

## **Żabka Group after Q1 2026: Expansion at Full Speed Supported by Higher Profitability**

In Q1 2026, the Group's Sales to End Customers (StEC) rose 12% YoY to PLN 7.4 billion. Like-for-like (LfL) growth, which came in at 3.2%, was materially affected by exceptionally adverse weather conditions in January and February, when low temperatures and snowfall weighed on footfall. As conditions improved in the later weeks of the quarter, consumer activity picked up markedly and sales momentum strengthened.

Adjusted EBITDA reached PLN 674 million, up 13.1% YoY. Supported by continued network expansion, LfL growth and consistent cost optimisation, the Adjusted EBITDA margin rose to 9.1% from 9.0% a year earlier. Adjusted net loss narrowed to PLN 51 million, a year-on-year improvement of PLN 25 million, primarily driven by further gains in operating performance and lower finance costs. Of note, Q1 is typically the smallest contributor to the Group's full-year sales, a reflection of seasonally lower customer footfall, as well as a less favourable product mix. Against this backdrop, the quarter's results confirm the resilience of the Group's business model and provide a strong foundation for growth in the remaining quarters of the year.

Żabka Group, which is Europe's largest modern convenience ecosystem, opened 435 new stores across Poland and Romania in Q1. The sustained pace of expansion keeps the Group firmly on track to deliver on its target of over 1,300 new outlets for full-year 2026. Network growth is also underpinned by a steady inflow of new franchisees, which confirms both the soundness of the Group's strategy and the continued appeal of its franchise model and partnership proposition.

**Tomasz Suchański, Group CEO, commented:**

*"Q1 2026 marked another quarter of consistent delivery against our strategic agenda. First and foremost, we continue to maintain a high pace of network expansion, opening as many as 435 new stores in Poland and Romania, which corresponds to nearly five openings per day on average. Strong interest from franchise partners and intensive development in both markets confirm our ability to further scale the business and put us well on track to achieve our target of over 1,300 new openings in 2026. In Q1 2026, we continued to balance same-store sales growth with ongoing footprint expansion, maintaining stable margins through consistent cost control and disciplined spending. Despite the coldest winter in over 10 years, we delivered double-digit revenue growth and LfL at 3.2%. Our scaling business, sustained cost discipline and investment in technology and infrastructure provide a robust foundation for further growth and sales increase in the upcoming, seasonally stronger quarters."*

**Tomasz Blicharski, Group Chief Strategy & Development Officer, said:**

*“Q1 2026 clearly demonstrated what sets Żabka apart in the market: our ability to respond flexibly to challenges from the external environment and effectively adapt our offering to the expectations of modern convenience customers. Our speed of adaptation comes from combining data analytics, AI-powered solutions and high operational agility enabling us to deliver innovative products and services to the market at pace. A standout example is our “Obiady czwartkowe” (Thursday Lunches) campaign, which has proved highly successful – ready-meal sales grew by over 30% in value and over 40% in volume. Every Thursday, we sell more than half a million ready meals. In parallel, we continue to scale up our digital businesses. Taken together, these initiatives reflect our disciplined approach to growth: leveraging our core convenience platform while selectively expanding into adjacencies that enhance accessibility.”*

**Marta Wrochna-Łastowska, Group CFO, added:**

*“Q1 2026 confirmed our ability to effectively combine sustained growth in business scale with cost discipline – one of the cornerstones of our financial strategy. We continued to optimise operating costs, including through logistics improvements and initiatives to enhance energy efficiency, which translated into a year-on-year rise in the Adjusted EBITDA margin. Despite this being the seasonally least material quarter, negative working capital and the opening of as many as 435 new stores, we generated positive cash flow, which further demonstrates our robust cash generation capacity. At the same time, our leverage continued to decline year-on-year, reaching 1.1x. Looking ahead, and in line with previous guidance, we reiterate our expectation of mid- to high-single-digit LfL growth in 2026 and over the medium term. We also expect to maintain the Adjusted EBITDA margin at the upper end of the 12–13% range, with the net profit margin gradually improving towards approximately 4.5% over the medium term.”*

