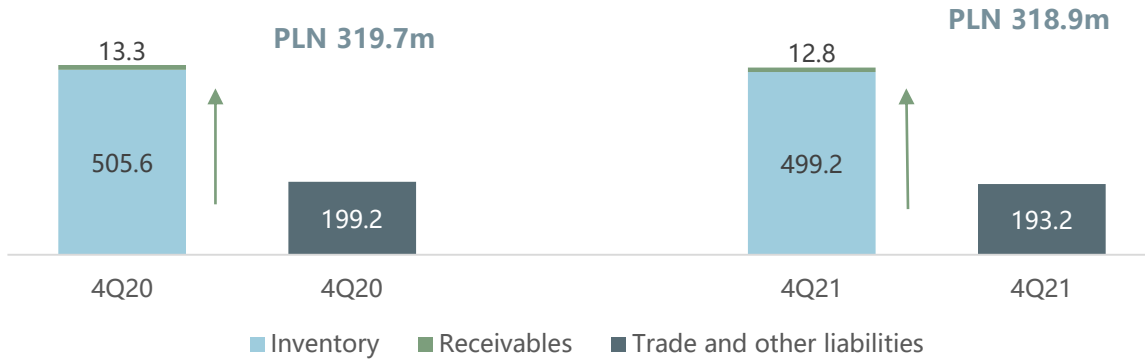
**Capex vs. net debt/EBITDA**  
(IAS17)



- Net cash/EBITDA (4Q, IAS17) at -0.3x – fall YoY due to improved financial results in 4Q21.
- Excluding reverse factoring, the Group's net cash ratio would come at -0.5x.
- Higher YoY capital expenditure in 4Q21, due to a low base – capex reduction in 4Q20 caused by lockdown, postponing some investments to 2021.

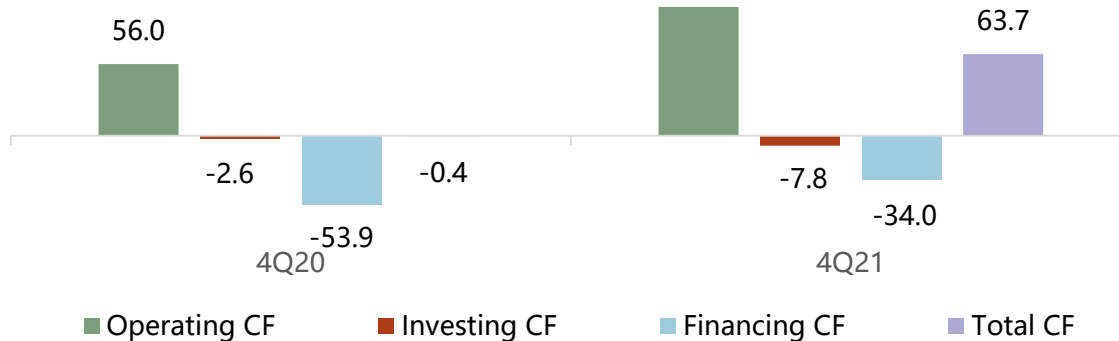
# HIGH AND GROWING OPERATING CASH FLOWS

Net working capital  
(PLN m)



- YoY drop in inventories due to strong sales in 4Q21
- Stable YoY receivables due to comparable prepayments for goods purchased on Asian markets (use of reverse factoring).
- Slightly lower YoY level of liabilities due to a minor decrease in inventory in 4Q21.

Quarterly cash flows  
(PLN m)



- Positive and higher YoY operating cash flow in 4Q21 due to significant profit growth.
- Higher YoY level of net capital expenditures - YoY reduction due to network optimization. Part of capex is planned for 4Q21.
- Financial flows show stable YoY debt repayment due to working capital financing.

VISTULA

BYTOM

SZTUKA KRAPIECCTWA OD 1945

WÓLCZANKA

DENICLER

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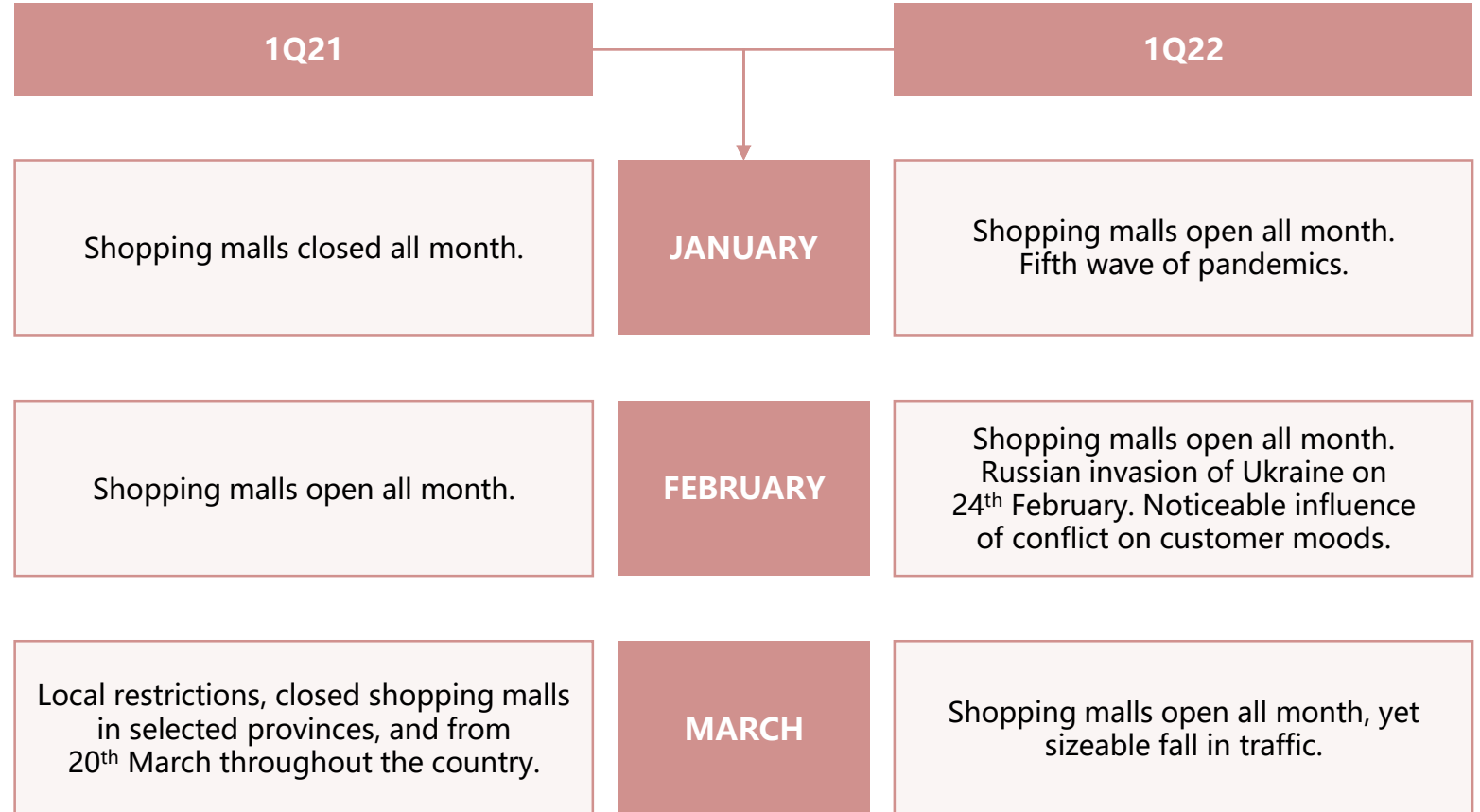
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2022+ OUTLOOK



# CONSUMER IMPACTED BY EXTERNAL FACTORS



# SALES INCREASES IN EVERY MONTH OF 1Q22

	SALES	E-COMMERCE	GROSS MARGIN
JANUARY 2022	+145.6%	22.2% -44.5pp ↓	51.2% +8.1pp ↑
FEBRUARY 2022	+4.5%	16.3% -3.8pp ↓	50.8% +2.4pp ↑
MARCH 2022	+31.3%	15.2% -11.6pp ↓	51.1% +2.5pp ↑



# I 1Q22 PRELIMINARY REVENUE AND MARGIN RESULTS

PLN m	1Q21	1Q22	YoY
Revenues	172.1	243.5	+41.5%
Apparel segment	86.1	115.2	+33.8%
Jewellery segment	86.0	128.3	+49.2%
% of on-line sales	31.5%	18.0%	-13.5 pp.
Gross margin	47.5%	50.7%	3.3 pp.

