INFORMATION DOCUMENT

for 600,000 series 1/2025 bonds

with a nominal value PLN 1,000 each

and total nominal value PLN 600,000,000

Issuer:

PEU (FIN) PLC

14th Floor Capital House, 25 Chapel Street

London, United Kingdom, NW15DH

https://www.pepcogroup.eu/investors

This Information Document has been prepared in relation to seeking introduction of the financial instruments referred to herein to trading in the alternative trading system operated by the Warsaw Stock Exchange.

Introduction of financial instruments to trading in the alternative trading system shall not be tantamount to admission or introduction of such instruments to trading on the regulated (main or parallel) market operated by the Warsaw Stock Exchange.

Investors should be aware of the risks involved in investments in financial instruments listed in the alternative trading system, and their investment decisions should be preceded by an appropriate analysis and, if necessary, consultations with an investment adviser.

The contents of this Information Document have not been approved by the Warsaw Stock Exchange for compliance of the information contained herein with the facts or legal regulations.

3 March 2026

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INFORMATION DOCUMENT

I. INTRODUCTION

1. (Business) name and registered office of the Issuer

PEU (FIN) PLC with its registered office in London, at 14th Floor Capital House, 25 Chapel Street, London, United Kingdom, NW15DH.

2. (Business) name and registered office (residence address) of the Issuer's advisers

Not applicable.

3. Number, type, unit nominal value and code of issue of the debt instruments being introduced to trading referred to in the Information Document

This Information Document covers 600,000 series 1/2025 bearer bonds with a nominal value of PLN 1,000 each.

II. RISK FACTORS

Investing in the Bonds involves risks, including risks relating to us as the Issuer, the global economy, the financial markets, the retail industry generally, regulatory and political matters and legal and administrative proceedings. Prospective investors should consider these risk factors before deciding whether to purchase Bonds. Prospective investors should consider all information provided in this Information Document or incorporated by reference into this Information Document and consult with their own professional advisors (including their financial, accounting, legal and tax advisors) if they consider it necessary. The risk factors described below are not an exhaustive list or explanation of all risks relating to us and should be used as guidance only. Additional risks and uncertainties relating to us that are not currently known to us, or that we currently deem immaterial, may individually or cumulatively also have a material adverse effect on our business, results of operations, cash flow, financial condition and prospects. In addition, investors should be aware that the individual risks described might combine or otherwise exacerbate other risks described. Our business, financial condition or results of operations could suffer adverse material effects due to any of the following risks. This could have an adverse effect on the market price of the Bonds, we may ultimately not be able to meet our obligations under the Bonds.

Risks relating to our business, operations and strategy

A failure to implement our growth strategy of our core business may affect our business adversely.

Our growth strategy involves the continued expansion of our Pepco store networks to increase the reach and density of our brands in the pan-European countries where these business units currently operate and to identify suitable new markets for entry. However, our ability to implement this store roll-out plan profitably depends on several factors, some of which are outside our control. Delays or failures in opening new stores, achieving lower than expected sales in new or existing stores, higher than anticipated store costs, the inability to increase brand awareness in a cost-effective manner, or at all, any failure to achieve targeted results associated with the implementation of operational programs or initiatives, or the lack of availability of sufficient funds for expansion could all affect our growth and/or profitability materially and adversely. The manifestation of, and the effectiveness of our response to, the risks described in this Information Document could prevent our growth strategy from being delivered in a prompt manner, or at all.

Certain of our new stores are expected to be located in markets where we currently have less of a presence as well as in countries where we have not previously operated. In Western European (WE) markets, competitive pressures, market conditions, consumer tastes, and discretionary spending patterns may be different than our existing markets, which may cause inefficiencies in new store roll-outs, require additional expenditure to identify and address local customer preferences or result in lower than expected profitability. In markets where we are

well-established, the opening of new stores could also result in the cannibalization of sales from our existing stores.

Additionally, we may not anticipate all the challenges imposed by the expansion of our operations and, as a result, may not meet our targets for opening new stores or expanding profitably. Expansion into newer markets may take greater time than anticipated to fully refine the consumer proposition to enable the envisaged roll-out or achieve the anticipated economic returns. We may also experience logistical difficulties associated with the expansion of our operations.

Our growth strategy also targets increased sales in our existing stores. However, our ability to increase sales per store is dependent on several factors, including competitive pressures impacting foot traffic, merchandising, availability and selection, prices and promotional offers, and customer satisfaction. There can be no assurance that we will continue to implement our growth strategy successfully, and any failure to do so could have a material adverse effect on our business, results of operations, financial condition, and prospects. This may then affect the Issuer's ability to meet its obligations under the Bonds.

A failure to successfully anticipate and respond to competitive changes in the competitive and geographically highly fragmented discount retail sector in a timely and cost-effective manner may have a material adverse effect on our business.

Our competitors include a wide variety of general and specialist retailers of varying sizes and product offerings at national and local levels, including with respect to price, product selection and quality, store location and design, inventory, customer service, advertising, and marketing. They include both small scale, independent stores and organized chains of multi-price discount and non-discount general merchandise retailers, fixed-price discount general merchandise retailers, grocery-led convenience stores, and online retailers or specialty retailers in particular categories, such as homewares.

Although we consider online sales penetration within the discount sector and particularly within Central and Eastern Europe (CEE) to be low, we continually monitor e-commerce development. We believe that customers' preferred buying pattern of high frequency, low-value transactions limits the economic viability of an online direct delivery model where delivery fees would make up a substantial percentage of the transaction. Our large number of stores, for example, having more than 1,300 Pepco locations in Poland, also replicates the convenience provided online. Nevertheless, some of our competitors have an online transactional presence or may seek to establish one, which could increase competition.

Our competitors may seek to improve on their business strategy by imitating elements of our strategy, which could harm our competitive advantage significantly. Actions taken by our competitors may place pressure on our pricing strategy, margins, and profitability. Our competitors may merge or form strategic partnerships, thus achieving further economies of scale in buying, distribution, and logistics, which could create additional competitive pressure for us. If our competitors are able to adopt supply chain innovations or secure sufficient scale

to allow them (alone or in a strategic partnership) to source products at lower costs than us, they could reduce their pricing and take market share or force us to accept lower margins, which would undermine our operating results (and the implementation of our growth strategy). We cannot assure that we will be able to respond adequately to any such sources or forms of competition, whether relating to existing competitors or new market entrants. As a result of the above, or as a result of increasing competitive pressure otherwise as a result of factors beyond our control, our business, results of operations, financial condition, and prospects could be materially and adversely affected, and hence the Issuer's ability to meets its obligations under the Bonds, could be materially adversely affected.

An inability to predict changes to consumer preferences accurately in a sector that derives revenue from the sale of products that are seasonally/event related, and products that are subject to changing consumer preferences.

We derive revenue from the sale of products that are subject to changing consumer preferences, and our success therefore depends, in part, on our ability to predict and respond to changing trends, and to translate those trends into appropriate levels of in-store inventory. This is relevant to our apparel, soft homewares and seasonal product categories.

If we are unable to anticipate accurately or respond to changing customer preferences in a timely manner in the markets in which we operate, we may experience either inventory shortfalls on popular merchandise, resulting in reduced sales volumes and/or reduced customer satisfaction, or inventory surpluses that may require excessive promotional markdowns to dispose of excess or slow-moving inventory, resulting in reduced margins. Either of these situations could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

The risk of weak sales during our peak trading period and from seasonal products that rely on supportive conditions that are outside our control.

Our business is subject to trading peaks and seasonality risk associated with trading seasonally or event-related products.

Historically, our most important trading period in terms of sales, operating profit, and cash flow has been the final calendar quarter of the year (the first quarter of our financial year), which is linked to the festive period. We incur additional expenses in advance of and during these peak selling seasons in anticipation of higher sales during the festive period, including the cost of additional inventory, increased marketing spend, and hiring additional temporary employees. While we would typically expect the increased revenues to more than offset these costs, extraordinary events may lead to an unexpected decrease in demand for our products during our usual peak trading period. For example, in Q1 FY22, Pepco's performance disproportionally impacted by lingering COVID-19 restrictions — such as customer limits and vaccine passport requirements. Even though store closures were minimal (0.2% of trading weeks lost vs. 8.9% in FY21) FY22 Q1 contributed a smaller share of annual results, at **28%**

of revenue and 30% of EBITDA, compared with **29% and 40%** respectively in the pre-pandemic Q1 FY19 If sales during our peak trading seasons prove to be significantly lower than expected, for any reason, such as poor economic conditions, public transportation disruptions or prolonged unseasonal or severe weather, we may be unable to adjust our expenses in a timely fashion and may be left with an increased cost base and a substantial amount of unsold inventory, especially in seasonal merchandise that is difficult to liquidate.

We are also reliant on revenues driven by smaller seasonal peaks associated with other annual events, such as Easter, Halloween, Christmas and the back-to-school period. Of our product offering, goods categorized as "events" related comprised approximately 21% of sales in FY24.

If seasonal sales are unexpectedly impacted by any of the factors highlighted above, we may be forced to rely on excessive markdowns or promotional sales to dispose of excess inventory. Equally, if we fail to purchase a sufficient quantity of merchandise in advance of a seasonal selling season, we may not have an adequate supply of products to meet consumer demand, which could have an adverse impact on customer loyalty and cause lost sales.

Any of the foregoing factors could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

A disruption or malfunction in or failure to make improvements to our information technology systems.

We depend on our operational business systems for the efficient functioning of our business. A major breakdown of equipment, failure or disruption in information technology systems, or other interruption or malfunction at our head offices may significantly impact our ability to manage our operations, distribute products to our stores and maintain an adequate product supply chain.

Notwithstanding efforts to prevent an information technology, network or communications system failure or disruption, our systems may be vulnerable to damage or interruption from fire, telecommunications failures, floods, physical or electronic break-ins, computer viruses or hacking, power outages and other malfunctions or disruptions. There can be no certainty that our disaster recovery and contingency plans will be effective or sufficient if they need to be activated.

Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Significant breaches of legal and regulatory compliance, resulting in lengthy disputes with authorities, fines and penalties and potentially a decline in customer visitation due to the reputation of any or all of our retail brands being severely damaged.

Whether or not within our control, events, including adverse publicity regarding our business practices or working conditions in our company or in our extended supply chain, or across the wider discount retail sector, that reflect poorly on our reputation or that of our brands could have a material adverse effect on our business, results of operations, financial condition, or prospects.

For example, although our integrated sourcing business, PGS, monitors our suppliers for compliance with the terms and conditions set by PGS, including as to ethical sourcing standards, as well as applicable employment, environmental and other relevant laws and regulations, there can be no assurance that these entities are, or will remain, in compliance with such terms and conditions or laws and regulations. In light of the increased public focus on employment, health and safety and environmental matters, a violation, or allegations of a violation, of such laws or regulations, or a failure to achieve particular standards by any of our suppliers or manufacturers, could lead to unfavourable publicity and a decline in public demand for our products, or require us to incur expenditure or make changes to our supply chain and other business arrangements to ensure compliance.

In addition, though we have an established and mature presence in a number of territories, as we continue to enter new markets, unfamiliar tax environments present a risk, as the attitude and approach of tax authorities may vary by jurisdiction. Tax law is often complex and its interpretation can be subjective, and tax authorities may not agree with determinations that are made by the Group with respect to the application of tax law. All of the above may lead to disputes with tax authorities which could potentially result in the payment of additional tax, together with fines and penalties.

Additionally, we may intermittently be the subject of complaints from our customers, employees, external suppliers, and other third parties alleging, among other things, product, health, environmental, safety, data protection, or other operational concerns, nuisance, negligence, or non-compliance with applicable laws and regulations. Even if successfully resolved without direct adverse financial effect, such claims or complaints could have a material adverse effect on our brand and reputation and divert financial and management resources from more beneficial uses.

Any such events concerning our Group, including in relation to any of the manufacturers or suppliers that supply products to us, could create substantial erosion in our reputation, fines and penalties or could result in a material adverse effect on our business, results of operations, financial condition, and prospects, which in turn could have a material adverse effect on the Issuer's ability to meet its obligations under the Bonds.

Disruption of the logistics and distribution network or failure to identify, develop or maintain relationships with a significant number of reputable suppliers or interruptions to the availability or flow of stock/shortages.