**Key performance highlights for Q1 2026**

- Sales to End Customers (StEC) reached PLN 7,411 million, up 12% YoY. StEC comprises Ultimate Convenience (Żabka stores) and New Growth Engines (NGE), including operations in Romania and the Digital Customer Offering (DCO). YoY StEC growth in Q1 2026 was driven by network expansion (64%), LfL growth (25%) and NGE (11%).
- Consolidated revenue rose 15.9% YoY, to PLN 6,565 million.
- Top-line growth was driven by a combination of LfL growth and the rapidly expanding store base.
- In Q1, the Żabka Group opened 435 new stores across Poland and Romania, bringing the network to 12,750 outlets at end-March 2026 (+11.3% YoY). Effective network management brought the store closure rate down to 0.2% of the total store base, from 0.4% in Q1 2025. In Romania, where the Group operates under the Froo brand, the network grew to 204 stores, with 32 new openings in Q1 2026. Expansion is underpinned by a record 2,742 new

franchisees onboarded over the last 12 months, which translates into network stability and supports further growth. The Group remains on track to deliver its 2026 target of over 1,300 new store openings. By year-end 2028, the network is projected to reach around 16,000 stores, some 1,500 more than initially projected at the time of Żabka's first-time listing on the Warsaw Stock Exchange.

- Despite unfavourable weather conditions in January and February, which weighed on store footfall, LfL growth reached 3.2%. In the warmer spells of Q1 2026, LfL growth ran in the mid- to high-single-digit range.
- Adjusted EBITDA rose 13.1% to PLN 674 million, with the margin expanding to 9.1% from 9.0% in Q1 2025. Adjusted EBITDA margin growth was driven primarily by Ultimate Convenience, which benefited from network rollout and LfL growth, and by cost-efficiency gains from logistics optimisation and lower energy consumption. The Group also continues to invest in digital customer services.
- Sales to End Customers in the NGE segment rose 25.7%, to PLN 439 million. Among its innovative initiatives, over 40 vending machines were rolled out, primarily in factories and office buildings. Delio, the online supermarket developed by Lite e-Commerce (part of the Żabka Group), crossed the 1 million orders mark.
- The adjusted net loss came in at PLN 51 million, an improvement of PLN 25 million YoY, driven primarily by robust operating performance and effective refinancing that reduced finance costs.
- The adjusted net result margin in Q1 2026 improved to -0.7%, from -1.2% a year earlier.
- Free Cash Flow (FCF) totalled PLN 28 million (-69% YoY). The decline reflected a lower working capital inflow, driven by stepped-up promotional activity and a deliberate build-up of inventory across the Group's own warehouses and franchise network. The Group focused on supporting sales and preserving margins.
- Capital expenditure (CAPEX) remained tightly controlled. In Q1 2026, CAPEX totalled PLN 299 million, down 8% YoY. Key investments covered new store openings and the upgrade of existing outlets.
- On the back of strong cash generation and Adjusted EBITDA growth, the ratio of net debt (excluding lease liabilities) to Adjusted EBITDA (post-rent) fell to 1.1x at end-Q1 2026, from 1.6x at end-Q1 2025. The ratio was 0.1x higher than at end-2025, reflecting seasonally higher working capital deployment.

## Summary of Q1 2026 results

PLN million	Q1 2026	Q1 2025	Change
Revenue	6,565	5,666	+15.9%
Gross profit	959	814	+17.8%
EBITDA	648	545	+19.0%
Adjusted EBITDA	674	596	+13.1%
Net profit/(loss)	(73)	(125)	+41.8%
Adjusted Net Profit	(51)	(77)	+33.0%

## Selected KPIs and performance metrics

(all margins calculated in relation to Sales to End Customers)

	Q1 2026	Q1 2025	Change
Consolidated Sales to End Customers, PLN million	7,411	6,618	+12.0%
Number of stores (EoP)	12,750	11,460	+11.3%
<i>including in Romania</i>	204	87	+134.5%
LfL growth	3.2%	6.0%	(2.9pp)
New store openings (gross)	435	436	(0.2%)
<i>including in Romania</i>	32	29	+10.3%
EBITDA margin	8.7%	8.2%	+0.5pp
Adjusted EBITDA margin	9.1%	9.0%	+0.1pp
Net profit margin	(1.0%)	(1.9%)	+0.9pp
Adjusted Net Profit margin	(0.7%)	(1.2%)	+0.5pp

## About the Żabka Group

The Żabka Group is the Ultimate Convenience Ecosystem with a mission to create value by simplifying people's everyday lives.