## KEY TRENDS IN 1Q22:

High Group sales dynamics – jewellery segment growth outpaced apparel segment.

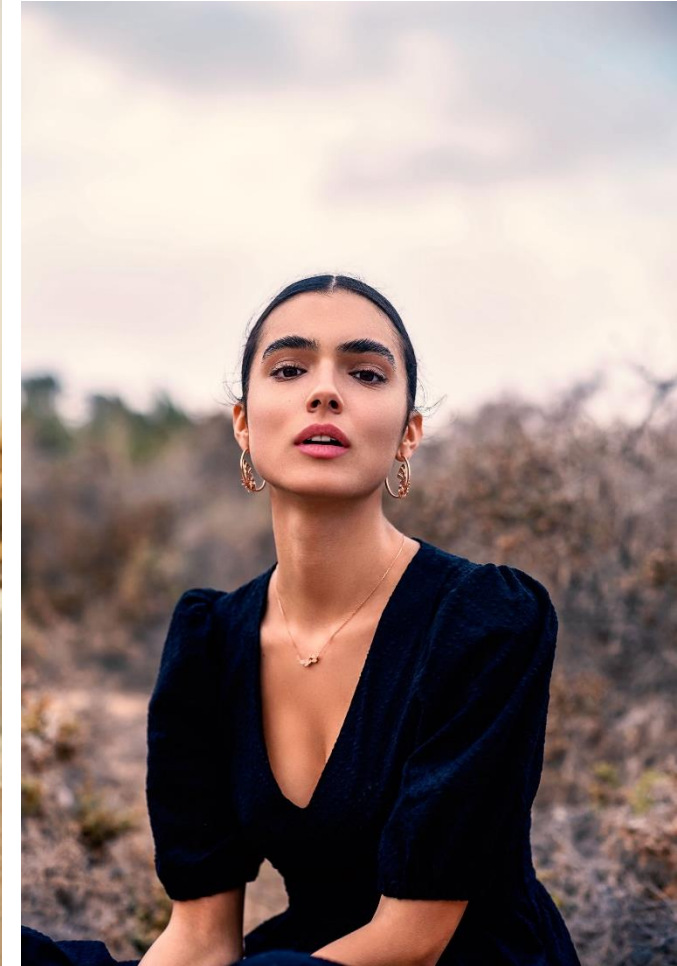
Stable Group floorspace at 52.5 ths m2.  
Share of on-line sales decreased YoY as there was no lockdowns in 1Q22.

Significantly higher gross margin on sales due to lower YoY price discounts.

# | GROUP WELL PREPARED FOR SS2022 SEASON

Continuation of the wide range of Vistula WOMAN and Wólczanka collections

Continuation of one of the most popular designer collections 2021 Preludium - in the new reveal of Preludium Butterfly





# NEW CONCEPT OF VISTULA STORE



300 m2 store in Silesia shopping mall in Katowice

The entire range of the brand's assortment displayed on one level: women's and men's collections



Eco-friendly solutions: ceramic tiles with ECOLABEL and LEED certificates and high luminous efficiency lamps

# | FURTHER OMNICHANNEL DEVELOPMENT IN 2022

## TRADITIONAL STORES

New formats of Vistula stores (from December 2021) and Wólczanka (from May 2021) - larger and greener, allowing the display of the entire extended offer.

Possibility of pick-up and return of on-line purchases in traditional stores.

Combination of off-line and on-line loyalty systems.

## OWN E-STORES

Greater variety of pickup options (Click & Collect, InPost).

All VRG brands with sales apps.

Interactive adjustment of the size preferred by the customer (apparel segment).

Continuation of cooperation with Zalando.



# FLOORSPACE OPTIMISATION IN 2022

		2021	2022 target	YoY
APPAREL SEGMENT	stores	404	401	-3
	m2	40,930	41,299	+ 1%
VISTULA	stores	145	147	+ 2
	m2	18,531	18,619	0%
BYTOM	stores	114	113	-1
	m2	15,165	15,083	-1%
WÓLCZANKA	stores	116	112	-4
	m2	4,399	4,768	8%
DENI CLER	stores	29	29	0
	m2	2,835	2,829	0%
JEWELLERY SEGMENT	stores	146	155	+ 9
	m2	11,394	12,613	+ 11%
TOTAL	stores	550	556	+ 6
	m2	52,324	53,912	+ 3%

In 2022, floorspace of traditional stores should increase by 3% YoY.

Floorspace of franchise stores at the end of 2022 should amount to 11.9 ths m2.

Capital expenditures in 2022 should amount to some PLN 34m (the amount includes capex for IT).

# | 2022 TARGETS

1

Continuation of the double-digit sales growth of the Group. Off-line and on-line increases.

2

Further improvement of the gross margin - more effective discount policy.

3

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

4

YoY improvement of Capital Group results.

5

Safe liquidity position.



## RISKS

—  
impact of war in Ukraine

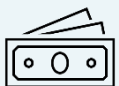
high inflation

## OPPORTUNITIES

—  
further development of the Group's offer

lower YoY Covid restrictions

# | WE HELP UKRAINE



financial support from VRG and W.KRUK for the Polish Humanitarian Action



employees from Ukraine receive financial support and psychological assistance



in-kind support by clothing donation



VISTULA

BYTOM  
SZTUKA KRAWIECTWA OD 1945

WÓLCZANKA

DENICLER  
MILANO

W.KRUK  
1 8 4 0

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Q&A



VISTULA

BYTOM  
SZTUKA KRAJECIWA OD 1945

WÓLCZANKA

DENICLER  
MILANO

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BACK-UP



VRG  
VISTULA RETAIL GROUP

# | SUMMARY OF BRANDS' 4Q21 RESULTS

V I S T U L A

SIGNIFICANT  
IMPROVEMENT IN  
GROSS MARGIN.

BYTOM

SZTUKA KRAWIECTWA OD 1945

HIGH, POSITIVE  
STORE EBIT.

W Ó L C Z A N K A

THE HIGHEST SHARE  
OF INTERNET.



DENI CLER  
MILANO

THE HIGHEST GROSS  
MARGIN.

W. KRUK  
1 8 4 0

RECORD HIGH  
REVENUES IN THE  
QUARTER.



# VISTULA: EXECUTIVE SUMMARY

## VISTULA (MEN AND WOMEN FASHION)

- VISTULA is a brand that combines traditional tailoring and global trends, inspiring customers looking for a modern, original and individual style.
- Within the VISTULA brand, we distinguish VISTULA, VISTULA RED, and LANTIER collections as well as MOVE line dedicated to active people and capsule collections. The brand also prepared a feminine VISTULA WOMAN collection.
- "Made to Measure": personalised service dedicated to the most demanding customers. Available in selected brand's stores.