The loss of, or a substantial decrease in, the availability of products from the Group's key vendors could lead to lost sales and reduced saliency of the customer offer. In FY24,

approximately 84% of the general merchandise and apparel products in our stores (by cost of sales) were imported, principally from China, India and Bangladesh. Many of our domestic suppliers also import their products or components of their products. Political and economic instability in the countries in which foreign suppliers or manufacturers are located, the financial instability of suppliers, suppliers' failure to meet our standards, issues with labour practices of our suppliers or labour problems they may experience (such as strikes), the availability and cost of raw materials to suppliers, merchandise quality or safety issues, transport availability and cost, inflation, natural disasters, the spread of communicable diseases, and other factors relating to the suppliers and the countries in which they are located or from which they import are beyond our control and could have negative implications for our Group. In addition, any disruption affecting the flow of our imported merchandise, including delays in delivery or failure to maintain quality standards, or an increase in the cost of importing those goods through changes in foreign exchange rates, the imposition of taxes, custom duties or other charges or costs associated with the transportation and delivery of products, may negatively impact our profits. We may in the future experience product shortages, due to any of or all the factors described above, which could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Consistent with market practice, we have no long-term supply arrangements with these suppliers and accordingly there can be no legal assurance that these relationships will continue or continue on substantially similar commercial terms. The loss of, or a substantial decrease in, the availability of products from our key branded suppliers could lead to lost sales, which could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

A disruption or failure to make improvements to our distribution infrastructure could have a material adverse effect on our business, results of operations and financial condition.

We depend on our distribution infrastructure for the efficient functioning of our business. A major breakdown of plant or equipment, industrial disputes, widespread absences due to illness, or other interruption or malfunction at our distribution centres may significantly impact our ability to manage our operations, distribute products to our stores, and maintain an adequate product supply chain.

There can be no assurance that our existing distribution infrastructure will/can be scaled to adequately support our anticipated growth and increased number of stores or that we will be able to upgrade or install technology in a timely manner, train our employees effectively in the use of our technology or obtain the anticipated benefits of upgrades to our technology.

Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Our business and competitive position is subject to risks associated with our leasehold property portfolio.

Our strategy as a Group relies on the dynamics of the leasehold property market in the countries in which we operate. Our growth strategy is reliant upon continued availability of new stores at appropriate economic rates, particularly in CEE.

The vast majority of our stores, distribution centers, and certain of our head offices are held through leasehold interests and, as a result, we are susceptible to changes in the property rental markets in the countries in which we operate. In FY25, total lease costs were EUR 391 million, comprising approximately 8.3% of our revenue

Our existing lease portfolio in CEE is subject to periodic rent review, lease expiry, and re-negotiation. Any inability to renew existing leases may result in, among other things, significant alterations to rental terms (including increased rental rates), unplanned store closures, and increased costs to fit out replacement locations. Any material increases in rent or in costs to move stores to other locations in the future could have a material adverse effect on our business, results of operations, financial condition, and prospects.

The manifestation of any of these risks related to our property portfolio could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

An inability to maintain sufficient inventory levels to meet growing customer demands without allowing levels to increase to an extent that causes excessive markdowns.

As a multi-category discount retailer, we believe that efficient inventory management is a key component of our success and profitability. To be successful, we must assess a product’s life cycle and maintain sufficient inventory levels to meet our customers’ demands without allowing those levels to increase to such an extent that we may be forced to rely on additional promotional markdowns to dispose of excess or slow-moving inventory or we may experience inventory shortfalls on popular merchandise, any of which could have a material adverse effect on our business, results of operations, financial condition, or prospects.

Any inability to manage inventory effectively, whether as a result of mismatches in supply and demand or due to inventory loss and shrinkage, could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

A dependence on key personnel and inability to attract or retain the required knowledge and skills in key geographies could impact our performance and achievement of our strategy.

We are dependent on key personnel at both the Group and operating company level who have extensive experience and knowledge of the discount retail industry in the markets in which we operate. There is a risk that failure to recruit or retain individuals with the required knowledge and skills, a lack of succession planning for key roles could impact our performance and

achievement of our strategy, and hence the Issuer's ability to meet its obligations under the Bonds.

The loss of important intellectual property rights could harm our business significantly and defending intellectual property claims may be expensive and could divert valuable company resources.

Our Group's key trademarks are essential to our business. Our portfolio of intellectual property rights consists primarily of the trademarks associated with our "Pepco" and "Dealz" brands. We rely on a combination of trademark and copyright laws and licensing arrangements to establish and protect our intellectual property rights, but we acknowledge that third parties may infringe on or misappropriate our rights.

We also recognize that others may assert rights in our trademarks and other intellectual property rights or in trademarks that are similar to those that we own. Although we have taken steps to protect our intellectual property rights, such measures may not be sufficient, and we may need to resort to litigation to enforce them. Any such litigation could result in substantial costs and a diversion of financial and management resources from more beneficial uses. Failure to protect our intellectual property rights against infringement or misappropriation, or if third parties assert rights in or seek to invalidate our intellectual property rights, could have a material adverse effect on our business, results of operations, financial condition, and prospects.

Furthermore, it is possible that we may not adequately identify third-party intellectual property rights or assess the scope and validity of such rights. This could lead to claims that we have infringed on intellectual property rights owned by third parties, who may challenge our right to continue selling certain products or seek damages from us. Any such claims or lawsuits, whether with or without merit, could be expensive and time-consuming to defend and could cause us to cease offering products that incorporate the challenged intellectual property, thereby diverting our management's attention and resources. We cannot provide any assurance that we will prevail in any litigation related to infringement claims against us. A successful claim of infringement against us could result in us being required to pay significant damages, cease selling certain products that incorporate the challenged intellectual property or obtain licenses from the holders of such intellectual property, which may not be available on commercially reasonable terms. Any of these outcomes could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Risk relating to our financial results

The financial performance of the Parent Guarantor, including incurring losses, impacts the Issuer's ability to perform its obligations under the Bonds

The Issuer operates as the financing company of the Parent Guarantor and is the direct parent of PEU (TRE) Ltd, which in turn is the parent of all Pepco country entities. The role of the financing company is to issue and centralize the long-term debt, and to fund other Pepco companies.

This organizational structure can result in operational losses in the Issuer entity itself, even when the Group is highly profitable, and the Issuer has reported losses in previous years. These losses do not prevent the Issuer from meeting the payment obligations of the Bonds as its capacity to repay the interest coupon and the principal debt is primarily based on retained equity, group cash, receipt of internal dividends and access to group funding, rather than on the Issuer's earnings. Funds raised from the issue of the Bonds were utilized to repay the senior secured bonds that were initially redistributed to other operating entities in the form of intercompany loans for financing their growth and business activity, therefore the repayment risk of the bondholders should be considered as based on the Group.

Due to the Group's corporate structure, the Issuer's financial performance depends on the financial results of the Parent Guarantor and its subsidiaries. In the financial years 2024 and 2025, the Parent Guarantor incurred losses from discontinued operations, predominantly significant non-cash impairments (which related to the disposal of Poundland). These losses were mainly driven by the writing off of Goodwill and Intercompany Loans to Poundland, and Intercompany Loans to Dealz Poland which had been funded prior to the FY24 and FY25. The Issuer believes that the Issuer's ability to pay interest and principal under the Bonds is better evidenced in the "Pepco Group N.V. Annual Report 2025" by the Profit from Continuing Operations in the Year and the significant Net Cash inflows from Operating Activities (less Repayment of Lease Liabilities). However, there is no assurance that the Group will not sustain further losses from its operating activities in the coming years. Such losses may impact on the Issuer's ability to discharge its obligations under the Bonds.

Our financial statements have been qualified in respect of Poundland's disposal

The independent audit report dated 14 January 2026, prepared by EY Accountants B.V. in respect of the "Pepco Group N.V. Annual Report 2025", contains a qualification. After selling Poundland on 12 June 2025, the board of Pepco Group could no longer require Poundland to provide the information needed to restate opening balances, particularly regarding IFRS 16 lease accounting and other possible adjustments (e.g., trade payables, prepayments, deferred income). Because Poundland did not perform the required recalculations and system reconfiguration, the auditors were unable to perform planned audit procedures relating to Poundland's lessee accounting in accordance with IFRS 16. They were also unable to obtain sufficient and appropriate audit evidence on the adjustments from discontinued operations disclosed in Note 25, "Discontinued operations," and on any potential further required adjustments, as discussed in Note 1.29. The auditors concluded that any undetected misstatements could be material but not pervasive to the financial statements. In this context, it means that whereas the misstatements were material and could affect investors' decisions, they would not distort the financial statements as a whole. It may also be noted that the auditors reviewed the Group's financial statements for the first time and could not obtain comfort from the audit files from the previous year's audit. The qualification relates to the Poundland companies that have been disposed of and does not relate to the continuing operations of the Group or the Issuer, and it has no impact on the presentation of current financial data or the operating results of the first quarter of the financial year 2026. The qualification of the opinion does not have any ongoing impact on the Group's ability to pay interest and principal under the Bonds.

Risks relating to the macroeconomic environment in which we operate

Economic conditions may adversely affect our business, asset quality, capital adequacy and results as operations due to the impact on disposable income, financial markets and cost of business in the countries in which we operate

Our business, financial condition and results of operations are significantly influenced by prevailing economic conditions and financial market dynamics in the countries in which we operate and globally. Factors such as inflation, employment levels, disposable income, wage rates (including increases from payroll cost inflation or government action), interest rates, taxation, commodity and energy prices, consumer confidence, currency volatility, the availability and cost of credit, and overall investor sentiment can all materially affect demand for our products and our cost of doing business. See also "*An exposure to adverse fluctuations in currency exchange rates may affect our ability to maintain our current margin structure*".

During periods of economic uncertainty, recession, or downturn, consumers may reduce discretionary spending, delay or forgo purchases, or shift toward lower-cost alternatives, including competitors in the discount sector. Conversely, in periods of stronger economic conditions, we may also be adversely impacted if consumer spending shifts away from the discount retail sector. In addition, inflationary environments, especially those driven by energy or commodity price increases, may erode consumer purchasing power while simultaneously raising our operating costs (e.g., labor, materials, and services). Competitive pressures may limit our ability to increase product prices to offset these cost increases, leading to margin compression and weaker operating results.

Macroeconomic volatility and tightening monetary policies can also impact our suppliers and third-party contractors. This may result in increased input costs, supply disruptions, disputes, or supplier failures, any of which could materially disrupt our operations. While we monitor suppliers closely, we cannot ensure that they will meet their obligations. Rising costs from suppliers and service providers that cannot be contained through negotiation or substitution may further adversely affect our financial performance.

Any of these factors — individually or in combination — could have a material adverse effect on our business, results of operations, financial condition and prospects, and could negatively impact the Issuer's ability to meet its obligations under the Bonds.

A failure to meet our customers' and wider society's expectations in addressing ESG impacts can lead to public scrutiny and significant reputational damage to us and our brands.

Noting the impact that our rapidly growing business may have on the social and natural environment there is a risk of failure to address the growing needs and expectations from society if we do not meet our ESG goals, resulting in reputational damage and reduced customer demand for our products and brand.

We take various steps to ensure that our suppliers of products and manufacturers comply with applicable labour and social welfare laws, as well as acceptable social and environmental standards. For example, we have charters with our main suppliers that address ethical and

environmental standards and we conduct audits of our suppliers. We seek to cultivate a positive brand image premised on corporate integrity, culture, mission, vision and values; however, there is a risk that our efforts will not be sufficient in detecting non-compliance or that we may face allegations of wrongful conduct. From time to time our suppliers, manufacturers, or subcontractors may not be in compliance with local labour law or recognized ethical standards. If it emerges that our suppliers or manufacturers of our products have not complied with applicable labour laws or recognized ethical standards, or if the public perceives that such an event is occurring, whether or not it is, the public perception and reputation of us and our lines could suffer, possibly damaging customer relationships and causing a considerable decrease in revenue.

We do not control our manufacturers and the subcontractors of our manufacturers on a day-to-day basis and they may fail to comply with our codes of conduct, applicable labour and social laws, acceptable social or ethical standards, adequate health and safety requirements, or international conventions on production and manufacturers. Our control mechanisms of our manufacturers and their subcontractors may not be successful or may fail. In addition, changing a supplier or manufacturer following discovery of a violation could result in additional costs and supply shortages or disruptions. Any of these events could have a material adverse effect on our business, financial condition and results of operations, in light of the increasing importance of ESG and sustainability practices to our brand and business. As a consequence, this could have a material negative impact on the Issuer's ability to meet its obligations under the Bonds.

An exposure to adverse fluctuations in currency exchange rates may affect our ability to maintain our current margin structure.

