Selected consolidated financial information for the Q1 2025 (unaudited)

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1. Executive summary

Table 1 Key Highlights (unaudited)

	Q1 2025	Q1 2024	YoY ch
Adjusted EBITDA[1] (PLNm)	**596**	**518**	+15.0%
Adjusted EBITDA margin[2] (%)	**9.0%**	**9.0%**	+0.0pp
Adjusted Net profit/ (Net loss)[1] (PLNm)	**(77)**	**(97)**	+20.3%
Adjusted Net profit/ (Net loss) margin[3] (%)	**(1.2%)**	**(1.7%)**	+0.5pp
Sales to End Customers[4] (PLNm)	**6,618**	**5,767**	+14.8%
Number of stores[5] (EoP)	**11,460**	**10,370**	+1,090
Franchisee margin[6] (PLNm)	**1,149**	**1,025**	+12.1%
Franchisee margin[7] %	**18.3%**	**18.4%**	(0.1pp)
Like-for-Like[8] (%)	**6.0%**	**11.5%**	-
Net debt / adj. EBITDA post rent (x) (EoP)	**1.6**	**2.1**	(0.5x)
CAPEX (PLNm)	**325**	**273**	+19.2%
Free Cash Flow[9] (PLNm)	**91**	**321**	(71.7%)

Source: Zabka Group; (1) Adjusted for one off items; EBITDA details in table 3 on page 4; (2) Calculated as Adjusted EBITDA divided by Sales to End Customers; (3) Calculated as Adjusted Net Profit/ (Net Loss) divided by Sales to End Customers; (4) Represents Sales to End Customers from Żabka stores, as well as of New Growth Engines, and does not represent the consolidated revenue; (5) Including Froo stores (Romania) and Nano stores; (6) Franchisee margin defined as the amount franchisees earn from selling products plus incentives received from Żabka Polska; (7) Franchisee margin defined as the amount franchisees earn from selling products plus incentives received from Żabka divided by Sales to End Customers from Żabka Polska stores; (8) Defined as the comparison of Sales to End Customers from Żabka Polska stores between periods, taking into account the sales of stores operating on the same day of both the current and previous period; (9) Explained in detail in Table 5 on page 6

- Adjusted EBITDA grew by 15.0% year-on-year in Q1 25, from PLN 518m to PLN 596m, driven by continuous network expansion in Poland, solid like-for-like (LfL) growth and increase in EBITDA margin for our core business in Poland. This was supported by positive EBITDA from the Digital Customer Offering ('DCO'), offsetting investment in the Romanian store network development.
- As anticipated, the usual seasonality of our business resulted in an Adjusted EBITDA margin of 9.0% for Q1 25 compared to an Adjusted EBITDA margin of 12.8% for FY 2024. Zabka Group sales are seasonal and depend mostly on the footfall and the weather throughout the year. The highest sales and EBITDA are achieved in summer months, the lowest in first quarter in wintertime.
- Adjusted net loss of PLN 77m, marking a 20.3% improvement year-on-year, was supported by lower interest on financial debt. Net financial costs accounted for 4.0% of Sales to End Customers in Q1 24 and 3.4% in Q1 25.
- Sales to End Customers reached PLN 6.6bn in Q1 25, reflecting a 14.8% year-on-year increase, primarily due to business growth in both of the reporting segments, marked by store openings in Poland and Romania, solid LfL and a growing digital business.
- Zabka Group's network grew to 11,460 stores, with 407 stores opened in Poland and 29 in Romania during the first quarter. Since the end of March 2024, Zabka Group has opened a total of 1,201 new stores.

- Franchisee margin at 18.3%, stable year-on-year.
- Like-for-Like growth in Q1 2025 reached 6.0%, outpacing market growth of 4.1% (according to Nielsen) with QMS (including street food) and beverages as the top-performing categories.
- The net debt to adjusted EBITDA post-rent ratio improved to 1.6x, marking a 0.5x improvement compared to March 2024, primarily driven by robust adjusted EBITDA growth and strong cash flow generation. 0.1x quarterly increase was in line with seasonality patterns.
- The ongoing expansion program in Poland and Romania, along with a continued store upgrade program in Poland, resulted in CAPEX of PLN 325m, growing by 19.2% compared to Q1 2024.
- The Group generated positive cash flow, with Free Cash Flow at PLN 91m for the first three months of 2025. The significantly higher figure in Q1 2024 was primarily driven by a calendar effect and the timing shift of certain cash flows between Q4 2023 and Q1 2024.