## SPRING/SUMMER 2022 COLLECTION

- In line with the slogan of the Spring/Summer 2022 campaign "Everyday Joy", VISTULA wants to accompany clients every day, encouraging them to enjoy small, everyday activities.
- The VISTULA collection is a complete, full offer for men - including suits and jackets, both formal and more casual, as well as smart casual and sports products. These are supplemented by accessories, shoes and underwear. The collection is rich in jackets, sweatshirts, sweaters, trousers and t-shirts. Dominating beige palettes are enriched with pistachio, blue and cinnamon red.
- The offer for the SS2022 season at VISTULA WOMAN includes both formal products, such as suits and shirts, and casual products - blouses, jeans, skirts, dresses. The Spring version of the collection is rich in outerwear, such as coats, jackets with  $\frac{3}{4}$  sleeves, leather jackets. The summer version includes numerous linen models - jackets, shirts, skirts, trousers and dresses. The colors that dominate the collection are white, blue, beige and delicate pink. The whole is complemented by classic black and navy blue.

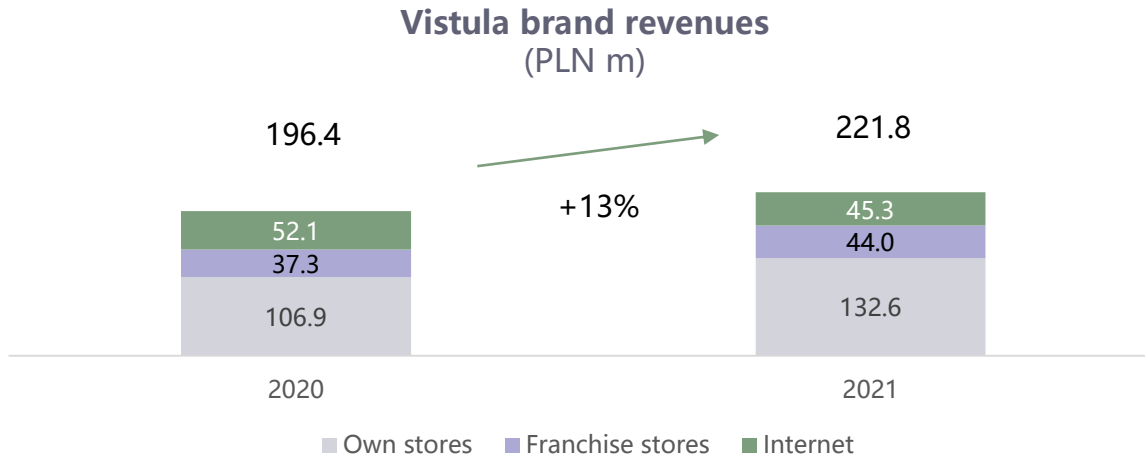
## NETWORK DEVELOPMENT

- In 4Q21, the number of the brand's stores decreased by 1 net store. 2 net franchise stores were closed, and 1 net own store was opened - Vistula store in the new concept.



VISTULA

# VISTULA: TRIPPLE-DIGIT INCREASE IN STORE EBIT



- Revenues of Vistula brand amounted to PLN 221.8m in 2021, up 12.9% YoY. The brand's stores generated PLN 132.6m, + 24.0% YoY, despite shopping centers being closed for over 2 months due to COVID-19.
- Internet revenues amounted to PLN 45.3m in 2021, -13.2% YoY. The internet's share in 2021 sales came in at 20.4% vs 26.6% in 2020.
- Franchise revenues amounted to PLN 44.0m in 2021, +17.8% YoY. Share of franchise increased from 19.0% in 2020 to 19.8% in 2021.

## Vistula brand efficiency

	2020	2021	YoY
Revenues (PLN/m2 per month)	877	997	13,8%
Gross profit margin (%)	49.5%	56.8%	7.3pp.
Cost of stores (PLN/m2 per month)	359	383	6.9%
Store EBIT (PLN m)	17.0	40.9	140.7%

- YoY growth in sales/ m2 despite longer YoY administrative closing down of stores related to COVID-19 pandemic due to a good 2H21.
- Gross margin growth YoY due to lower YoY sell-offs and lower share of on-line channel.
- Costs of stores/ m2 increase below sales/ m2 growth: growing commissions and wages, but drop in depreciation.

# BYTOM: EXECUTIVE SUMMARY

## BYTOM (MODA MĘSKA)

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

## SPRING/SUMMER 2022 COLLECTION

- The campaign of the latest Spring/Summer 2022 collection takes recipients on another sentimental journey, this time to seaside resorts, crowded in the season, and giving peace and respite off-season. The background for the campaign were holiday destinations known to many generations of Poles - the charming city of Łeba, where the focus was on the characteristic beaches and spa from the old days, and the picturesque Słowiński National Park, where the wildness of the flora meets the tranquility of the sand dunes.
- The Spring and Summer character of the collection is reflected in suits with linen shirts, openwork jackets styled with t-shirts or airy cotton sweaters worn with shorts. There are also typical eclectic combinations, such as a beige trench coat with a tracksuit.
- Bytom, as a specialist in men's formal fashion, following global trends, shows in its collection several modern versions of a suit. One of the proposals is a zippered suit, the upper part of which looks more like a summer jacket than a jacket. Another option is a classic-colored suit made of a highly structured fabric with visible stripes.
- Spring-summer stylizations are often new, original color combinations, such as a beige suit combined with a coral-colored shirt made of linen or a red-rusty jacket combined with beige trousers.

## NETWORK DEVELOPMENT

- In 4Q21, the number of stores fell by 1 net store QoQ. 1 net franchise store was added in the quarter.

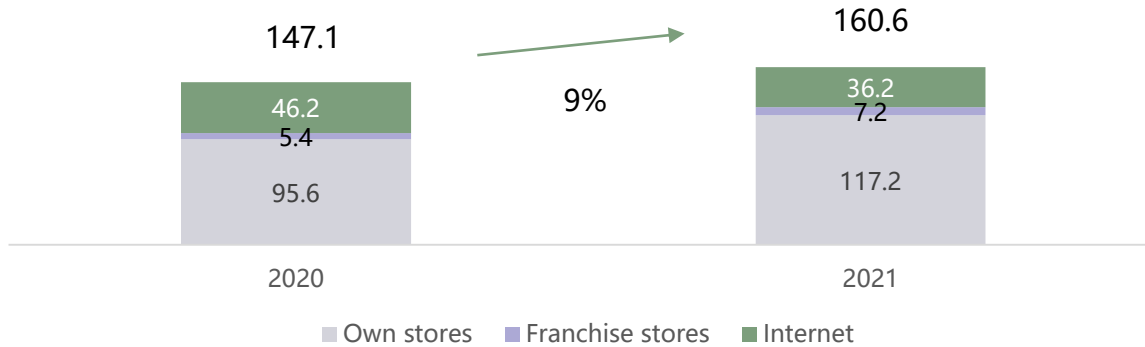


# BYTOM

SZTUKA KRAWIECTWA OD 1945

# BYTOM: IMPROVEMENT IN GROSS PROFIT MARGIN

Bytom brand retail revenues  
(PLN m)



- Revenues of the Bytom brand amounted to PLN 160.6m in 2021, up by 9.2% YoY. The brand's stores generated PLN 117.2m, +22.6% YoY, despite shopping centers being closed for more than 2 months due to the COVID-19 pandemic.
- Internet revenues amounted to PLN 36.2m in 2021, -21.5% YoY. The share of the internet in 2020 sales was 31.4% compared to 22.6% in 2021.
- Franchise revenues amounted to PLN 7.2m in 2021, +33.8% YoY. The franchise share increased from 3.6% in 2020 to 4.5% in 2021.