We pay the majority of our overseas suppliers in US dollars and Chinese yuan. However, our customers pay for products in the local currency in each of the countries in which we operate, our external debt is primarily denominated in euros and we report our consolidated financial results in euros. As a result, we bear the risk of disadvantageous changes in exchange rates, including, from a transactional perspective, the strengthening of the US dollar and Chinese yuan compared to Polish złoty and, from a translation perspective, the strengthening of the euro against Polish złoty. We engage in foreign exchange hedging instruments for specific transactions to provide greater insulation from transactional volatility. However, our hedging instruments cannot provide protection against translation risk and, in addition, may reduce any benefit that we might otherwise receive as a result of favourable movements in exchange rates. We seek to hedge a portion of our translational foreign exchange exposure naturally by borrowing in a currency in which we have an operational cash flow surplus (for example, euros). While we believe that our exposure to translational foreign exchange risk is partially mitigated by our existing and projected geographical spread, which serves to reduce our exposure to any single currency, our residual exposure to foreign exchange risk could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Potential tariffs, a global trade war or uncertainty could have a material adverse effect on our business.

Trade barriers and other governmental actions related to tariffs or international trade agreements around the world, in particular in China, have the potential to decrease demand for our products, negatively impact our suppliers and/or cost of purchased goods and adversely impact the economies in which we operate. The occurrence of any such events could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Higher labor costs could affect our business and future profitability adversely.

We are primarily dependent on hourly paid employees at both our store level and in our distribution centres. While only a minority of our employees are paid at statutory minimum wage levels, certain countries in which we operate have existing or proposed governmental policies to significantly increase the entry level of statutory pay. As of 2026, the minimum gross monthly wage has been increased by roughly 3% (compared with 2025).

Increases in the national minimum or living wage rates applicable in the countries in which we have significant operations, which could result in a business need to increase wages across our business in order to maintain pay differentials, increases in the cost of labour linked to potential restrictions on the current inflow of migrant workers, or any increase in the amounts employers must contribute in social security payments on behalf of each employee could increase our operating costs, and if such costs cannot be passed on to consumers in the form of higher retail prices, any such increase could adversely impact our profitability.

In addition, allegations that we had failed to pay the national living wage, for the hours required, or otherwise had failed to comply with minimum wage requirements could result in regulatory investigation and could have a material adverse effect on our brand and reputation, and any finding of the same could result in penalties and adverse publicity as well as payment of any arrears.

Increases in labour or other costs as a result of any of the foregoing factors could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Risks relating to legal, tax and regulatory matters

Changes to governmental regulations that could require us to modify our current business practices, incur increased costs and subject us to potential liabilities.

We operate in a large number of jurisdictions and therefore must comply with an extensive range of statutes, laws, and regulations pertaining to advertising, consumer protection, product safety, quality and liability, health and safety, environmental, fire, planning, landlord/tenant, competition, tax, data protection, employment practices (including pensions), and other laws and regulations that apply to retailers generally and/or govern the import, promotion, and sale of products and the operation of retail stores and distribution centers.

If any of these statutes, laws or regulations were to change, we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. Any change to planning and/or licensing regulation relating to leasehold retail property could also serve to reduce the rate at which we can access and open new stores. We may be required to make significant expenditures or modify our business practices to comply with amendments to existing laws and regulations and/or with future laws and regulations, which may increase our costs and limit our ability to operate our business.

Furthermore, changes in tax laws, the interpretation of existing laws, or our failure to sustain our reporting positions on examination could result in the payment of additional taxes and affect our effective tax rate adversely. In addition, if we or our management, employees or suppliers were to fail to comply with these regulations, we could be subject to fines or penalties or suffer reputational harm.

Additionally, we face risks related to the regulatory landscape around ESG factors. Changes in regulations, laws, and policies could impact our operations, financial performance, and reputation, as well as expose us to legal and financial risks. Governments and regulatory bodies around the world are increasingly focusing on ESG issues and implementing policies and regulations to address them. Compliance with these regulations could require significant changes to our business practices, operations, and investments. Failure to comply with these regulations could result in significant financial penalties, legal liabilities, and reputational damage, which could harm our performance. See also "*—Risks relating to the macroeconomic environment in which we operate—A failure to meet our customers' and wider society's expectations in addressing ESG impacts can lead to public scrutiny and significant reputational damage to us and our brands*."

Any of the foregoing risks could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Regulatory action or financial penalties if we fail to comply with applicable data protection requirements, including the General Data Protection Regulation, and failure to adequately protect customer and employee confidential information.

As a Group, we are subject to expansive regulations regarding the use of personal data. We collect and process personal data (including name, address, age, bank and credit card details and other personal data) from our employees, customers and business contacts as part of the operation of our business, and therefore we must comply with data protection and privacy laws.

Those laws generally impose certain requirements on us in respect of the collection, retention, use and processing of such personal information. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs. We seek to ensure that procedures are in place to comply with the relevant data protection regulations by our employees and any third-party service providers, and also to implement security measures to help prevent cyber-theft.

Notwithstanding such efforts, we are exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of applicable data protection laws. In addition, we may not have the appropriate controls in place today and may be unable to invest on an ongoing basis to ensure such controls are current and keep pace with the growing threat.

In particular, we are subject to the GDPR, which has been in effect since May 25, 2018. The GDPR increased the regulatory burden on us, as well as third-party providers on which we rely, in processing personal customer, employee and other data in the conduct of our business and may also increase the potential sanctions for breach as the GDPR includes significant financial penalties up to the higher of 4% of the annual worldwide turnover of company groups or EUR 20 million. While we have taken steps to comply with the GDPR, we will be required to continue to implement additional amendments to contracts, measures, controls, procedures and policies in the future to achieve and maintain GDPR compliance. Ensuring compliance with the GDPR is an ongoing process and it is possible that, despite our efforts, supervisory authorities or other third parties will assert that our practices do not comply with aspects of the GDPR. If we are not fully compliant with our obligations under the GDPR, we may be subject to regulatory action or financial penalties, which could also result in adverse publicity and reputational damage.

Any of the foregoing events could result in us suffering reputational damage as well as the loss of new or repeat business, which could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Taxation in multiple or new and unfamiliar jurisdictions which introduces complexity and often requires subjective interpretation, and expansion into jurisdictions with less favourable tax regimes, could subject us to additional tax risks or to a higher effective tax rate in the future.

We, as a Group, are subject to various forms of taxation as both taxpayer and tax remitter such as corporation tax, withholding tax, value added tax, property tax social security, payroll-related taxes, and environmental taxes, and we are obligated to file tax returns and pay taxes across multiple jurisdictions. Tax law and administration can be complicated and involve subjective interpretation and determinations which can evolve over time. There is a risk that we may unintentionally fail to comply with applicable laws and regulations in any jurisdiction where we operate. Furthermore, tax authorities may not agree with the determinations that we

make regarding the application of tax law, potentially leading to lengthy and expensive disputes that may result in significant tax payments, interest, and penalties.

Our growth strategy involves expanding into new geographies, and the source of our profits across different jurisdictions may change over time, potentially leading to higher tax rates or less favourable tax regimes and the associated impact on calculating our tax base. This could result in an increase in our effective tax rate.

Any of the aforementioned risks could require us to pay additional or increased taxes and/or report higher tax expenses, which could have a significant adverse effect on our business, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

A risk of double taxation if the determination by the UK and Netherlands competent authorities as to our sole jurisdiction of tax residence were to be withdrawn.

Parent Guarantor is a company incorporated in the Netherlands which has both its location of central management and control and place of effective management in the UK. Prior to our initial public offering on May 26, 2021, we obtained a determination from the UK and Netherlands competent authorities, under the mutual agreement procedure article 25 of the 2008 Convention between the United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands for the avoidance of double taxation with respect to taxes on income and capital gains, which confirmed that for purposes of this treaty, Parent Guarantor should be treated as resident for tax purposes solely in the UK as from 9 March 2021 onwards.

If there was a change over time to the facts on which the tax residence determination was based it may be considered invalid and could be withdrawn, possibly with retroactive effect. If the tax residence determination were to be withdrawn, (part of) our income could potentially be subject to double taxation, which could have a material adverse effect on our financial condition and results of operations, and hence on the Issuer's ability to meet its obligations under the Bonds.

Risks associated with our own-brand product offering, including quality complaints, liability claims and recalls.

We offer own-brand products across all categories, including those directly linked to our retail brand, such as Pepco, as well as other own-brands available in store. Own-brands are important for our future growth prospects as these items offer a significant means of competitor differentiation and generally offer more attractive margins, however they are not tracked as a separate category.

Maintaining broad market acceptance of our own-brand products depends on many factors, including value, quality, and customer perception. Despite our efforts to ensure the consistent quality and safety of our products, we may be subject to product liability claims from customers or to government penalties, including with respect to products that are recalled, defective, or

otherwise alleged to be harmful. While we believe that our products comply in all material respects with all applicable laws and regulations, we cannot be sure that use of products we sell will not be alleged to cause harm or that we will not be subject to claims or lawsuits relating to such matters.

Although we generally seek contractual indemnification and insurance coverage from our suppliers and carry product liability insurance, we may not have adequate contractual indemnification and/or insurance available, which in certain cases may require us to respond to claims or complaints from customers as if we were the manufacturer. Even if a product liability claim is unsuccessful, is not fully pursued or is ultimately covered with adequate insurance and indemnification, the negative publicity surrounding any such claim could adversely affect our reputation with existing and potential customers.

Any adverse legal, regulatory, or other actions related to product liability claims, or negative publicity in relation thereto, could divert financial and management resources from more beneficial uses and could have a material adverse effect on our business, results of operations, financial condition, and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

Risks relating to our financing arrangements

Our obligations under our credit facilities or inability to access further external financing in the future could adversely affect our implementation of our strategy and may in certain conditions restrict our ability to incur or guarantee additional indebtedness in the future.

As at September 30, 2025, the Group had EUR 616 million in external borrowings (excluding issue costs). This included a EUR 250 million term loan facility maturing in April 2026, under our Original Senior Facilities Agreement and EUR 375m of issued and outstanding 7.250% senior secured notes due 2028 (issued on 28 June 2023). There was no draw down on the EUR 390 million multicurrency revolving credit facility maturing in April 2027.

As at September 30, 2025, we had EUR 1,068 million in lease liabilities, which means a portion of our cash flow from operating activities must be dedicated to the payment of principal and interest on our borrowings and lease liabilities. This reduces the availability of cash flow for acquisitions or other general corporate purposes in line with our growth strategy.

We plan to continue store expansion in the future, which will require capital expenditures. During FY25 HY1 our cash capital expenditures were EUR 55 million. While we expect to finance a significant portion of these expenditures through cash flows generated from our operations, we may also seek additional financing through borrowings or debt capital markets.

During November 2025, we completed our refinancing in the course of a dual-track process including EUR 770 in committed credit facilities under the New Senior Facilities Agreement and the Bonds. As a result of the refinancing, EUR 375m 7.250% senior secured notes due

2028 were fully redeemed on 3 November 2025, and the facilities under the Original Senior Facilities Agreement were fully repaid on 7 November 2025.

The refinancing reduced the average coupon from 6.4% to 3.9%, extended the debt maturity by three years, and reduced annual interest costs by €14 million.

The Group's current external financing structure is as follows:

Facility	Amount	Coupon	Maturity
3-year term loan facility under the New Senior Facilities Agreement	€235m	12m Euribor + 1.55% (2.08% + 1.55% = 3.58%)	5 November 2028
5-year term loan under the New Senior Facilities Agreement	€235m	12m Euribor + 1.70% (2.08% + 1.70% = 3.23%)	5 November 2030
Revolving credit facility under the New Senior Facilities Agreement	€300m	12m Euribor +1.35% (2.08% + 1.35%) =3.43%)	5 November 2030
Bonds	PLN 600m (approximately EUR 141m)	WIBOR6M + 2,50% (fixed EUR 4.50%)[1]	6 November 2030

Under the New Senior Facilities Agreement, we are subject to a maximum adjusted leverage ratio covenant of 2.8:1 and a minimum interest cover ratio of 3.5:1, tested twice annually on a pre-IFRS 16 (*International Financing Reporting Standard 16*) basis.

Failure to comply with these covenants could result in a default under our financing arrangements, which would permit the acceleration of the maturity of the indebtedness under such agreements.

Our continued ability to arrange diverse sources of external financing, both debt, and equity, and the cost of such financing, will depend on numerous factors, including our credit rating, future financial condition and results of operations, general macroeconomic and capital markets conditions, including the credit ratings of the countries in which we operate, interest rates, credit availability from banks or other lenders, foreign exchange rates, investor

[1] After swap to EUR fixed.

confidence in the Group, applicable provisions of tax and securities laws, and political and economic conditions in any relevant jurisdiction.