The Group serves a growing number of consumers who are looking for convenience and promotes a responsible approach towards products, packaging, customers, franchisees, suppliers and the broader environment.

Żabka Group's ecosystem encompasses Poland's leading convenience retail network operating under Żabka brand and a store chain in Romania under Froo brand. The network is complemented by a chain of unmanned, autonomous outlets operating under the Żabka Nano banner, enabling customers to shop 24 hours a day, seven days a week. In total the network comprised 12,750 stores at end-March 2026.

The Group also has an advanced, continually evolving digital customer offering. Its Maczfit operation delivers restaurant-quality prepared meals to consumers seeking convenient and healthy food, while Dietly is the leading online D2C meal solutions marketplace. The Group's eGrocery business is operated through two brands: Jush! and Delio.

Since October 2024, the Company's shares have been listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie, WSE).

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The table below provides the definitions, relevance explanations and calculation methodologies for all Alternative Performance Measures (“APMs”) referenced in this press release. These measures are not defined under IFRS and are therefore presented in accordance with the ESMA Guidelines on Alternative Performance Measures. The information below is intended to enable users to understand the basis, purpose and limitations of each APM, and to ensure transparency, consistency and comparability across reporting periods.

No.	APM	Abbreviation	Definition	Relevance
1.	<b>Sales to End Customers</b>	<b>STeC</b>	Sales to End Customers represents sales to end customers from Žabka stores, as well as of New Growth Engines, and does not represent the Company’s revenue.	Reflects the underlying commercial performance of the Group and the demand generated at the customer level, beyond revenue reported under IFRS.
2.	<b>Adjusted Earnings before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>Adj. EBITDA</b>	Adjusted EBITDA means EBITDA adjusted for (i) funds spent on ensuring business continuity in the face of unforeseen event within the Group’s environment, protection of employees, franchisees and society, (ii) Group reorganization costs, (iii) costs related to changes in the ownership structure and obtaining financing, (iv) transaction costs in respect of M&A, (v) incentive schemes and additional compensation in connection with the termination of cooperation with key employees, and (vi) result on disposal of property, plant and equipment and right of use.	Provides a clearer view of recurring operational profitability by excluding volatility from items not indicative of ongoing performance.
3.	<b>Adjusted Net Profit</b>	<b>Adj. Net Profit</b>	Net profit adjusted for non-recurring, non-cash and exceptional items excluded from Adjusted EBITDA and items below the EBITDA line.	Enhances comparability of earnings by removing distortions caused by exceptional or non-core elements
4.	<b>Like-for-Like</b>	<b>LfL</b>	LfL growth defined as the comparison of Sales to End Customers from Žabka stores between periods, taking into account the sales of stores operating on the same day of both the current and previous period.	Provides a clean indicator of underlying organic performance by eliminating the effects of network expansion or structural changes, enabling users to assess true comparable growth dynamics.
5.	<b>Leverage (Net Debt/Adjusted Earnings before Interest, Taxes, Depreciation &amp; Amortization)</b>	<b>Leverage (ND/Adj. EBITDA)</b>	Leverage indicator comparing net financial indebtedness to Adjusted EBITDA.  Net Debt divided by Adjusted EBITDA for the preceding twelve months.	Provides a key measure of financial leverage, liquidity headroom and debt-servicing capacity.
6.	<b>Free-Cash-Flow</b>	<b>FCF</b>	FCF means Adjusted EBITDA (post-rent) minus Capex plus cost of the Sale and Leaseback Transaction  plus changes in working capital and provisions	FCF provides insight into the Group’s ability to convert operating profitability into cash and reflects financial flexibility, capital discipline, and the capacity to self-fund growth.

7.	<b>Capital Expenditure</b>	<b>CAPEX</b>	<p>Capex means the sum of additions related to intangible assets and property, plant and equipment within the Group's consolidated statement of cash flows. Can be split between: Growth Capex (means Capex minus Maintenance Capex) &amp; Maintenance Capex [means Capex incurred generally in relation to the maintenance of the existing asset base, in particular the replacement of store equipment, logistics other than new distribution centres and Capex for Strategic Leadership and Central Functions (unless related to development or major expansion)].</p>	<p>Indicates baseline investment essential to sustain operations + growth and expansion, moreover provides insight into recurring cash needs.</p>
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