Bytom brand efficiency

	2020	2021	YoY
Revenues (PLN/m2 per month)	764	871	14,0%
Gross profit margin (%)	47.9%	55.8%	7.9pp.
Cost of stores (PLN/m2 per month)	365	390	7.1%
Store EBIT (PLN m)	0.2	17.6	N/M

- Double-digit sales/ m2 growth despite the negative impact of the pandemic.
- Higher YoY gross margin due to lower YoY promotions in both on-line and off-line channels.
- Increase in store costs/ m2 below sales/ m2 the growth: due to increasing commissions and salaries but fall in depreciation.
- Sizeable store EBIT growth.

# WÓLCZANKA: EXECUTIVE SUMMARY

## WÓLCZANKA (FASHION FOR MEN AND WOMEN)

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

## SPRING/SUMMER 2022 COLLECTION

- The office collection is a semi-formal offer intended for professionals in modern working conditions. The men's offer includes 5-pocket trousers and chinos, jackets made of soft fabric, perfectly matching spring shirts, light sweaters and cardigans. The collection for ladies includes classic solutions, proven in office stylizations - minimalist pencil skirts, trousers, shirts and delicate jackets.
- The Abstract Pop-Up collection is an urban Spring collection that abounds in a multitude of colors and patterns. Among the proposals you can find comfortable clothes that will be perfect for the urban jungle, and the rich color palette giving you an energy and optimistic attitude to life.
- The Un Naturel collection is a collection inspired by nature, based on natural shades of beige, green and earth tones. The materials used in this part of the collection are also a reference to nature, including linen, which is irreplaceable in summer, and viscose. The collection is complemented by timeless denim - shirts, jackets, trousers in several washes, skirts and shorts.
- The Hawaii collection is a proposal for holiday trips - Hawaiian shirts with exotic flowers and characteristic surf motifs: swimwear, shorts, glasses, surfboards and summer accessories.

## NETWORK DEVELOPMENT

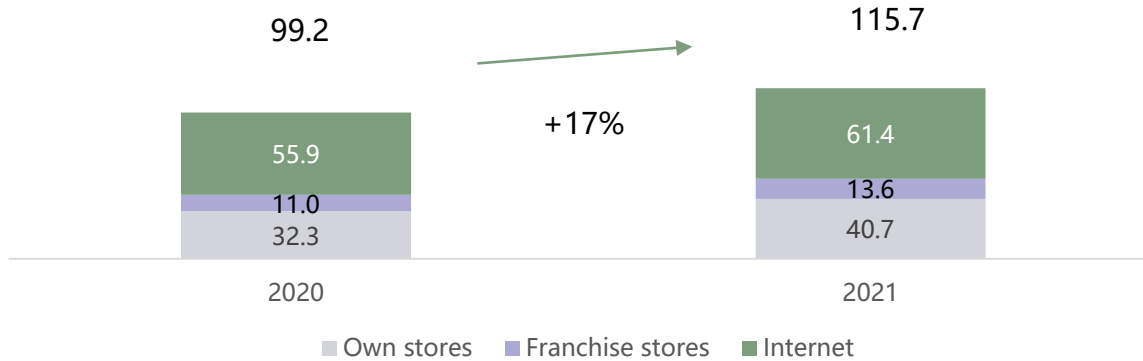
- In 4Q21, the number of boutiques decreased by 3 net QoQ - these were franchise boutiques. In January 2022, the opening of a multi-format brand store in Silesia City Center Katowice.



WÓLCZANKA

# THE HIGHEST SHARE OF ON-LINE IN SALES

**Wólczanka brand revenues**  
(PLN m)



- Revenues of the Wólczanka brand amounted to PLN 115.7m in 2021, +16.6% YoY. The brand's stores generated PLN 40.7m, +26.1% YoY, despite shopping centers being closed for more than 2 months due to COVID-19.
- Internet revenues amounted to PLN 61.4m in 2021, +9.9% YoY. The internet's share in 2021 sales is 53.1% compared to 56.4% in 2020.
- Revenues from franchise amounted to PLN 13.6m in 2021, an increase of 23.2% YoY. The share of franchise increased from 11.1% in 2020 to 11.7% in 2021.

**Wólczanka brand efficiency**

	2020	2021	YoY
Revenues (PLN/m2 per month)	1,724	2,167	25.7%
Gross profit margin (%)	48.6%	56.1%	7.5pp.
Cost of stores (PLN/m2 per month)	692	777	12.3%
Store EBIT (PLN m)	8.3	23.4	180.5%

- Increase in revenues/ m2 despite longer administrative lock-downs due to a significant share of Internet in sales.
- Higher gross margin due to increase in gross profit margin on sales in on-line and off-line channels.
- Increase in costs/ m2 sizeably lower than in sales/m2: increase of commissions and other costs but drop in depreciation.
- High dynamics of store EBIT growth in 2021.

# | DENI CLER: EXECUTIVE SUMMARY

## DENI CLER (WOMEN'S FASHION)

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

## SPRING/SUMMER COLLECTION 2022

- The latest collection for the Spring/Summer 2022 season, "Manifesto del Colore", or "Manifest of Colors", is one of the most daring collections in the history of the Italian brand. This season, the brand focuses on eclectic combinations. Strong colors, ubiquitous in the new collection, are energetic and optimistic. The collection consists of 6 capsules, each of which will be released monthly from January to June. The individual stylistic lines are named after the flowers.
- This year's collection for the Spring/Summer 2022 season is created with the environment in mind. The hallmark of Deni Cler is quality - the brand cooperates with selected manufacturers and suppliers of fabrics from renowned Italian manufactories. To create the collection, it also chose biodegradable fabrics marked with certificates such as ISO 9001 or Euro Eco Certificate, which guarantee the highest quality of raw materials. This is especially important in the case of plant-based fabrics - cotton or linen.
- The Deni Cler brand received the title of 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

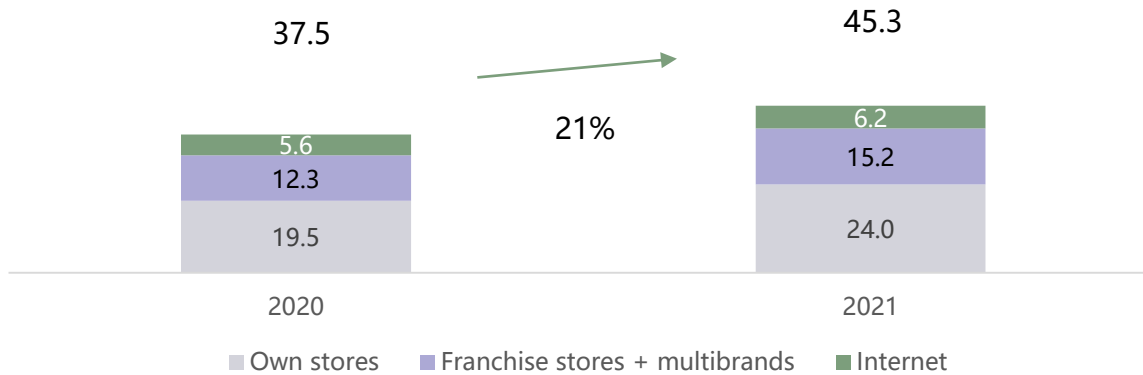
- The number of own stores was stable in quarter. The multibrand network also remained unchanged.



**DENI CLER**  
MILANO

# DENI CLER: DOUBLING OF STORE EBIT

**Deni Cler brand revenues**  
(PLN m)



- Revenues of the Deni Cler brand amounted to PLN 45.3m in 2021, growing by 20.7% YoY. The brand's stores generated PLN 24.0m, +22.3% YoY, despite shopping centers were closed for more than 2 months due to the COVID-19 pandemic.
- Internet revenues amounted to PLN 6.2m in 2021, +9.0% YoY. The internet's share in 2021 sales was 13.6% versus 15.0% in 2020.
- Revenues from franchise and multibrand amounted to PLN 15.2m in 2021, an increase of 23.2% YoY. The franchise share increased from 32.9% in 2020 to 33.6% in 2021.