We believe that we will be able to continue to access the debt capital markets on terms that are commercially reasonable and that, based on our expected sources and uses of funds, our ability to service our debt and sustain our operations will not be materially affected in the near term, that is, for the period of at least one year from the date of this Information Document.

The statements in this risk factor do not, and are not intended to, qualify our opinion that we have sufficient working capital for our present requirements.

Risks Related to the Bonds and the Guarantees

The Bonds may not be an appropriate investment for all investors.

Any entity considering investing in the Bonds should determine whether an investment in the Bonds is an appropriate investment for them in the given circumstances. In particular, any potential investor should:

- have sufficient knowledge and experience to make a proper assessment of the Bonds and the benefits and risks associated with investing in the Bonds;
- have knowledge of and access to appropriate analytical tools enabling an assessment, in the context of its financial condition, of the investment in the Bonds and the impact of the investment in the Bonds on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all risks associated with investing in the Bonds;
- fully understand the Terms and Conditions and other documents applicable to the Bonds and have knowledge of financial markets;
- have the ability to assess (individually or with the help of a financial adviser) possible scenarios for economic growth, interest rates and inflation levels and other factors that may affect investments and the ability to bear various types of risks.

In addition, the investment activities carried out by entities that will potentially be investing in the Bonds are subject to the provisions of Polish law and regulations adopted by the supervisory bodies of these entities. Any person considering investing in the Bonds should consult their legal and financial advisers in order to determine whether and to what extent:

- the Bonds are an investment permitted for such a person under the applicable laws;
- the Bonds can be used as security for various types of debt; and
- any other restrictions apply to the acquisition of or pledges over the Bonds by such an entity.

Investors should seek advice from their legal and financial adviser or refer to the applicable laws in order to determine whether the Bonds are an appropriate investment in terms of risk management. An investment in the Bonds may entail the investor's incurring a loss.

The Bonds are not covered by the deposit guarantee scheme

The Bonds do not constitute a bank deposit and are not covered by any deposit guarantee scheme. Each Bondholder is exposed to the risk of the Issuer's failure to perform its obligations under the Bonds, including the obligation to timely pay interest on the interest payment date and the nominal value of the Bonds on the Bonds' maturity date. The performance of the above obligations depends primarily on the Issuer's financial condition, which may change during the period until the redemption of the Bonds. In the event that the Issuer's or the Guarantors' assets are insufficient to satisfy the claims under the Bonds in full or in part, the Bondholders will incur a loss.

Credit risk also includes events as a result of which the current risk premium expected by investors will increase compared to its level as at the date of issuance of the Bonds, as a consequence of which the market valuation of the Bonds may decrease.

The Issuer might fail to repay the liabilities under the Bonds

The payments in respect of the nominal value of the Bonds will not be made or may be delayed if, as a result of the deterioration of the Group's financial condition, the Issuer does not have sufficient funds to make payments under the Bonds on the appropriate interest payment date or on the maturity date. Payments under the Bonds may also become due when the Bonds are recognised or otherwise become due and payable before the specified maturity date.

Failure to repay the liabilities under the Bonds is an event the occurrence and duration of which for at least 3 days will entitle each of the Bondholders to demand early redemption of the Bonds. In such a case, the Bonds will be redeemed before the originally specified maturity date. Such a situation may adversely affect the Issuer's liquidity, its financial flexibility and cash flows and, consequently, may affect the Issuer's ability to repay its liabilities under the Bonds.

Moreover, a breach of the Terms and Conditions, including through failure to repay the liabilities under the Bonds, as well as the deterioration of the Issuer's financial ratios, will affect the interest rate on the Bonds.

Failure to repay the liabilities under the Bonds may also constitute grounds for the Issuer to be declared bankrupt. In such a case, the Bondholders' receivables under the Bonds may not be repaid in full or at all.

In addition, in the event of the Issuer's failure to repay the liabilities under the Bonds, the Bondholders will have to pursue their claims in court, which may result in the need to incur additional related costs (in particular court fees).

The Bonds are subject to immediate redemption due to the transformation or liquidation of the Issuer

The Bonds are subject to immediate redemption:

- on the date on which the proceedings for the liquidation of the Issuer are initiated, even if the maturity date of the Bonds has not yet occurred, or
- if the Issuer merges with another entity, the Issuer is demerged or the Issuer's legal form is transformed, if the entity that has assumed the Issuer's obligations under the Bonds does not have the right to issue them in accordance with the Act on Bonds.

In the cases referred to above, the Bonds will be redeemed before the originally specified maturity date. Such a situation may adversely affect the Issuer's liquidity, its financial flexibility and cash flows and, consequently, may affect the Issuer's ability to repay its liabilities under the Bonds.

Early redemption of the Bonds at the Bondholder's request might affect the Issuer's ability to repay its liabilities under the Bonds

The Terms and Conditions contain a number of clauses granting the Bondholder (after taking certain actions and completing the appropriate procedure) the right to demand early redemption of the Bonds. In particular, if any event occurs that constitutes grounds for exercising the early redemption option provided for in the Terms and Conditions, the state of affairs prior to that event is not waived or restored during the cure period and the Bondholders' Meeting adopts a resolution approving the exercise of the early redemption right by the Bondholders, the Bondholders will be entitled to demand early redemption of the Bonds. The Bondholders will also be entitled to demand early redemption of the Bonds without a prior resolution of the Bondholders' Meeting in the case of events constituting an event of default in accordance with the Terms and Conditions. Such a situation may adversely affect the Issuer's liquidity, its financial flexibility and cash flows and, consequently, may affect the Issuer's ability to repay its liabilities under the Bonds.

The investment might be shortened due to early redemption of the Bonds

In the Terms and Conditions, the Issuer has provided for the possibility of early redemption of the Bonds at the request of the Issuer and after the expiry of the period commencing from the Issue Date and ending on the last day of the 24-month period from the Issue Date (inclusive), after taking certain actions, completing the appropriate procedure and paying an early redemption premium at the level stipulated in the Terms and Conditions. In particular, the Issuer may carry out an early redemption of the Bonds in full or in part (in any case, not less than 10% of the total nominal value of the Bonds). The Issuer may exercise the right to early redemption of the Bonds in a situation where its potential financing costs are lower than the interest rate on the Bonds.

In addition, the Issuer may exercise its right to early redemption of all (but not in part) of the Bonds if, after the Issue Date as a result of a change in or amendment to existing laws or regulations or the introduction of new laws or regulations in the Republic of Poland, the United Kingdom, the Netherlands or any other relevant jurisdiction with the power to impose taxes or a change in the application or official interpretation of such laws or regulations (including by a court of competent jurisdiction), the Issuer incurs a materially increased cost of performing

its obligations under the Bonds, including, in particular, due to circumstances resulting in an increased tax liability, a reduced tax benefit or other adverse effect on the Issuer's tax position. Early redemption as a result of the exercise by the Issuer of the Issuer's right to early redemption for tax reasons shall be at a price equal to the nominal value of the Bonds plus accrued and unpaid interest, if any, up to (but excluding) the early redemption date.

In addition, the Issuer may exercise its right to early redemption of all (but not in part) of the Bonds if the admission of the Bonds to trading on ATS or admission of the Bonds to listing and trading on TISE is not effective on 1 April 2026. Early redemption as a result of the exercise by the Issuer of the Issuer's right to early redemption for trading and/or listing reasons shall be at a price equal to the nominal value of the Bonds plus accrued and unpaid interest, if any, up to (but excluding) the early redemption date.

If the Bonds are redeemed before the maturity date specified in the Terms and Conditions, the investor may not be able to obtain the originally assumed interest revenues. During such period, investors may not be able to invest the funds obtained from the early redemption of the Bonds in a way that would provide them with a rate of return equal to the rate of return on the Bonds being the subject of the early redemption.

The Bondholders may not be able to exercise their rights to demand early redemption of the Bonds

The Bondholders may not be able to exercise their rights to demand early redemption of the Bonds as a result of the application of the relevant provisions of bankruptcy, restructuring or recovery laws applicable to the Issuer (including, but not limited to, English law). If, in accordance with the applicable laws, the Issuer becomes insolvent and is declared bankrupt, its creditors' claims will be satisfied in accordance with the ranking order provided for in these laws. Therefore, there is a possibility that the Bondholders' claims will be satisfied only after higher-ranking claims of other creditors have been satisfied. It is also possible that, despite the Issuer's insolvency, the bankruptcy petition will be dismissed or the proceedings will be discontinued due to the lack of the Issuer's assets to cover the costs of such proceedings. In addition, the application of the relevant provisions of the restructuring law (including, but not limited to, English law) may result in a postponement of the final maturity date of the Bonds, payment of the redemption amount in instalments or conversion of the Bondholders' receivables into the Issuer's shares. Moreover, if bankruptcy or restructuring proceedings are initiated, it may be impossible to initiate enforcement proceedings against the Issuer in order to satisfy the claims under the Bonds.

As a result of the above circumstances related to the Issuer's restructuring or bankruptcy proceedings, a significant part of the funds invested may not be recovered at all or may result in only partial satisfaction of the Bondholders' claims.

Liquidity on the Bonds' market may not be satisfactory

In connection with the introduction of the Bonds to trading and their subsequent listing, there is a risk that trading in the Bonds will be limited due to the lack of buy/sell orders from investors. As a result of changes in the Issuer's financial condition and the general situation on the market, the liquidity of the Bonds may fluctuate. Therefore, it is not possible to guarantee that the Bonds can be sold by the Bondholder at any time and at the expected price.

The benchmark might change or be discontinued by the administrator

On 1 January 2018, the Benchmarks Regulation (BMR), establishing new rules for the preparation, provision and use of benchmarks in the EU, came into force. According to the BMR, a benchmark is, among others, any index by reference to which the amount payable under a financial instrument is determined.

The Bonds will bear interest at a variable interest rate. The base rate constituting the basis for determining the variable interest rate on the Bonds will be the WIBOR (*Warsaw Interbank Offer Rate*) benchmark, set by GPW Benchmark S.A.

The BMR requires any persons intending to act as benchmark administrators to obtain appropriate authorisation or registration. GPW Benchmark S.A. is entered in the register of authorised administrators and benchmarks maintained by the European Securities and Market Authority, referred to in Article 36 of the BMR, and has the status of the administrator of the WIBOR interest rate benchmark.

The BMR may have a material effect on floating rate financial instruments for which the interest rate is determined by reference to benchmarks such as WIBOR, in particular if the methodology for calculating this benchmark or other rules for developing such benchmark change or WIBOR ceases to be published.

There is currently an ongoing discussion about the possibility of replacing WIBOR with another benchmark in accordance with the procedure provided for in Article 23c of the BMR. Taking into account the enactment of the Act on Crowdfunding for Business Ventures and Assistance to Borrowers of 7 July 2022, aimed at regulating the WIBOR replacement process, as well as the establishment of the national taskforce for the benchmarks reform (NGR), it can be expected that WIBOR may be replaced even before the maturity date of the Bonds. The abolition or discontinuation of WIBOR will trigger the procedure for the conversion of the base rate of the Bonds provided for in the Terms and Conditions, which may result in a decrease or increase in the Bonds' interest rate.

Risk Related to fluctuations of the Base Rate

The interest rate on the Bonds is variable and depends on the WIBOR (at the date of this Information Document) or, in the cases indicated in the Terms and Conditions, the basis for determining the variable interest rate on the Bonds will be the Alternative Index adjusted for the Adjustment (if applicable).

Significant changes in interest rates, including the base rate of the Bonds, in the period up to their maturity date, cannot be ruled out. A decrease in interest rates, including the base rate of the Bonds, may reduce the profitability of the Bonds for investors and, consequently, adversely affect the rate of return on the investment in the Bonds In addition, the volatility of the interest rate means that the investor cannot predict at what rate they will be able to reinvest the interest payments received under the Bonds.

On the other hand, an increase in interest rates, including the base rate of the Bonds, may increase the costs of servicing the Bonds incurred by the Issuer, and may adversely affect the Issuer's financial condition and results of operations, as well as the Issuer's ability to service its liabilities under the Bonds.