2. Selected elements from consolidated statement of profit or loss and other comprehensive income (unaudited)

Table 2. Selected Consolidated Statement of Profit or Loss Elements and adjusted positions (unaudited)

PLN m	Q1 2025	Q1 2024	YoY ch
Revenue	**5,666**	**5,015**	***13.0%***
Cost of sales	(4,852)	(4,296)	*12.9%*
Gross Profit on sales	**814**	**719**	**13.3%**
Marketing costs	(67)	(57)	*17.5%*
General and administrative costs	(121)	(80)	*51.2%*
Costs of technology, innovation and development	(79)	(64)	*24.2%*
Other operating income	5	4	*23.9%*
Other operating costs	(6)	(8)	*(17.3%)*
Expected credit losses on trade receivables and other financial assets	(1)	(1)	*(32.4%)*
Operating profit before depreciation and amortisation (EBITDA)	**545**	**513**	**6.2%**
Depreciation and amortisation	(439)	(386)	*13.8%*
Operating profit	**106**	**127**	**(17.0%)**
Financial income	24	19	*27.0%*
Financial costs	(250)	(252)	*(0.8%)*
Share of profit of a joint venture	(1)	-	-
Profit before tax / (loss before tax)	**(121)**	**(106)**	**(14.6%)**
Income tax expense	(4)	7	-
Net profit / (net loss)	**(125)**	**(99)**	**(27.3%)**

Other:	Q1 2025	Q1 2024	YoY ch
Adjusted Operating profit before depreciation and amortisation (Adjusted EBITDA)	**596**	**518**	**15.0%**
Adjusted Net profit / (net loss)	**(77)**	**(97)**	**(20.3%)**

Source: Zabka Group

In the reported quarter the results were affected by the recognition of c. PLN 46m of non-cash share-based payments programs (i.e. LTIP and IPO award). Hence, we believe adjusted financial KPIs are more appropriate to assess the financial performance of our business and offer a better basis for a year-on-year comparison. Detailed reconciliation between Reported and Adjusted numbers is presented in Table 3 on page 5. Expenses related to share-based programs are recorded in various lines of the consolidated statement of profit and loss, which results in certain cost lines displaying higher dynamics:

- Q1 2025 revenues increased to PLN 5,666m driven by network expansion (+1,090 net openings LTM 'Last Twelve Months'), LfL growth (+6.0%), DCO growth and expanding Romanian business
- Marketing costs rose by 17.5%, totalling PLN 67m, driven by phasing of costs in Żabka Polska (+PLN 4.5m) driven by street food marketing campaign, as well as marketing initiatives in New Growth Engines vs Q1 2024.
- General and administrative costs increased by 51.2% year-on-year in the quarter, rising by PLN 41m. This was primarily due to the PLN 20m recognition of non-cash expenses related to the IPO award and the Long Term Incentive Plan initiated in the fourth quarter of 2024, as well as costs related to the Romanian business. When excluding these effects, Ultimate Convenience General and administrative costs grew at a slower pace year-on-year compared to Sales to End Customers.
- The costs of technology, innovation, and development increased by 24.2% (+PLN 15m), mainly due to recognition of PLN 8m non-cash expenses related to IPO awards and the Long Term Incentive Plan. Excluding these effects, the year-on-year growth was lower than the growth in Sales to End Customers.
- Depreciation and amortization amounted to PLN 439m in Q1 2025, growing by 13.8% year-on-year, a 6 bps decrease year-on-year as a percentage of Sales to End Customers. This reflects store expansion (increase in right-of-use depreciation), upgrades of existing stores, and investments in the technological infrastructure of the Group's operations.
- Operating profit reached PLN 106m, a decrease of 17% year-on-year, negatively impacted by non-cash expenses related to share-based programs amounting to PLN 46m (including the Long Term Incentive Program 'LTIP' and IPO award).
- Financial costs decreased by 0.8% compared to Q1 2024, contributing to an improvement in the adjusted net profit margin. As a percentage of Sales to End Customers, financial costs declined from 4.4% in Q1 2024 to 3.8% in Q1 2025. This reduction was primarily driven by a lower margin on main debt facilities. However, this benefit was partially offset by higher interest expenses related to store leases, reflecting our store network growth and other financial liabilities.
- The first quarter of 2025 ended with a net loss of PLN 125m, a decrease of 27.3% year-on-year. The seasonally anticipated negative result was enhanced by the recognition of non-cash expenses related to non-cash share-based programs amounting to PLN 46m.

Table 3. Adjusted EBITDA reconciliation with reported statutory EBITDA (unaudited)

PLN m	Q1 2025		Q1 2024		YoY ch
Reported EBITDA	**545**		**513**		**6.2%**
	Adjustments	Reclassification	Adjustments	Reclassification	
Costs related to changes in the ownership structure and obtaining sources of financing	20		2		-
Group reorganization and new businesses setup costs	-		4		-
Incentive schemes and additional compensation in connection with the termination of cooperation with key employees	29		(3)		-
Reclassification of result on disposal of PP&E and ROU (from Other operating income/ costs – to Depreciation and amortisation)		1		2	-
Reclassification of minimal tax in Romania (from G&A costs to income tax)		2		0	-
Adjusted EBITDA	**596**		**518**		**15.0%**

Source: Zabka Group

Assessment of the Group's financial performance is made on the basis of the Adjusted EBITDA. This indicator should be viewed as an addition to, and not a substitute for, the results of operations presented under IFRS. Adjusted EBITDA is not defined in the EU IFRS and may be calculated differently by other entities. The breakdown of the items impacting the adjusted EBITDA has been presented in the Table no. 3 above.