**Deni Cler brand efficiency**

	2020	2021	YoY
Revenues (PLN/m2 per month)	1,027	1,308	27.4%
Gross profit margin (%)	53.3%	58.7%	5.4pp.
Cost of stores (PLN/m2 per month)	417	484	16.0%
Store EBIT (PLN m)	4.7	9.8	106.8%

- Double-digit sales/ m2 growths due to rebound in traditional stores and dynamic multibrand store development.
- Increase in gross margin YoY in 2021 due to lower promotions and sell-offs as well as improved margin in the on-line channel.
- Growth in costs/m2 lower than sales/m2 growth: higher commissions but lower depreciation.
- As a result, doubling of operating result YoY.



# W.KRUK: EXECUTIVE SUMMARY

## THE OLDEST JEWELRY BRAND IN POLAND

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

## NEW ELEMENTS IN COLLECTIONS

- In February this year, the brand presented a new Spring version of the MEA ambassador's collection campaign, which premiered in September 2021. The original MEA jewellery and accessories collection was created in cooperation with the brand ambassador - Magda Mołek.
- In March this year. W.KRUK has presented a new version of the original Preludium collection - Butterfly. The title butterfly has become the leitmotif of beautiful and colorful W.KRUK jewellery for spring. Preludium Butterfly silver jewelry is decorated with zirconias with a unique gradation: navy blue, green, pink and white stones. Selected elements of the collection were covered with noble rose gold.
- The W.KRUK ecological flagship line is the Doskonały ("Perfect") jewellery collection, decorated with New Diamond by W.KRUK ® diamonds, created in the laboratory. W.KRUK offers gold jewellery decorated with white, pink and blue New Diamond by W.KRUK diamonds.

## NETWORK DEVELOPMENT

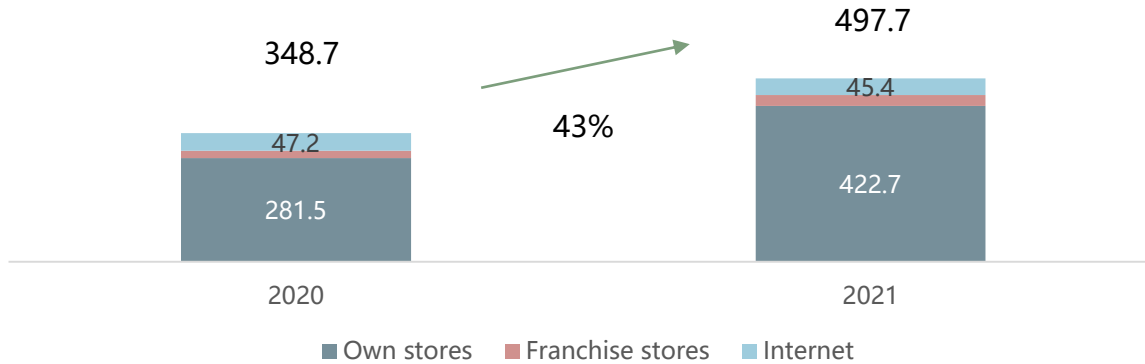
- In 4Q21, the number of brand stores increased by 3 QoQ. 2 net franchise stores were opened.



**W. KRUK**  
1 8 4 0

# W.KRUK: A PANDEMIC RESISTANT BRAND

W.KRUK brand retail revenues  
(PLN m)



- W.KRUK brand's retail revenues amounted to PLN 497.7m in 2021, growing by 42.7% YoY. The brand's stores generated PLN 422.7m, +50.1% YoY, despite shopping centers being closed for more than 2 months due to COVID-19.
- Internet revenues amounted to PLN 45.4m in 2021, -4.0% YoY. The share of the internet in 2021 sales was 9.1% compared to 13.5% in 2020.
- Revenues from franchise amounted to PLN 29.6m in 2021, an increase by 48.9% YoY. The franchise share amounted to 6.0% in 2020 vs 5.7% in 2021.

W.KRUK brand efficiency

	2020	2021	YoY
Revenues (PLN/m2 per month)	2,693	3,739	38.9%
Gross profit margin (%)	51.6%	52.2%	0.6pp.
Cost of stores (PLN/m2 per month)	790	937	18.6%
Store EBIT (PLN m)	77.5	135.0	74.1%

- Double-digit growth in sales/ m2 in 2021 due to strong demand for watches and jewellery.
- Slight growth in gross margin despite higher share of watches due to a fixed margin policy.
- Increase in costs/m2 significantly below the increase in sales/m2: higher commissions, rentals and salaries but fall in depreciation.

# GROUP STRUCTURE

## VRG

COMPANIES INCLUDED IN THE CONSOLIDATED STATEMENTS FOR 4Q21

### JEWELLERY SEGMENT

#### W.KRUK S.A.

Jewellery, watches, accessories

### APPAREL SEGMENT

#### VRG S.A. parent company

Vistula, Wólczanka, Bytom brands,  
trademark \*

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

#### DCG S.A.

Deni Cler brand

### OTHER ACTIVITY

**WSM Factory sp. z o.o.** (formerly WSM  
Sp. z o.o.), **VG Property sp. z o.o.**

Production, real estate

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

# OPTIMISATION OF NUMBER OF STORES CONTINUES

## NUMBER OF STORES

		4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
APPAREL SEGMENT	total	451	440	427	426	427	421	415	409	404
	franchise	132	126	126	129	136	135	135	131	127
VISTULA	total	154	148	145	147	149	148	148	146	145
	franchise	62	59	60	62	65	64	64	63	61
WÓLCZANKA	total	140	137	132	130	129	127	121	119	116
	franchise	52	50	49	50	53	53	53	51	48
BYTOM	total	126	125	120	117	117	115	116	115	114
	franchise	9	8	8	8	9	10	11	11	12
DENI CLER	total	31	30	30	32	32	31	30	29	29
	franchise	9	9	9	9	9	8	7	6	6
JEWELLERY SEGMENT	total	139	140	140	140	143	140	142	143	146
	franchise	14	14	15	16	18	18	20	21	23
TOTAL	total	590	580	567	566	570	561	557	552	550
	franchise	146	140	141	145	154	153	155	152	150