A Bondholder, acting individually and not in collaboration with other Bondholders, will not be able to amend the Terms and Conditions

In accordance with the Terms and Conditions and the Act on Bonds, the Bondholders may adopt decisions, acting within the scope of the Bondholders' Meeting. In accordance with the Terms and Conditions, the adoption of a resolution by the Bondholders' Meeting is necessary, among others, in order to: amend the Terms and Conditions, reduce the nominal value of the Bonds or give consent to the exercise by the Bondholders of the option of early redemption of the Bonds as a result of the occurrence of an early redemption event. Therefore, a Bondholder, acting individually and not in collaboration with other Bondholders, will not be able to amend the Terms and Conditions, prevent an amendment of the Terms and Conditions or exercise its rights related to early redemption. In particular, investors should note that: (i) the Issuer will be obliged to convene a Bondholders' Meeting at the request of the Bondholders holding in aggregate at least 10% of the adjusted total nominal amount of the Bonds (excluding the Bonds held by entities from the Issuer's capital group), (ii) a quorum and a majority of votes specified in the Terms and Conditions are required for the Bondholders' Meeting to adopt resolutions.

A resolution of the bondholders' meeting may be challenged

Pursuant to Article 70(1) of the Act on Bonds, a resolution of the bondholders' meeting that grossly violates the interests of bondholders or is contrary to good practice may be challenged by way of an action brought against the issuer for such a resolution to be repealed. On the other hand, pursuant to Article 71(1) of the Act on Bonds, a resolution of the bondholders' meeting that is contrary to the Act may also be challenged by way of an action brought against the issuer for such a resolution to be declared invalid.

It cannot be ruled out that the resolutions adopted by the Bondholders' Meeting will be challenged by some of the Bondholders. In the event of a successful appeal against the resolution of the Bondholders' meeting enabling the Bondholders to demand early redemption of the Bonds, the Bondholders may be deprived of the right to demand early redemption. On the other hand, a successful appeal against certain resolutions of the Bondholders' Meeting regarding the amendment of the Terms and Conditions may adversely affect the Issuer's ability

to properly perform its obligations under the Bonds, in particular its ability to make payments under the Bonds.

The Bonds do not have collateral security

The granting of the Guarantees does not mean that the Bonds have collateral security. The Bondholders will be able to pursue their claims: i) only from the Issuer's or the Guarantors' assets, ii) only after the Issuer's or the Guarantors' creditors whose claims are to be satisfied in the first instance in accordance with the law or from separate parts of the Issuer's or the Guarantors' assets have been satisfied. Thus, the Bondholders' claims under the Bonds may not be satisfied in full.

The Guarantors might fail to perform their obligations under the Guarantees

The Bonds are secured by the Guarantees granted by the Guarantors. The mere fact that the Guarantors have granted the Guarantees does not guarantee that the obligations arising from the Bonds (secured by the Guarantees) will be performed by the Guarantors. The Guarantors' failure to perform their obligations may be caused, for example, by the occurrence of one or more of the risks described in this Information Document concerning the Group, and thus also the Guarantors. In particular, the Guarantors may not have sufficient funds to perform their obligations under the Guarantees.

The Guarantees are governed by Polish law

The Bonds are secured by the Guarantees, which constitute guarantees within the meaning of Articles 876–887 of the Civil Code in favour of each Bondholder. Consequently, each Bondholder, in accordance with the Guarantees, will have the right to demand the performance of the obligations undertaken in the Guarantees directly from the Guarantors and to enforce such obligations directly from the Guarantors. The Guarantees are governed by Polish law, and Polish courts shall have jurisdiction over any actions or other legal proceedings related to the Guarantees. The Bondholders should be aware that the enforcement of rights before Polish courts is subject to a fee, the amount of which is regulated by the relevant provisions of law.

The Guarantees are not established in favour of the security administrator (pl. administrator zabezpieczeń), and no declarations of submission to enforcement (pl. oświadczenia o poddaniu się egzekucji) are made in connection with the Guarantees

The security structure of the Bonds is based on the Guarantees granted by the Guarantors directly to each Bondholder. Such security structure is established without the participation (indirect representation) of a security administrator *(pl. administrator zabezpieczeń)* who would exercise the rights and obligations of the creditor under the Guarantees on its own behalf but on account of the Bondholders. As a result of this security structure, the Terms and Conditions do not provide for declarations by the Guarantors of submission to enforcement (pl. *oświadczenia o poddaniu się egzekucji*). Although a similar security structure of the Bonds was applied in other significant bond issues guaranteed by entities from the Group, it should be

noted that these features of the transaction documentation may have a negative impact on the effectiveness of Bondholders' claims against the Guarantors and prolong the time required to pursue them.

The Issuer is a finance subsidiary of the Parent Guarantor with no independent business operations, which is dependent upon cash flow from its subsidiaries to meet its obligations under the Bonds. The Parent Guarantor is a holding company, and is also dependent upon cash flow from its subsidiaries to meet its obligations under the Guarantee.

The Issuer is an indirect, wholly owned finance subsidiary of the Parent Guarantor with no independent business operations and its assets are comprised predominantly by its investment in PEU (TRE) Limited. The Parent Guarantor is a holding company with no independent business operations and have no significant assets other than the equity interests and intercompany receivables they hold, directly or indirectly, in their respective subsidiaries. As such, the Issuer and the Parent Guarantor are wholly dependent upon the arrangements with other companies of the Group in the form of dividends or other distributions or intercompany debt payments to meet their respective obligations under the Bonds and the Guarantee.

We may not be able to generate sufficient cash to service our indebtedness, including due to factors outside our control, and may be forced to take other actions to satisfy our obligations under our indebtedness, including the Bonds, which may not be successful.

Our ability to make payments on or to refinance our debt obligations will depend on our future operating performance and ability to generate sufficient cash. This depends on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

Our businesses may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the Bonds. If our future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities, planned acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Bonds, on or before maturity.

If we are not able to accomplish the above, we may not be able to satisfy our debt obligations, including our obligations under the New Senior Facilities Agreement and the Bonds. In that event, borrowings under the other debt agreements or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including under the Bonds.

In addition, any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. There can be no assurance that any assets which we could be required to dispose of can be sold or that, if sold, the timing of such a sale and the amount of proceeds realized from such sale would be acceptable.

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Bonds, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Although the New Senior Facilities Agreement and the Terms and Conditions will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial.

Under the Terms and Conditions, in addition to borrowings under the New Senior Facilities Agreement, and other specified permitted indebtedness, we will be able to incur additional indebtedness, subject to the financial covenants set out thereunder. The terms of the New Senior Facilities Agreement and the Terms and Conditions will permit us to incur future debt that may have substantially the same covenants as, or covenants that are more restrictive than, those of the New Senior Facilities Agreement or the Terms and Conditions. In addition, the New Senior Facilities Agreement and the Terms and Conditions will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

The incurrence of additional debt would increase the leverage-related risks described in this Information Document. This could have a material negative impact on the Issuer's ability to meet its obligations under the Bonds.

Use of proceeds and Green Bonds Framework Risk

While the Issuer intends to allocate Bonds net proceeds to Eligible Sustainable Projects in accordance with Green Bonds Framework and in alignment with the Green Bonds Principles published by the International Capital Market Association (ICMA) there can be no assurance that such use of proceeds will be suitable for the investment criteria of potential investors. Furthermore, there is no guarantee that the Eligible Sustainable Projects will be completed as planned, will meet the expected environmental objectives or will continue to satisfy the eligibility criteria throughout their life cycle. A failure to allocate proceeds as described or to demonstrate the expected ESG benefits could result in reputational risks for the Issuer and may adversely affect the value of the Bonds. Additionally, allocation of net proceeds in contrary to the issue purpose specified in the Terms and Conditions allows the Bondholder to request an early redemption of Bonds.

We will be subject to restrictive covenants, which will limit our operating and financial flexibility and, if we default under our debt covenants, we may not be able to meet our payment obligations.

The Terms and Conditions will, and any future debt instrument we may enter into may, contain covenants which impose significant restrictions on the way we can operate, including restrictions on our ability to:

- allocate the funds from the issue of the Bonds;
- amend the Terms and Conditions and documents relating to the Bonds;
- merge, demerge or transform the legal form;
- change all or a substantial port of our core business; or
- execute certain transactions due to financial covenant restrictions

These covenants limit our ability to finance future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. The New Senior Facilities Agreement also requires the Group to maintain a specified financial ratio in certain circumstances. The ability to meet this financial ratio could be affected by deterioration in our operating results, as well as by events beyond our control, including increases in raw material prices and unfavorable economic conditions, and we cannot assure you that this ratio will be met. If we breach any of the covenants, restrictions, ratios or tests under the New Senior Facilities Agreement, we could be in default under the terms of the New Senior Facilities Agreement, and the relevant lenders or noteholders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable and proceed against any collateral securing that debt. Borrowings under other debt instruments, including the Bonds, that contain cross acceleration or cross default provisions also may be accelerated or become payable on demand.

In the circumstances as described above, our assets may not be sufficient to repay in full that indebtedness and our other indebtedness then outstanding, including the Bonds.

We may not be able to refinance or restructure our debt on a timely basis or on satisfactory terms, if at all.

Our ability to refinance or restructure our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of the New Senior Facilities Agreement, the Terms and Conditions and existing or future debt instruments may restrict us from adopting some of these alternatives. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favourable or acceptable to us. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Bonds. In that event, borrowings under other debt agreement or instruments that contain cross-default or cross acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including the Bonds.

In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations.

The terms of our indebtedness, including under New Senior Facilities Agreement and the Terms and Conditions, restrict our ability to transfer or sell some of the assets.

We may not be able to consummate certain dispositions or obtain the funds that we could have realized from the proceeds of such dispositions and any proceeds we do realize from asset dispositions may not be adequate to meet our debt service obligations then due, which could have a material adverse effect on our business, results of operations, financial condition and prospects, and hence on the Issuer's ability to meet its obligations under the Bonds.

The insolvency laws of England and Wales and other applicable jurisdictions may not be as favorable to you as the insolvency laws of Poland or those of other jurisdictions with which you are familiar; other limitations on the Guarantees, including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

The Issuer is incorporated under the laws of England and Wales. The Guarantors are organized or incorporated under the laws of The Netherlands and Poland. The insolvency laws of foreign jurisdictions may not be as favorable to your interests as the laws of Poland or other jurisdictions with which you are familiar. In the event that the Issuer or any of the Guarantors experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or the outcome of such proceedings.

Although laws differ among the jurisdictions, in general, applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of a Guarantee. The court may also in certain circumstances void the Guarantee where the Guarantor is close to or near insolvency. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction’s fraudulent transfer and insolvency statutes.

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency officeholder may challenge the relevant Guarantees, and intercompany obligations generally, as preferences, transactions at an undervalue, validity of charges, fraudulent transfers or conveyance, or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a Guarantor’s obligations under its Guarantee provided;
- direct that the Issuer and the Bondholders return any amounts paid under a Guarantee or any;

- collateral to the relevant Guarantor or security provider or to a fund for the benefit of the relevant entity's creditors; and
- take other action that is detrimental to you.

If the Issuer cannot satisfy its obligations under the Bonds and any Guarantee is found to be a preference, transaction at an undervalue, fraudulent transfer or conveyance or is otherwise set aside, the Issuer may not be able to repay in full any amounts outstanding under the Bonds. In addition, the liability of each Guarantor under its Guarantee will be limited to the amount that will result in such Guarantee not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each. There is also the possibility that the entire Guarantee may be set aside in which case the entire liability may be extinguished.

In order to initiate any of these actions under fraudulent transfer or other applicable principles, courts would, for example, need to find that, at the time the Guarantees were issued, the relevant entity:

- issued such Guarantee with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others, or created such security after its insolvency;
- the Guarantee exceeded the objects of the Guarantor or was not in the best interests or for the corporate benefit of the Guarantor;
- issued such Guarantee in a situation where a prudent businessman as a shareholder of such entity would have contributed equity to such entity or where the relevant beneficiary of the Guarantee knew or should have known that the entity was insolvent or a filing for insolvency had been made;
- received less than reasonably equivalent value for incurring the debt represented by the Guarantee on the basis that the Guarantee were incurred for the Issuer's benefit, and only indirectly the relevant entity's benefit, or some other basis and (i) was insolvent or rendered insolvent by reason of the issuance of the Guarantee or subsequently became insolvent for other reasons; (ii) was engaged, or was about to engage, in a business transaction for which the entity's assets were unreasonably small; or (iii) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due; or
- the amount paid or payable was in excess of the maximum amount permitted under applicable law.

Different jurisdictions evaluate insolvency on various criteria, but a Guarantor generally may, in different jurisdictions, be considered insolvent at the time it issued the relevant Guarantee if:

- its liabilities exceed the fair market value of its assets;
- it cannot pay its debts as and when they become due; or
- the present saleable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

Although we believe that we are solvent and will be so after giving effect to the offering of the Bonds, there can be no assurance which standard a court would apply in determining whether a Guarantor was "insolvent" as of the date the relevant Guarantee was issued or that, regardless of the method of valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Guarantee was issued, that payments to the Bondholders constituted fraudulent transfers on other grounds.