Reported EBITDA reached PLN 545m in Q1 2025, which was lower by PLN 51m compared to the adjusted EBITDA, mainly due to:

- Recognition of PLN 16m as non-cash expense related to IPO award. This one-off award grant, in the form of the company's shares, is given to Group employees, B2B contractors, and franchise partners. IPO award participants are entitled to receive shares on the first anniversary of the IPO at no cost.
- Recognition of PLN 30m as non-cash expense related to LTIP. The LTIP program is classified as an equity-settled share-based payment since participants will receive equity instruments of the Company. Awards under the LTIP may be granted in the form of PSUs or RSUs, which entitle participants to receive shares without payment upon completion of a vesting period and, in the case of PSUs, subject to meeting performance conditions.

3. Reporting segments (unaudited)

Zabka Group identifies reportable operating segments taking into account factors such as the nature of their business activities, the division of responsibilities for these activities among managers and information reviewed by the Management. Table 4 presents breakdown of Adjusted EBITDA per reporting segments.

Ultimate Convenience segment covers operations of all stores under the "Żabka" brand in Poland and real estate operations related directly to the store business including the development of logistics centres and property management.

New Growth Engines segment includes operations conducted using the latest technologies, in particular sales of ready-to-eat meals (Maczfit), SaaS marketplace services for D2C ready meals services (Dietly), as well as SaaS services and software for D2C ready meals manufacturers, who in many cases are also vendors on the dietly.pl marketplace, q-commerce services of Lite Group (Delio and Jush), fully autonomous stores (Żabka Nano), and Romanian companies (DRIM Daniel, Froo).

Table 4. Adjusted EBITDA per reporting segments (unaudited)

PLN m	Q1 2025	Q1 2024	YoY ch
Adjusted EBITDA	**596**	**518**	**15.0%**
out of which:			
Ultimate Convenience	709	608	16.6%
New Growth Engines	(24)	(3)	(750.8%)
Corporate Functions and Other[1]	(84)	(85)	1.0%
Consolidation Eliminations	(5)	(2)	(142.3%)

Source: Zabka Group; (1) include central functions such as finance, HR, IT, PR strategy, risk management and compliance. These are activities relevant to both operating segments: "Ultimate Convenience" and "New Growth Engines" but are not allocated to these segments

4. Free Cash Flow (unaudited)

Free Cash Flow represents Adjusted EBITDA (post-rent) minus Capex minus current expenditures for projects leading to sale and leaseback transactions plus changes in working capital and provisions.

Table 5. Free Cash flow

PLN m	Q1 2025	Q1 2024	YoY ch
Adjusted EBITDA	**596**	**518**	15.0%
Rent	266	232	14.7%
Adjusted EBITDA Post-Rent	**330**	**286**	**15.3%**
Capex excl Property Fund	(315)	(266)	18.7%
Other[1]	(10)	(7)	39.1%
Changes in Working Capital and Provisions	86	307	(72.0%)
FCF	**91**	**321**	**(71.7%)**

Source: Zabka Group;

(1) Current expenditures for projects leading to sale and leaseback transactions

- Discretionary capital expenditure (Capex) remained under control, with its increase being primarily driven by dynamic network expansion and store retrofit in Poland, coupled with store openings in Romania.
- A favourable calendar effect led to a substantial release of working capital last year, in Q1 2024, significantly boosting last year's cash flow. Q1 2025 FCF generation is more in line with typical seasonal patterns and historical trends.

5. Debt and leverage (unaudited)

Table 6. Selected financial leverage KPI (unaudited)

PLN m	31.03.2025	31.03.2024	2024 eop	2023 eop
Gross financial debt[1]	4,697	5,493	4,549	5,218
Cash	(552)	(1,051)	(750)	(649)
Net debt[2]	**4,145**	**4,442**	**3,799**	**4,569**
Net debt (excluding Leases) / LTM Adj. EBITDA post rent (x)	1.6	2.1	1.5	2.3
Lease liabilities	4,950	4,406	4,855	4,013
Net debt (including Leases)	**9,095**	**8,848**	**8,654**	**8,582**
Net debt (including Leases) / LTM Adj. EBITDA (x)	2.5	3.0	2.5	3.0