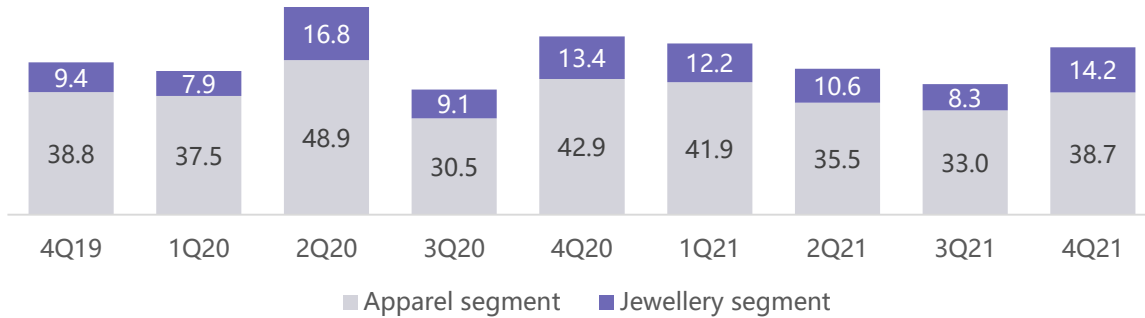
# STABLE YOY FLOORSPACE

## M2 OF FLOORSPACE

		4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
APPAREL SEGMENT	total	43,731	42,962	41,953	41,891	42,021	41,564	41,337	40,864	40,930
	franchise	9,590	9,123	9,195	9,368	9,882	9,789	9,794	9,577	31,468
VISTULA	total	19,320	18,650	18,291	18,508	18,695	18,586	18,593	18,390	18,531
	franchise	6,283	5,991	6,094	6,311	6,633	6,525	6,532	6,435	6,298
WÓLCZANKA	total	4,954	4,877	4,716	4,685	4,658	4,662	4,430	4,371	4,399
	franchise	1,576	1,504	1,473	1,530	1,626	1,625	1,625	1,567	1,499
BYTOM	total	16,421	16,487	16,000	15,634	15,604	15,327	15,417	15,267	15,165
	franchise	1,011	908	908	859	954	1,045	1,135	1,135	1,225
DENI CLER	total	3,037	2,947	2,947	3,064	3,064	2,989	2,897	2,835	2,835
	franchise	720	720	720	669	669	594	502	440	440
JEWELLERY SEGMENT	total	10,647	10,732	10,749	10,756	11,027	10,918	11,060	11,173	11,394
	franchise	856	856	896	965	1,121	1,113	1,255	1,368	1,511
TOTAL	total	54,378	53,693	52,702	52,647	53,048	52,482	52,397	52,038	52,324
	franchise	10,446	9,979	10,091	10,333	11,003	10,902	11,049	10,945	10,973

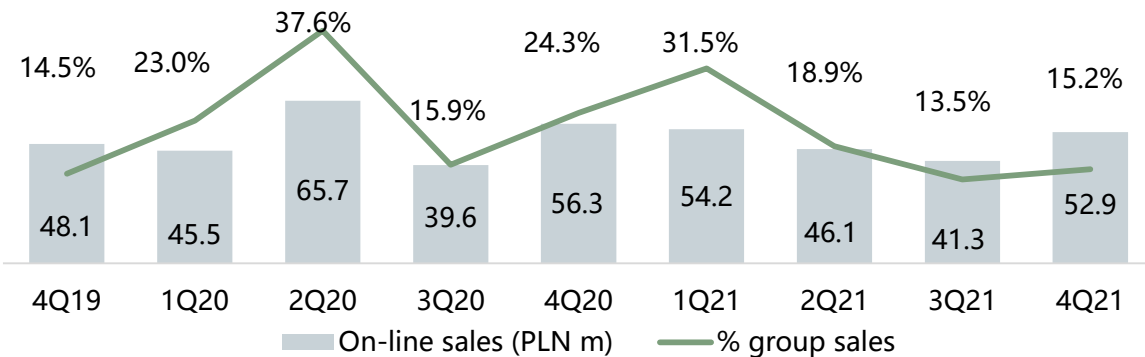
# OWN E-STORES OF FIVE BRANDS

On-line sales by segments  
(PLN m)



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

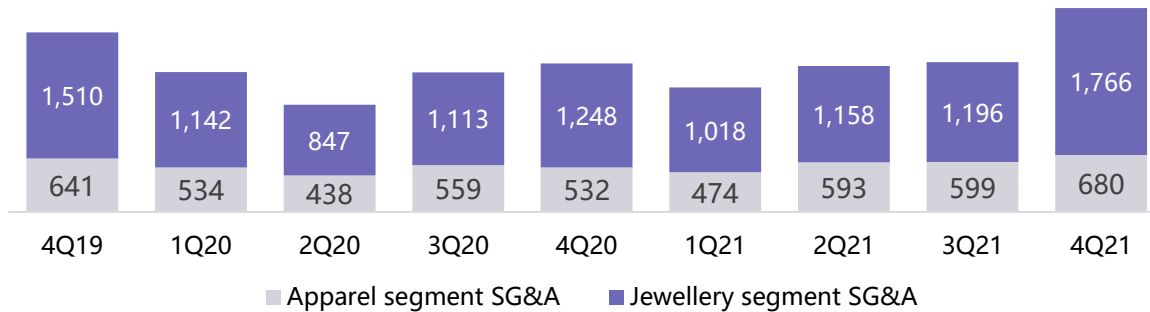
Group on-line sales



- In 4Q21, on-line sales amounted to PLN 52.9m, decreasing 6.1% YoY due to the rebound in sales in traditional stores.
- Internet share fell from 24.3% in 4Q20 to 15.2% in 4Q21, due to a stronger return to sales in traditional stores.
- In addition to its own e-stores, the Group is developing cooperation of individual brands with external marketplaces.

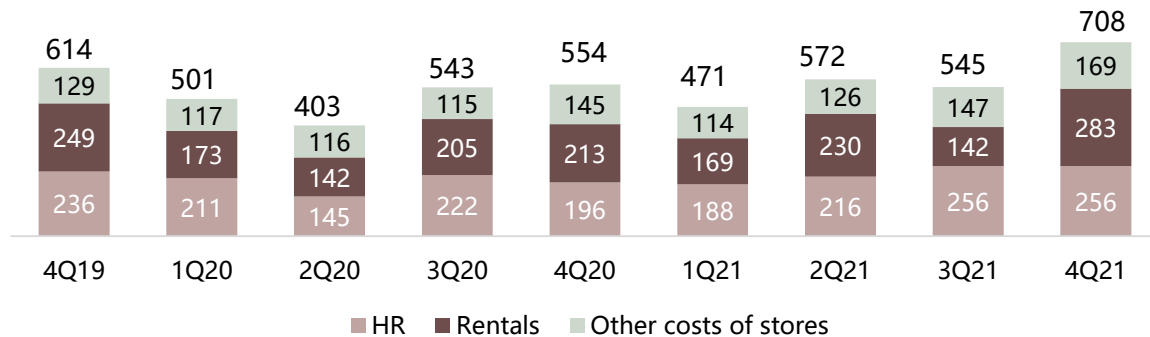
# COSTS/ M2 UNDER CONTROL

**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. Bytom brand's costs are included since XII 2018.

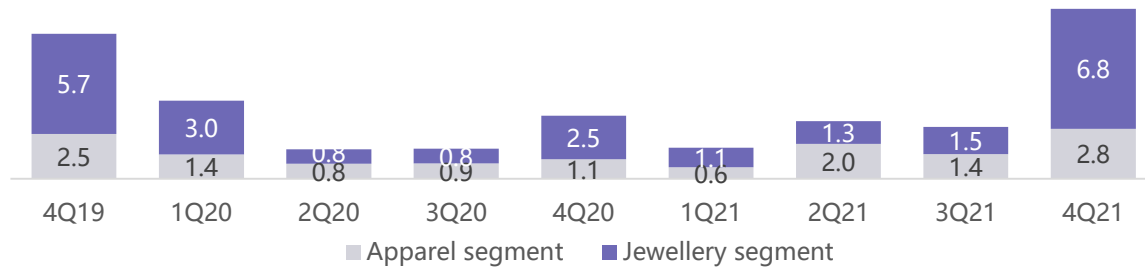
**Costs of own stores per month/ m2**  
(PLN, excl. IFRS16)



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

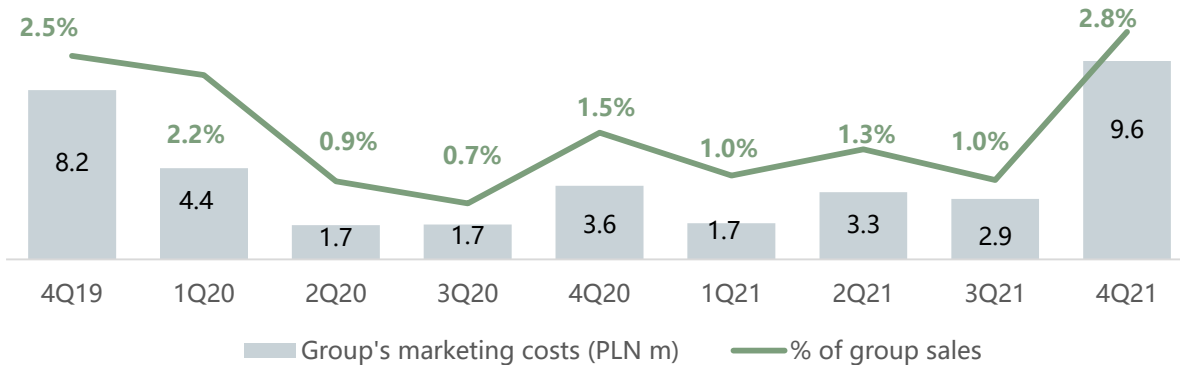
# SEASONAL INCREASE IN MARKETING EXPENSES

Off-line marketing costs by segments  
(PLN m)



- Off-line marketing costs are part of group selling costs.
- These encompass recurring advertising spending (catalogues, photoshoots) and nationwide marketing campaigns in editorial, internet and TV with celebrities.
- In 4Q21, off-line marketing expenses amounted to PLN 9.6m, an increase of 169.9% YoY due to a significant increase in W.KRUK.