Enforcement of the rights of the Bondholders across multiple jurisdictions may prove difficult.

The Issuer is incorporated under the laws of England and Wales and the Guarantors are organized or incorporated under the laws of The Netherlands and Poland. In the event of bankruptcy, insolvency, administration or a similar event, proceedings could be initiated in any of these jurisdictions. The rights of the Bondholders are likely to be subject to insolvency and administrative laws of several jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings.

The insolvency, bankruptcy, administration and other laws of the jurisdiction of incorporation or organization of the Issuer and the Guarantors may be materially different from, or conflict with, each other, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest, the duration of proceeding and preference periods. The application of these various laws in multiple jurisdictions, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affect your ability to enforce your rights under the Guarantees in these jurisdictions or limit any amounts that you may receive. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to enforce the Guarantees and to realize any recovery under the Bonds and the Guarantees.

Investors may face foreign exchange risks by investing in the Bonds

The Bonds will be denominated and payable in Polish zloty (PLN). If investors measure their investment returns by reference to a currency other than Polish zloty (PLN), an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the Polish zloty (PLN) relative to the currency by reference to which such investors measure the return on their investments. These changes may be due to economic, political and other factors over which we have no control. Depreciation of the Polish zloty (PLN) against the currency by reference to which such investors measure the return on their investments could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which such investors measure the return on their investments.

Risks related to trading on the ATS

Pursuant to the Terms and Conditions, the Bonds will be introduced to trading on the ATS no later than ninety (90) Business Days after the Issue Date. There are risks associated with this.

Trading in the Bonds might be suspended

Pursuant to § 11 section 1 of the ATS Rules, the WSE has the right to suspend trading in debt instruments in the following cases: (i) at the issuer's request, (ii) if it is deemed necessary for the security of trading or in the interest of its participants, (iii) if the issuer is in breach of the rules applicable within the ATS. When suspending trading in debt instruments, the WSE may specify the date until which the trading will be suspended. This deadline may be extended, as applicable, at the request of the issuer or if, in the opinion of the WSE, there are justified concerns that on the date of expiry of such deadline it is necessary for the security of trading or in the interest of its participants, or if the issuer is in breach of the rules applicable within the ATS.

Pursuant to § 11 section 2 of the ATS Rules, in the cases specified in the provisions of law, the WSE suspends trading in debt instruments for the period set out in such provisions of law or specified in the decision of the competent authority.

Pursuant to § 11 section 3 of the ATS Rules, the WSE suspends trading in debt instruments immediately upon becoming aware of the suspension of trading in the relevant instruments on the regulated market if such suspension is connected with suspected insider trading, unlawful disclosure of inside information, market manipulation or suspected breach of the obligation to publish inside information about the Issuer or debt instrument in breach of Article 7 and Article 17 of the MAR, unless such suspension could cause serious damage to the investors' interests or the proper functioning of the market.

In addition, the WSE may suspend trading in debt instruments (pursuant to § 12 section 3 of the ATS Rules) before deciding to exclude debt instruments from trading.

Pursuant to Article 78(3) of the Act on Trading in Financial Instruments, the PFSA may request the WSE, as the ATS organiser, to suspend trading in financial instruments if trading in such instruments is carried out in circumstances indicating a potential threat to the proper functioning of the ATS or the security of trading within the ATS, or a violation of investors' interests. Pursuant to Article 78(3a) of the Act on Trading in Financial Instruments, the PFSA may specify in its request the date until which the trading will be suspended. This deadline may be extended if there are justified concerns that the prerequisites referred to above will be present on the date of its expiry. The PFSA repeals the decision containing the request to suspend trading if, after its issuance, it finds that there are no prerequisites indicating a threat to the proper functioning of the ATS or the security of trading carried out within the ATS, or a violation of investors' interests (Article 78(3b) of the Act on Trading in Financial Instruments).

The Bonds might be excluded from the ATS

Pursuant to § 12 section 1 of the ATS Rules, the WSE may exclude debt instruments from trading in the ATS in the following cases:

- at the issuer's request, with the possibility of making the decision in this regard conditional on the fulfilment of additional conditions by the issuer;
- if it considers that the security of trading or the interests of its participants so require;
- if the issuer persistently violates the regulations in force in the ATS;
- as a result of the issuer's being put into liquidation;
- as a result of a decision on the issuer's merger with another entity, demerger or transformation, provided that the exclusion of financial instruments from trading may take place no earlier than as from the date of the merger, the date of the demerger (spin-off) or the date of the transformation, as applicable.

In addition, pursuant to § 12 section 2 points 1-4 of the ATS Rules, the WSE excludes debt instruments from trading in the ATS:

- in cases specified by law;
- if the transferability of such instruments has become limited;
- if the dematerialisation of such instruments is cancelled;
- in the event that the following become final: (i) a decision declaring the issuer bankrupt or a decision on the dismissal of the bankruptcy petition by the court due to the fact that the issuer's assets are not sufficient to conduct proper bankruptcy proceedings or are sufficient only to cover the costs of the proceedings, or (ii) a decision to discontinue the bankruptcy proceedings by the court due to the fact that the issuer's assets are not sufficient to conduct proper proceedings or are sufficient only to cover the costs of the proceedings.

The WSE excludes financial instruments from trading as soon as it becomes aware of the exclusion of the relevant instruments from trading on a regulated market if such exclusion is related to suspected insider trading, unlawful disclosure of inside information, market manipulation or suspected breach of the obligation to publish inside information about the issuer or financial instrument in breach of Article 7 and Article 17 of the MAR, unless such exclusion could cause serious damage to investors' interests or the proper functioning of the market.

When the WSE makes a decision to exclude financial instruments from trading, it is obliged to justify it and provide a copy of it, with the justification, promptly to the issuer and its authorised adviser.

Pursuant to Article 78(4) of the Act on Trading in Financial Instruments, at the request of the PFSA, the WSE, as the ATS organiser, excludes from trading the financial instruments specified by the PFSA if trading in them significantly threatens the proper functioning of the ATS or the security of trading in the ATS, or results in a breach of investors' interests. In addition, pursuant to Article 78(4a) of the Act on Trading in Financial Instruments, the WSE may decide to exclude financial instruments from trading if such financial instruments no longer fulfil the conditions applicable on this market, provided that this does not cause a significant violation of investors' interests or threaten the proper functioning of the market. In such a case, the WSE informs the PFSA about the decision to exclude financial instruments from trading and publishes this information.

Regulatory, administrative or criminal sanctions

Pursuant to Article 96(1i) of the Public Offering Act, if the Issuer fails to perform or improperly performs the obligations referred to in Article 17(1) and (4)-(8) of the MAR, the PFSA may: (i) issue a decision to exclude the bonds issued by the Issuer from trading in the alternative trading system; (ii) impose a fine of up to PLN 10,364,000 or 2% of the total annual revenue disclosed in the latest audited financial statements for the financial year if this value is higher than PLN 10,364,000; or (iii) apply both these penalties jointly. In addition, in such a case, the PFSA may impose on any person who acted during that period as a member of the Issuer's management board or any person who acted during that period as a member of the supervisory board or a member of another supervisory body of the Issuer, a fine of up PLN 4,145,600 in the case of persons acting as a member of the management board and up to PLN 100,000 in the case of persons acting as a member of the supervisory board or a member of another supervisory body, as applicable.

Notwithstanding the above, in the event of a breach of the obligations set out in Article 18(1)-(6) of the MAR (obligations related to the preparation of lists of persons who have access to inside information), the party in breach is subject to: (i) a fine of up to PLN 4,145,600 or (ii) a fine of up to the equivalent of 2% of the total annual revenue disclosed in the latest audited financial statements for the financial year if it exceeds PLN 4,145,600 (pursuant to Article 176 of the Act on Trading in Financial Instruments). The PFSA may also impose a fine of up to PLN 4,145,600 on the Issuer in the event of a breach: (i) of obligations related to the reporting of transactions executed by persons discharging managerial responsibilities and persons closely associated with them in accordance with Article 19(1)-(7) of the MAR (pursuant to Article 175(1) of the Act on Trading in Financial Instruments), (ii) consisting in granting permission to execute transactions in the so-called closed period contrary to Article 19(12) of the MAR (pursuant to Article 174a(1) of the Act on Trading in Financial Instruments).

Pursuant to Article 181(1) and Article 183(1) of the Act on Trading in Financial Instruments, anyone who uses inside information within the meaning of Article 14 of the MAR or engages in market manipulation within the meaning of Article 15 of the MAR is subject to a criminal sanction, i.e.: (i) a fine of up to PLN 5,000,000; (ii) imprisonment from 3 months to 5 years; or (iii) both of these penalties jointly.

Violation of the above-mentioned regulations by the Issuer, persons holding managerial positions at the Issuer's or acting as a member of its corporate body may as a result adversely affect the Issuer's business, financial condition or results and, consequently, the market value of the Bonds, the Issuer's ability to service the debt under the Bonds and to redeem the Bonds on time.

Pursuant to Article 176a of the Act on Trading in Financial Instruments, if the issuer fails to perform or improperly performs its obligations under Article 5 of the Act on Trading in Financial Instruments (concerning the dematerialisation of securities), the PFSA may impose a fine of up to PLN 1,000,000 on the issuer.

Pursuant to § 17c section 1 of the ATS Rules, if the issuer fails to comply with the rules or regulations in force in the ATS or does not perform or improperly performs the obligations set out in Chapter V of the ATS Rules (Obligations of issuers of financial instruments in the alternative system), the WSE may: (i) issue a warning to the issuer, (ii) impose a fine of up to PLN 50,000 on the issuer. If the issuer fails to comply with the fine imposed on it or, despite the fine imposed, still fails to comply with the rules or regulations in force in the ATS or fails to perform or improperly performs the obligations set out in Chapter V of the ATS Rules, or

fails to comply with the obligations imposed on it pursuant to § 17c(2) of the ATS Rules, the WSE may impose a fine on the issuer; however, such fine, together with the fine imposed on the basis of § 17c section 1 (referred to above), may not exceed PLN 50,000.

The WSE may decide to impose a fine notwithstanding the decision to suspend trading in the relevant debt instruments or their exclusion from trading on the basis of the relevant provisions of the ATS Rules.

Risks related to trading and listing on the TISE

Pursuant to the Terms and Conditions, the Bonds will be introduced to trading and listing on the TISE no later than ninety (90) Business Days after the Issue Date. The application to The International Stock Exchange in Guernsey (TISE) was submitted on 24 February 2026 (and paid on 26 February). There are risks associated with this.

The Bonds may not become listed on the TISE.

Although the Issuer will be required under the Terms and Conditions to have the Bonds listed and admitted to trading on the TISE, the Issuer cannot assure you that the Bonds will become listed. If the Issuer cannot make the listing and admission to trading on the TISE or it becomes unduly burdensome to make such listing, the Issuer may cease to make such listing on the TISE and exercise its right to early redemption as described in "*The investment might be shortened due to early redemption of the Bonds*".

Although no assurance is made as to the liquidity of the Bonds as a result of listing on the TISE, failure to be approved for listing of the Bonds on the TISE in accordance with the Terms and Conditions may have a material adverse effect on a Bondholder's ability to resell Bonds in the secondary market. or other adverse consequences (including UK withholding tax consequences; see "General information about the taxation rules concerning the income related to the holding and trading in the Bonds" covered by the Information Document below).

III. DECLARATIONS OF PERSONS RESPONSIBLE FOR INFORMATION CONTAINED IN THE INFORMATION DOCUMENT

The Issuer is responsible for all the information contained in this Information Document. The following person acts on behalf of the Issuer:

Alan Chitty – Director,

pursuant to the delegation of authority under the resolution of the Issuer's Board of Directors dated 29 October 2025, constituting Appendix No. VIII.3 to this Information Memorandum.

I, the undersigned, declare that, to the best of my knowledge and with due care exercised to ensure, information contained in the Information Document is true, fair and reflects the facts, and that the Information Document does not omit anything that could affect its significance and valuation of the financial instruments introduced to trading, and that the Information Document provides a reliable description of the risk factors related to participation in trading in the given instruments.

Signature:	Signature Not Verified Digitally signed by Alan Chitty Date: 2026.03.03 16:59:04 GMT
Name:	Alan Chitty
Position:	Director

Pursuant to § 18(3a) of the ATS Rules, no agreement has been concluded with an Authorised Adviser, and pursuant to § 3(4)(2) of the ATS Rules, it is not required to include in this Information Document a statement of the Authorised Adviser.