Source: Zabka Group; (1) Gross debt defined as the sum of current and non-current loans and borrowings; (2) Net financial debt defined as the sum of current and non-current loans and borrowing less cash

- Continuous robust EBITDA generation, supported by strong cash flow, allows for ongoing debt reduction and deleveraging. Lease liabilities growth reflects an increase in the number of stores.
- The net debt to adjusted EBITDA ratio improved to 1.6x, marking a 0.5x improvement compared to March 2024, primarily driven by robust adjusted EBITDA growth and strong cash flow generation in LTM. 0.1x quarterly increase was in line with seasonality patterns, i.e. lower seasonal sales and EBITDA, fixed nature of part of our cost base, and network roll-out CAPEX skewed towards earlier part of the year.
- Successful execution of the PLN 1,000m bond program will help optimize the structure of our financing in terms of key terms, tenor, and instrument type.

6. Appendix

6.1. Appendix – Consolidated Statement of Financial Position (unaudited)

PLN m	31.03.2025	31.12.2024
Goodwill	3,438	3,439
Other intangible assets	1,147	1,148
Property, plant and equipment	4,042	3,940
Right-of-use assets	4,599	4,527
Deferred tax assets	63	62
Loans granted	0	0
Shares and stocks	23	23
Investment in a joint venture	4	5
Other financial assets	27	37
Other non-financial assets	6	7
Non-current assets	**13,349**	**13,188**
Inventory	912	1,092
Right of return assets	59	12
Trade receivables	2,267	2,277
Income tax receivables	1	0
Loans granted	8	7
Other financial assets	41	30
Other non-financial assets	132	213
Cash and cash equivalents	552	750
Current assets	**3,972**	**4,381**
Total assets	**17,321**	**17,569**
Loans and borrowings	4,301	4,219
Lease liabilities	4,166	4,090
Liability for a written put option over non-controlling interest	68	71
Employee benefits liabilities	3	3
Other financial liabilities	115	120
Deferred tax liabilities	30	111
Non-current liabilities	**8,683**	**8,614**
Loans and borrowings	396	330
Lease liabilities	784	764
Trade payables and other financial liabilities	5,448	5,871
Liability for a written put option over non-controlling interest	27	28
Refund liabilities	418	340
Income tax liabilities	34	51
Employee benefits liabilities	126	114
Contract liabilities	43	28
Other non-financial liabilities and deferred income	40	39
Provisions	1	1
Current liabilities	**7,317**	**7,566**

PLN m	31.03.2025	31.12.2024
Total liabilities	**16,000**	**16,180**
NET ASSETS	**1,321**	**1,389**
Share capital	120	120
Share premium	8,383	8,383
Legal reserve	0	0
Put option reserves	(78)	(71)
Share-based payment reserve	81	35
Retained earnings	(7,064)	(6,950)
Exchange differences on translation of foreign operations	(28)	(31)
Cash flow hedge	(93)	(97)
Equity attributable to owners of the parent	**1,321**	**1,389**
Non-controlling interests	0	0
Total equity	**1,321**	**1,389**

6.2. Appendix – Consolidated Statement of Cash Flows (unaudited)

PLN m	Q1 2025	Q1 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**(121)**	**(106)**
Adjusted for:		
Depreciation and amortisation	439	386
(Gains) / Losses due to foreign exchange differences	(17)	(10)
(Gains) / Losses from investing activities	4	1
Valuation of financial instruments to fair value	0	(4)
Net interest (income) / cost	234	236
Change of estimated cash flows	4	0
Share-based payment expense	47	0
Share of profit of a joint venture	1	0
Changes in working capital and provisions:	86	307
Receivables	*106*	*(67)*
Inventory	*180*	*145*
Right of return assets	*(46)*	*0*
Payables (except loans and borrowings)	*(218)*	*163*
Refund liabilities	*78*	*43*
Contract liabilities	*16*	*11*
Prepayments and deferred income	*(30)*	*10*
Provisions	*0*	*2*
Other	0	(1)
Income tax paid	(105)	(14)
Net cash flows from operating activities	**572**	**795**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(517)	(182)

Acquisition of subsidiaries, net of cash	0	(49)
Loans granted	(5)	(11)
Repayments from loans granted	3	3
Other investments (term deposits)	10	0
Interest received	3	6
Net cash flows from investing activities	**(506)**	**(233)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(190)	(166)
Lease interest paid	(88)	(73)
Proceeds from loans and borrowings	452	280
Repayment of loans and borrowings	(302)	(33)
Other interest paid	(136)	(168)
Net cash flows from financing activities	**(264)**	**(160)**
Net change in cash and cash equivalents	**(198)**	**402**
Cash and cash equivalents at the beginning of the period	750	649
Cash and cash equivalents at the end of the period	552	1,051

6.3. Disclaimer

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