Group off-line marketing costs



- In 2021, off-line marketing expenses amounted to PLN 17.6m, up 55.0% YoY.
- The apparel segment: off-line marketing outlays are related to campaigns, which typically cumulate in the second and/or fourth quarter.
- Off-line marketing costs within the jewellery segment historically cumulated in 4Q (seasonally best), before Christmas.



# HISTORICAL QUARTERLY RESULTS, IFRS16

PLN m	1Q20	1Q21	YoY	2Q20	2Q21	YoY	3Q20	3Q21	YoY	4Q20	4Q21	YoY
<b>Revenues</b>	<b>197.5</b>	<b>172.1</b>	<b>-12.8%</b>	<b>174.9</b>	<b>244.0</b>	<b>39.5%</b>	<b>249.4</b>	<b>305.0</b>	<b>22.3%</b>	<b>232.0</b>	<b>348.8</b>	<b>50.3%</b>
Gross profit on sales	94.0	81.7	-13.1%	82.1	131.1	59.8%	122.4	163.3	33.4%	118.9	192.0	61.5%
Gross profit on sales margin	47.6%	47.5%	-0.1pp.	46.9%	53.7%	6.8pp.	49.1%	53.5%	4.5pp.	51.2%	55.1%	3.8pp.
SG&A costs	105.5	96.1	-8.9%	82.7	109.7	32.8%	106.8	119.2	11.7%	121.9	139.4	14.4%
Net other operating line	-0.3	-1.4		-9.8	-4.7		-2.4	-1.1		0.1	1.0	
<b>EBIT</b>	<b>-11.9</b>	<b>-15.8</b>	<b>N/M</b>	<b>-10.4</b>	<b>16.7</b>	<b>N/M</b>	<b>13.3</b>	<b>43.0</b>	<b>224.5%</b>	<b>-2.9</b>	<b>53.6</b>	<b>N/M</b>
EBIT margin	-6.0%	-9.2%	-3.2pp.	-5.9%	6.9%	12.8pp.	5.3%	14.1%	8.8pp.	-1.2%	15.4%	16.6%
Net financial line	-23.2	-6.7		7.1	10.1		-6.2	-13.2		-13.8	-4.0	
Pre-tax profit	-35.1	-18.9	N/M	-3.3	26.8	N/M	7.0	29.8	323.5%	-16.7	49.6	N/M
Taxes	-3.1	-2.5		-1.0	3.8		-1.3	6.1		-2.8	9.8	
<b>Net income</b>	<b>-32.0</b>	<b>-20.1</b>	<b>N/M</b>	<b>0.2</b>	<b>23.0</b>	<b>N/M</b>	<b>5.7</b>	<b>23.7</b>	<b>312.3%</b>	<b>-13.9</b>	<b>39.8</b>	<b>N/M</b>
Net margin	-16.2%	-11.7%	4.5pp.	0.1%	9.4%	9.3pp.	2.3%	7.8%	5.5pp.	-6.0%	11.4%	17.4pp.
<b>EBITDA</b>	<b>17.4</b>	<b>10.7</b>	<b>-38.4%</b>	<b>18.5</b>	<b>43.5</b>	<b>N/M</b>	<b>18.5</b>	<b>67.7</b>	<b>265.7%</b>	<b>22.8</b>	<b>79.7</b>	<b>249.4%</b>
EBITDA margin	8.8%	6.2%	-2.6pp.	10.6%	17.8%	7.2pp.	7.4%	22.2%	14.8pp.	9.8%	22.8%	13.0pp.

# RESULTS UNDER IAS17

PLN m, IAS17	4Q20	4Q21	YoY
<b>Revenues</b>	<b>232.0</b>	<b>348.8</b>	<b>50.3%</b>
Gross profit on sales	118.9	192.0	61.5%
<i>Gross profit on sales margin</i>	<i>51.2%</i>	<i>55.1%</i>	<i>3.8pp.</i>
SG&A costs	108.2	143.1	32.8%
<b>EBIT</b>	<b>10.8</b>	<b>49.0</b>	<b>352.4%</b>
<i>EBIT margin</i>	<i>4.7%</i>	<i>14.0%</i>	<i>9.4pp.</i>
Net financial line	-1.0	-5.1	
<b>Net income</b>	<b>2.7</b>	<b>34.7</b>	<b>1162.6%</b>
<i>Net margin</i>	<i>1.2%</i>	<i>10.0%</i>	<i>8.7pp.</i>

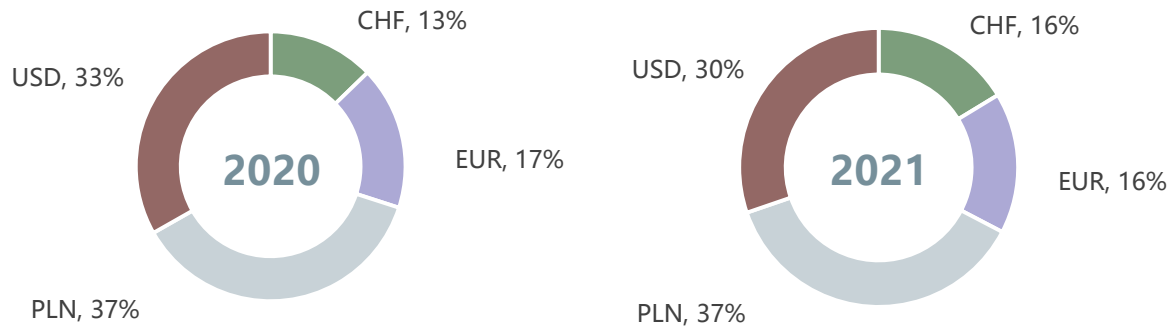
<b>EBITDA</b>	<b>16.4</b>	<b>54.4</b>	<b>232.0%</b>
<i>EBITDA margin</i>	<i>7.1%</i>	<i>15.6%</i>	<i>8.5pp.</i>

PLN m, IAS17	2020	2021	YoY
<b>Revenues</b>	<b>853.7</b>	<b>1 069.9</b>	<b>25.3%</b>
Gross profit on sales	417.3	568.2	36.1%
<i>Gross profit on sales margin</i>	<i>48.9%</i>	<i>53.1%</i>	<i>4.2pp.</i>
SG&A costs	404.2	462.1	14.3%
<b>EBIT</b>	<b>0.5</b>	<b>99.1</b>	<b>N/M</b>
<i>EBIT margin</i>	<i>0.1%</i>	<i>9.3%</i>	<i>9.2pp.</i>
Net financial line	-5.7	-10.1	
<b>Net income</b>	<b>-10.3</b>	<b>70.4</b>	<b>-780.4%</b>
<i>Net margin</i>	<i>-1.2%</i>	<i>6.6%</i>	<i>7.8pp.</i>