IV. INFORMATION ABOUT FINANCIAL INSTRUMENTS INTRODUCED IN THE ALTERNATIVE TRADING SYSTEM

1. Purposes of the issue

The issue purpose constitutes issue purpose within the meaning of Article 32 of the Bonds Act. The Issuer shall allocate the net proceeds from the issue of the Bonds (i.e., after covering the costs of issue of the Bonds) for financing and/or refinancing Eligible Sustainable Expenditures.

2. Size of the issue

As part of the issue of the Bonds, the Issuer has issued 600,000 Bonds with a nominal value of PLN 1,000 each.

3. Nominal value and issue price of the debt financial instruments

The nominal value of one Bond is PLN 1,000.

The issue price of one Bond is PLN 1,000.

4. Results of the subscription or sale of the debt instruments which the application for introduction concerns

4.1 Subscription or sale start and end date

The Bonds were offered in the manner specified in Article 33(1) of the Act on Bonds. In connection with the offering of the Bonds pursuant to Article 1(4)(a) of the Prospectus Regulation, the Issuer was not obliged to provide the prospectus referred to in the Prospectus Regulation or the information memorandum referred to in the Public Offering Act.

The subscription was opened on 30 October 2025 and ended on 4 November 2025.

4.2 Date of allocation of the debt instruments

The initial allocation of the Bonds, constituting an allocation within the meaning of Article 43 Section 2 of the Act on Bonds, took place on 4 November 2025. The final allocation of the Bonds took place on the Issue Date, i.e. on 6 November 2025.

4.3 Number of debt instruments covered by the subscription or sale

600,000 instruments.

4.4 Reduction rate per tranche (in the case where at least in one tranche the number of allocated debt instruments was less than the number of securities subscribed for)

As part of the subscription, no reduction of the allocated Bonds was made. The issue was not divided into tranches.

4.5 Number of debt instruments that have been allocated as part of the subscription or sale

600,000 instruments

4.6 The price at which the debt instruments were purchased (subscribed)

The price at which the Bonds were purchased was PLN 1,000 per Bond and was equal to the nominal value of one Bond.

4.7 Number of persons who subscribed for the debt instruments covered by the subscription or sale in individual tranches

Subscriptions for the Bonds were made by 50 entities (including sub-funds) in total. The issue of the Bonds was not divided into tranches.

4.8 Number of persons to whom debt instruments have been allocated under the subscription or sale individual tranches

At the end of the issue date of the Bonds, the Bonds were held by a total of 50 entities (including sub-funds). The issue of the Bonds was not divided into tranches.

4.9 Information on whether the persons to whom financial instruments have been allocated as part of the subscription or sale in individual tranches are related entities of the Issuer

The entities to which the Bonds have been allocated as part of the subscription or sale in individual tranches are not related entities of the Issuer within the meaning of Clause 4(6) the ATS Rules.

4.10 Name (business name) of the sub-issuers who have subscribed the debt instruments as part of the performance of the sub-issuers agreements, specifying the number of securities they have subscribed, together with the actual price of the unit of the debt instrument (the issue or sale price, after deduction of the consideration for the subscription of the unit of the debt instrument, in performance of the sub-issuers agreement, acquired by the sub-issuers).

Not applicable. The Issuer has not entered into sub-issuers agreements.

4.11 Total specification of the amount of costs that have been included in the costs of the issue, with an indication of the amount of costs according to their title, broken down at least into the costs of the preparation and conduct of the offer, remuneration of the sub-issuers, separately for each, preparation of the information document, including advisory costs and costs of the promotion of the offering, together with the methods of recognition of these costs in the accounting books and the manner of their recognition in the financial statements of the Issuer.

The total costs of the Bond issue amounted to EUR 1,180,000, including the costs of:

(a) the preparation and conducting of the offering: EUR 100,000.00;

(b) the remuneration of the sub-issuers: not applicable;

(c) the preparation of the information document, including advisory costs: EUR 180,000.00;

(d) the promotion of the offering: EUR 900,000.00.

The costs of the Bonds issue are recognised as accrued expenses and are settled over time in proportion to the life of the Bonds.

5. Terms and conditions of redemption

The Bonds will be redeemed by the Issuer on the Redemption Date or on the Early Redemption Date.

On the Redemption Date or the Early Redemption Date, for each Bond the Issuer shall pay an amount equal to the Principal Amount (plus the Interest Amount) for the last Interest Period and, in the case of redemption of the Bonds pursuant to Clause 9.1 (Early Redemption of Bonds at the Issuer's Initiative) of the Terms and Conditions, the Premium. Any Payments under the Bonds in connection with their redemption shall be made in accordance with the provisions of Clause 6 (Payments) of the Terms and Conditions.

Upon redemption of the Bonds pursuant to the provisions of these Terms and Conditions, the Bonds will be cancelled in accordance with the Bonds Act and the applicable Regulations.

Early Redemption of the Bonds at the Issuer's Initiative

After the expiry of the period commencing from the Issue Date and ending on the last day of the 24-month period from the Issue Date (inclusive), the Issuer may at any time exercise its right to Early Redemption of the Bonds on any one or more occasions (the "Issuer's Right to Early Redemption"). The Issuer shall notify the Bondholders of its intention to exercise the Issuer's Right to Early Redemption no later than thirty (30) days prior to the Early Redemption Date in accordance with Clause 17 (Notices) of the Terms and Conditions. Before the expiry of the aforesaid 24-month period, the Issuer shall not have the right to Early Redemption on the basis of the Clause 9.1 of the Terms and Conditions.

The Issuer's Right to Early Redemption may be exercised in respect of all or part of the issued and outstanding Bonds, with the provision that the Early Redemption does not apply to Bonds constituting less than ten per cent (10%) of the total nominal value of the Bonds.

In the event of an Early Redemption of part of the Bonds as a result of the exercise of the Issuer's Right to Early Redemption by the Issuer, subject to voluntary declarations of Bonds for redemption (if such declarations are provided for), the Bonds will be redeemed from the Bondholders in proportion to the balance of the Bonds on the Bonds Account. The number of Bonds redeemed from individual Bondholders will be

determined in accordance with the relevant Regulations, in particular § 139 of the NDS Detailed Rules or the Regulations that replace it.

Early Redemption as a result of the Issuer's exercising the Issuer's Right to Early Redemption will be effected by payment to each Bondholder of the entire Principal Amount plus the Interest Amount accrued up to the Early Redemption Date (excluding that date), together with the Premium as specified in the Supplement.

Pursuant to Clause 139(3) 3 of the NDS Detailed Rules, the Issuer's exercise of early redemption of the Bonds requires the Issuer to submit a request to the WSE to suspend trading in these bonds starting from the second Business Day prior to the date on which the balances on securities accounts and collective accounts are determined, in order to determine the number of securities subject to early mandatory redemption on a given redemption date from individual securities accounts and collective accounts.

Early Redemption of the Bonds for tax reasons

The Issuer may exercise its right to Early Redemption of all (but not in part) of the Bonds if, after the Issue Date as a result of a change in or amendment to existing laws or regulations or the introduction of new laws or regulations in the Republic of Poland, the United Kingdom, the Netherlands or any other relevant jurisdiction with the power to impose taxes or a change in the application or official interpretation of such laws or regulations (including by a court of competent jurisdiction), the Issuer incurs a materially increased cost of performing its obligations under the Bonds, including, in particular, due to the performance of the Issuer's obligations set out in Clause 7.2 of the Terms and Conditions or due to other circumstances resulting in an increased tax liability, a reduced tax benefit or other adverse effect on the Issuer's tax position.

Early Redemption as a result of the exercise by the Issuer of the Issuer's Right to Early Redemption for tax reasons referred to in Clause 9.2 of the Terms and Conditions shall be at a price equal to the nominal value of the Bonds plus accrued and unpaid interest, if any, up to (but excluding) the Early Redemption Date

Early Redemption of the Bonds for trading and/or listing reasons

The Issuer may exercise its right to Early Redemption of all (but not in part) of the Bonds if the admission of the Bonds to trading on ATS or admission of the Bonds to listing and trading on TISE is not effective on 1 April 2026.

Early Redemption as a result of the exercise by the Issuer of the Issuer's Right to Early Redemption for reasons referred to in Clause 9.3 of the Terms and Conditions shall be at a price equal to the nominal value of the Bonds plus accrued and unpaid interest, if any, up to (but excluding) the Early Redemption Date

Early Redemption of the Bonds

Pursuant to Clause 9 (*Early Redemption of Bonds*) of the Terms and Conditions, the Bondholders may demand Early Redemption of the Bonds they hold in the event of: (i) the occurrence of an Event of Default, and (ii) the occurrence and continuation of the Event Constituting the Basis for the Exercise of the Early Redemption Option (subject to the Cure Period) and the adoption of an appropriate resolution of the Bondholders' Meeting

approving the exercise by the Bondholders of their right to request Early Redemption as a result of the occurrence of the Event Constituting the Basis for the Exercise of the Early Redemption Option.

As at the date of this Information Document, there were no circumstances entitling the Bondholders to demand Early Redemption of the Bonds.

6. Conditions for interest payment

The Bonds bear interest from the Issue Date (inclusive) until the Redemption Date or, in the case of Early Redemption – the Early Redemption Date (in both cases excluding that date). On each Interest Payment Date, each Bondholder who is a Bondholder on the Record Date shall be entitled to receive the Interest Amount calculated in accordance with this Clause 5 (*Interest*) of the Terms and Conditions. The Interest Amounts shall be payable in arrears. Payment of the Interest Amounts will be made in accordance with the payment rules for the Bonds described in Clause 6 (*Payments*) of the Terms and Conditions.

On the Business Day following the Interest Determination Date, the Calculation Agent shall calculate the Interest Amount for the relevant Interest Period for each Bond in accordance with the following formula:

IA=IR*PA* ND/365

where:

"**IA**" means the Interest Amount for each Bond for the given Interest Period;

"**IR**" means the stated Interest Rate for the relevant Interest Period determined in accordance with Clause 5.5 (*Determination of the Interest Rate*) of the Terms and Conditions;

"**PA**" means the Principal Amount of each Bond;

"**ND**" represents the number of days in that Interest Period,

after the result of this calculation is rounded to the nearest grosz (whereby half a grosz or more will be rounded upwards).

The Interest Rate for a given Interest Period shall be the Base Rate for the Relevant Tenor stated in the Supplement plus:

(a) the Interest Margin; or

(b) the sum of the Interest Margin and the Additional Interest Margin – in the case of the Interest Period immediately following the occurrence of any Event of Default which is continuing or any Event Constituting the Basis for the Exercise of the Early Redemption Option which is continuing.

Pursuant to the Terms and Conditions the Interest Margin is 2.50% per annum. However, if the Leverage Ratio on a particular Test Date prior to the Interest

Determination Date is equal to or greater than 3.00:1 but less than 3.50:1, the Interest Margin is 2.50% + 0.25% per annum.

Pursuant to the Terms and Conditions the Additional Interest Margin is 1.00% per annum (if applicable).

If the Base Rate for the Relevant Tenor is less than zero for the purpose of determining the Interest Rate, then the Base Rate for the Relevant Tenor shall be deemed to be zero.

The increased Interest Rate indicated in Clause 5.5.1(b) of the Terms and Conditions will be reduced at the beginning of the next Interest Period, provided that before the relevant Interest Determination Date for the Interest Period: (i) the Event of Default has been cured or waived, or (ii) the Redemption Date has occurred, or (iii) the Early Redemption Date occurred.

If the Base Rate cannot be determined by 3:00 p.m. on the Interest Determination Date, the Interest Rate will be determined based on the Base Rate published on the day immediately preceding the date on which publication of the Base Rate ceases, unless it is connected with the Regulation Events Effective Date.

If the Base Rate cannot be set on the Interest Rate Determination Date, in accordance with the aforementioned provisions in connection with the Regulation Event Effective Date, the Base Rate will be calculated by the Calculation Agent based on the Alternative Index adjusted by the Adjustment (if applicable), in a manner described in Clauses 5.5.6 – 5.5.14 of the Terms and Conditions.

Interest Amounts for a particular Interest Period shall be paid in arrears. Payment of the Interest Amount shall be made through NDS in accordance with the applicable provisions of the NDS Rules and Regulations.