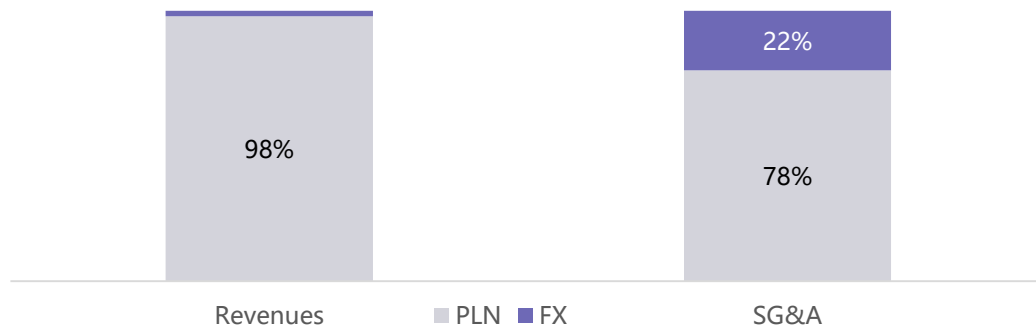
<b>EBITDA</b>	<b>23.4</b>	<b>120.5</b>	<b>413.9%</b>
<i>EBITDA margin</i>	<i>2.7%</i>	<i>11.3%</i>	<i>8.5pp.</i>

# FX RISK EXPOSURE

**Purchases by currencies**  
(PLN m)



**2021 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 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.

# NET CASH ON BALANCE SHEET

PLN m	4Q20	2Q21	4Q21
<b>Long-term debt</b>	<b>48.6</b>	<b>42.6</b>	<b>34.6</b>
Bank loans	47.2	41.1	33.7
Finance leases	1.4	1.4	0.9
<b>Short-term debt</b>	<b>54.0</b>	<b>46.4</b>	<b>38.0</b>
Bank loan	24.4	20.8	20.6
Finance leases	1.3	1.1	0.7
Reverse factoring	28.3	24.5	16.7
<b>Cash</b>	<b>48.8</b>	<b>14.7</b>	<b>114.6</b>
<b>Net debt</b>	<b>53.7</b>	<b>74.2</b>	<b>-42.0</b>
<b>Finance leases IFRS16</b>	<b>354.4</b>	<b>345.1</b>	<b>332.9</b>
<b>Net debt IFRS16</b>	<b>408.2</b>	<b>419.3</b>	<b>290.9</b>

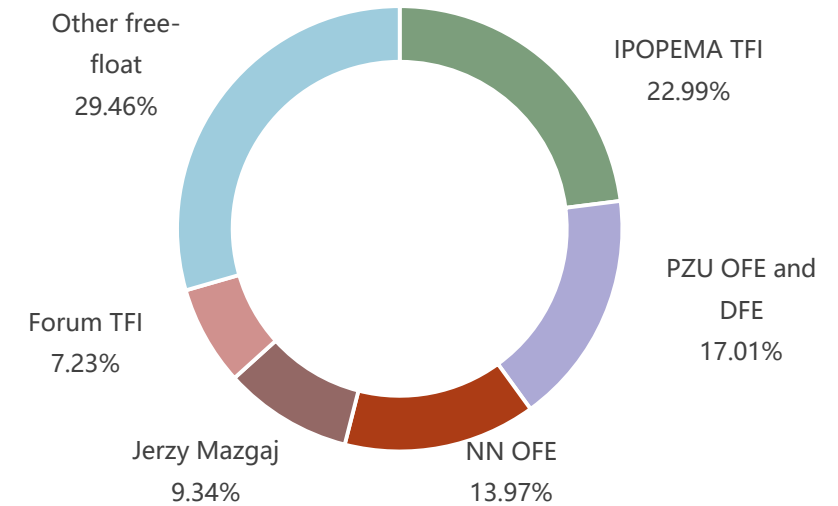
- Interest bearing indebtedness includes: bank loans, finance leases and reverse factoring (taken over with Bytom S.A. merger).
- Bank loans include: overdrafts and investment bank loans. Bank loan collateral comprises of: a floating charge on inventory, a fixed charge on "Vistula", "Wólczanka", "Intermoda",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

- Consistent YoY reduction in long-term debt.
- Sizeably higher YoY level of cash and equivalents due to higher operating cash flows.
- PLN 16.7m of reverse factoring used for supplier financing.
- PLN 332.9m of IFRS16 liabilities (finance leases).

# SHAREHOLDER STRUCTURE

## Shareholder structure as at 08.04.2022 (share in equity and votes)

	Number of shares/votes	% share
1. IPOPEMA TFI	53,922,030	22.99%
2. PZU OFE and DFE	39,870,193	17.01%
3. NN OFE	32,750,487	13.97%
4. Jerzy Mazgaj	21,900,000	9.34%
5. FORUM TFI	16,946,800	7.23%
6. Other free-float	69,066,330	29.46%
<b>Total</b>	<b>234,455,840</b>	



## Sources of information on VRG S.A. shareholders

1. information provided in accordance with the notification received by the Company pursuant to Art. 69 sec. 2 point 1 lit. a and art. 87 sec. 1 point 2 lit. a of the Act of July 29, 2005 on public offering and the conditions for introducing financial instruments to an organized trading system and on public companies, applies to the Company's shares held jointly by all funds managed by IPOPEMA TFI S.A. According to the information in the possession of the Company, the Ipopema 2 FIZ Non-Public Assets fund managed by IPOPEMA TFI S.A. at the Ordinary General Meeting on June 28, 2021, he held 20,289,000 shares of the Company, which constituted 8.65% of the share capital of the Company and entitled to 20,289,000 votes representing 8.65% of the total number of votes at the General Meeting of the Company. According to the information possessed by the Company, the Ipopema 21 FIZ Non-Public Assets Fund, managed by IPOPEMA TFI SA, holds 33,514,137 shares of the Company, which constitutes 14.29% of the Company's share capital and entitles to 3,514,137 votes, constituting 14.29% of the total number of votes at the General Meeting of the Company.

2. information provided in accordance with the notification received by the Company pursuant to Art. 87 sec. 1 point 2b of the Act of 29 July 2005 on public

offering and conditions for introducing financial instruments to an organized trading system and on public companies, applies to the Company's shares held jointly by the Open Pension Fund PZU "Złota Jesień" and the PZU Voluntary Pension Fund. In accordance with the above-mentioned notification, Otwarty Fundusz Emerytalny PZU "Złota Jesień" independently holds 38,918,084 shares of the Company, which constitutes 16.599% of the share capital of the Company and entitles to 38,918,084 votes, constituting 16.599% of the total number of votes at the General Meeting of the Company.

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

4. information provided on the basis of current report of Krakchemia no. 10/2021 dated 26.10.2021 and the number of shares registered jointly by Mr. Jerzy Mazgaj

with a related entity Krakchemia S.A. at the Ordinary General Meeting on June 28, 2021, Mr. Jerzy Mazgaj at the Ordinary General Meeting on June 28, 2021 held independently 21,900,000 shares of the Company, which constituted 9.34% of the share capital of the Company and entitled to 21,900,000 votes, representing 9.34% of the total number of votes at the General Meeting of the Company.

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

# GLOSSARY

## APPAREL SEGMENT

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

## REVENUES (PLN/M2 PER MONTH)

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

## STORE EBIT (PLN M)

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

## FORMAL

Revenues from sale of formalwear, including suits and shirts

## JEWELLERY SEGMENT

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

## COSTS OF STORES (IAS17)

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

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

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

## EBITDA

Operating profit plus depreciation and amortisation from cash flow statement.

## CASUAL

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

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

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

## INVENTORY/M2

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

VRG  
VISTULA RETAIL GROUP

THANK YOU

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