Interest Period Number	Start of Interest Period (including that day)	End of Interest Period (excluding that day)	Interest Determination Date	Record Date	Interest Payment Date for the Interest Period
1.	06.11.2025	06.05.2026	03.11.2025	30.04.2026	06.05.2026
2.	06.05.2026	06.11.2026	30.04.2026	03.11.2026	06.11.2026
3.	06.11.2026	06.05.2027	03.11.2026	30.04.2027	06.05.2027
4.	06.05.2027	08.11.2027	30.04.2027	03.11.2027	08.11.2027
5.	08.11.2027	08.05.2028	03.11.2027	02.05.2028	08.05.2028
6.	08.05.2028	06.11.2028	02.05.2028	31.10.2028	06.11.2028
7.	06.11.2028	07.05.2029	31.10.2028	30.04.2029	07.05.2029

8.	07.05.2029	06.11.2029	30.04.2029	31.10.2029	06.11.2029
9.	06.11.2029	06.05.2030	31.10.2029	29.04.2030	06.05.2030
10.	06.05.2030	06.11.2030	29.04.2030	31.10.2030	06.11.2030

However, if the Interest Payment Date falls on the day which is not a Business Day, payment of the Interest Amount shall be made in accordance with the Modified Subsequent Date Convention: (i) on the next Business Day falling after that day, if that day falls in the same calendar month; or (ii) on the next Business Day falling before this day if that day falls in the next calendar month, without the right to claim interest for delay or arrears or any other additional payments. If payment is not made on the next Business Day referred to in the preceding sentence, interest shall accrue in accordance with the other provisions of these Terms and Conditions, from the day that is not a Business Day on which the Interest Amount was due.

7. Amount and form of security and details of the security provider

The claims of the Bondholders arising from existing and future monetary claims of the Bondholders against the Issuer under the Bonds, along with all additional claims arising from the Bonds, to the maximum extent permitted by law, including in particular claims for the redemption of the Bonds, payment of any interest (including interest for late payment) and Premiums, including any claims for damages arising from any Event of Default or Event Constituting the Basis for the Exercise of the Early Redemption Option under the Terms and Conditions, enforcement costs, and any other related costs and accessory claims, are secured by the Guarantees granted by each Guarantor up to the amount of PLN 720,000,000 (in words: seven hundred twenty million Polish zlotys).

No.	**Form of security**	**Security provider / Guarantor**	**Security beneficiary**	**Date of submission of the declaration**
1.	Polish-law governed suretyship (*poręczenie*)	Pepco Group N.V.	each Bondholder	29 October 2025
2.	Polish-law governed suretyship (*poręczenie*)	Pepco Poland sp. z o.o.	each Bondholder	29 October 2025

In the event of failure to make any payment under the Bonds by the Issuer, the Bondholder shall have the right to pursue its claims under the Guarantees by submitting the claim directly against the relevant Guarantor, without the need to initiate prior proceedings against the Issuer. Satisfaction from the Guarantees shall be effected by the Guarantors making all payments or by enforcing rights in accordance with the relevant provisions of law and the terms and conditions of the Guarantees.

Each Bondholder that acquired the Bonds on the primary market accepted the Guarantors' offer for granting the Guarantees in the acceptance form to the Proposal to

Acquire Bonds at the time of accepting the Proposal to Acquire Bonds. On the secondary market, the Bondholder purchases the Bonds secured by the Guarantees due to the ancillary nature of the Guarantees.

The Guarantees Keeper shall keep the original of the Guarantees and shall be entitled to make any notarial copies (*wypisy notarialne*) of the Guarantees, if such request to be submitted by the Bondholder and provided that such Bondholder proves that it is a holder of the Bonds as at the date of the request for a notarial copy of the Guarantees by way of presenting the certificate of deposit (*świadectwo depozytowe*) within the meaning of Article 9 of the Trading Act.

The Guarantees Keeper (i.e. notary public Wojciech Radtke having its notarial office in Poznań (62-512) at ul. Pamiątkowa 2/6) does not act on behalf of or for the benefit of the Bondholders as a security agent, trustee or in any other similar capacity.

8. Value of incurred liabilities, including overdue liabilities, determined as at the last day of the quarter preceding by no more than 4 months the making of the proposal to purchase the Bonds available, and the outlook regarding the Issuer's liabilities until the final redemption of the Bonds

8.1 Value of the liabilities incurred as at the last day of the quarter

The value of incurred liabilities of the Issuer as at the last day of the quarter preceding by no more than 4 months the making of the proposal to purchase the Bonds available, i.e. as at 31 December 2025, amounts to EUR 608.5 million (including the Issuer's financial liabilities in the amount of EUR 608.5 million). The value of overdue liabilities of the Issuer as at 31 December 2025 amounts to EUR 0m (including the value of overdue financial liabilities of the Issuer in the amount of EUR 0m).

8.2 Outlook regarding the liabilities until the Redemption Date

The projected value of the Issuer's liabilities until the final redemption of the Bonds will be commensurate with the scale of the Issuer's operations, with the Issuer's liabilities being maintained at a safe level and debt ratios remaining at levels ensuring the Issuer's ability to service its obligations under the Bonds.

The estimated value of the Issuer's financial liabilities:

(a) as at the last day of the financial year in which the Issue Date occurred, i.e. 30 September 2026 is EUR 631 million; and

(b) as at the end of the twelve-month period from the Issue Date, i.e. 6 November 2026 is EUR 631 million.

The Issuer's estimated funding structure is as follows:

(a) as at the last day of the financial year in which the Issue Date occurs, i.e. 30 September 2026:

(i) loans and borrowings payable will be: EUR 470 million (77% of the liabilities of the Issuer's balance sheet);

(ii) liabilities from the issue of debt securities will be: EUR 141 million (23% of the liabilities on the Issuer's balance sheet); and

(iii) lease liabilities will be: EUR 0m (0% of the liabilities on the Issuer's balance sheet).

(b) as at the date ending twelve months from the Issue Date, i.e. 6 November 2026:

(i) loans and borrowings payable will be: EUR 470 million (77% of the liabilities of the Issuer's balance sheet);

(ii) liabilities from the issue of debt securities will be: EUR 141 million (23% of the liabilities on the Issuer's balance sheet); and

(iii) lease liabilities will be: EUR 0.00 (0% of the liabilities on the Issuer's balance sheet).

9. General information on the rating assigned to the Issuer or the Bonds issued by the Issuer

Not applicable. Neither the Issuer nor the Bonds have been assigned a rating.

10. Indication and detailed description of the additional rights under the Bonds

Not applicable. Holding the Bonds does not confer any additional rights.

11. General information about the taxation rules concerning the income related to the holding and trading in the Bonds covered by the Information Document

The following information about certain Polish and UK taxation matters is based on the laws and practice in force as of the date of this Information Document and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following information does not purport to be a comprehensive description of all the tax consequences and considerations that may be relevant to acquisition, holding, disposing and redeeming of or cancelling (as applicable) the Bonds, and does not purport to deal with the tax consequences applicable to all categories of investors. The following information is based on the assumption that no agent is located in Poland. It relates to the position of persons who are the beneficial owners of income from Bonds and some aspects do not apply to certain classes of taxpayer (such as dealers). The following information is not intended to be, nor should it be construed to be, legal or tax advice. It is recommended that potential purchasers of the notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding, sale or redemption of notes.

Poland

Withholding tax

There is generally no withholding tax in Poland in relation to the notes (i.e. the Bonds), subject to comments below.

Taxation of income

Polish resident individuals

Individuals having their place of residence in Poland ("Polish Resident Individuals") are subject to Polish Personal Income Tax ("PIT") on their worldwide incomes irrespective of the country from which the incomes were derived. Income earned by Polish Resident Individuals on the disposal or redemption of notes should not be combined with income from other sources but will be subject to the 19% flat PIT rate. Additionally, income on disposal of notes is subject to 4% solidarity tax on the surplus over PLN 1 million (the tax base of solidarity tax comprises of various incomes including capital gains on the disposal of notes). The income is calculated as the difference between the revenue earned on the disposal or redemption of notes (in principle, the selling price or redemption amount) and the related costs (in principle, the issue price). The tax is settled by Polish Resident Individuals on an annual basis. Interest under notes earned by a Polish Resident Individuals should not be combined with income from other sources and will be subject to the 19% flat PIT rate. The tax is settled by Polish Resident Individuals on an annual basis. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided by the provisions of the Double Tax Treaty concluded between Poland and the country where the tax was withheld.

Specific tax rules apply to incomes derived from notes and disposal of notes held as business assets. In this case, tax at the 19% flat rate or the progressive rate of 12% to 32%, depending on the choice of and certain conditions being met by the individual, should be settled by the individuals themselves. Furthermore, business incomes are subject to 4% solidarity tax on the surplus of various incomes above PLN 1 million.

Polish resident entities

Entities having their seat or place of management in Poland ("Polish Resident Entities") are subject to Polish Corporate Income Tax ("CIT") on their worldwide incomes irrespective of the country from which the incomes were derived. CIT is imposed on income which is a sum of income generated from capital gains and income generated from other sources of revenue. Capital losses can be used to offset income from notes, if available.

The amount of interest earned by a Polish Resident Entity under notes is also attributed to capital gains basket and is in principle subject to the 19% CIT rate or 9% for small taxpayers. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided by the provisions of the Double Tax Treaty concluded between Poland and country where the tax was withheld.

Non-resident individuals and entities

Non-Polish residents are subject to tax only on specific types of income (revenue) earned in Poland (limited tax obligation), as listed in the Polish CIT Act.

Individuals and entities that are non-Polish residents will not generally be subject to Polish taxes on interest and income resulting from the disposal or redemption of the Bonds as long as income is not attributable to an enterprise (a business activity) which

is either managed in Poland or carried through a permanent establishment in Poland and the Bonds are not quoted on the WSE.

If interest income or income from the disposal/redemption of notes are attributable to an enterprise, it is taxable in the same way as income of Polish resident individuals (holding notes as business assets) or entities.

As regards notes quoted on the WSE held by treaty protected non-Polish residents, income on the disposal or redemption of notes quoted on the WSE will not be subject to tax in Poland. However, interest paid to treaty protected non-Polish residents on notes quoted on the WSE may be considered a Polish source income and taxed in Poland in accordance with the relevant Double Tax Treaty. In case of such noteholders, if notes quoted on the WSE are registered in securities accounts or omnibus accounts kept in Poland and operated by Polish resident entities, withholding tax should be collected and paid to the tax authorities by such entities acting as tax remitters. Otherwise, tax should be settled by noteholders on their own. If tax on interest is withheld by a tax remitter, the withholding tax pay&refund regime may apply to such interest payments between affiliated parties within the meaning of the PIT and CIT laws (please see below).

In the case of individuals and entities resident in a country which does not have a double tax treaty with Poland, interest on notes quoted on the WSE as well as income on the disposal/redemption of notes quoted on the WSE will be taxed in Poland at 19% (plus 4% solidarity tax on income from disposal of notes on the tax base, which may include also some other incomes and exceeds PLN 1 million). or corporate income taxpayers it is a 20% CIT rate in case of interest income and 19% CIT rate in the case of income from the disposal/redemption of notes. In the case of such non-treaty protected noteholders if notes quoted on the WSE are registered in securities accounts or omnibus accounts kept in Poland and operated by Polish resident entities, withholding tax should be collected and paid to the tax authorities by such entities acting as tax remitters. Otherwise, tax should be settled by noteholders on their own.

Withholding tax pay and refund regime

Under the withholding tax pay and refund regime, which applies from 1 January 2022, generally, if the total amount of passive payments (including interest) between affiliated entities made to a single taxpayer in the relevant tax year (subject to any withholding tax provided for in Polish tax regulations) exceeds PLN 2 million, tax remitters will be obliged to collect withholding tax on the said disbursements on the day they are made, at the standard Polish rates (i.e. 19% in the case of individuals or 20% in the case of corporate income taxpayers) applicable to interest on the surplus over PLN 2 million without the possibility of non-collection of the tax under the relevant double tax treaty, and without taking into account the exemptions or reduced rates as determined under special provisions or double tax treaties. In such a case, the taxpayer or the tax remitter (if it paid the withholding tax from its own funds and it bore the economic burden of withholding tax) may claim a withholding tax refund. Under special provisions, withholding tax may not be collected by the tax remitter if it specifically states that: (i) it holds all the documents necessary for the application of a withholding tax exemption or reduced treaty rates (typically, a certificate of tax residence) and (ii) after verification it is not aware of any obstacles to the application of a withholding tax exemption or reduced treaty rates (which in practice means that the recipient passes the beneficial ownership test).

Taxation of inheritances and donations

The Polish tax on inheritance and donations is paid by individuals who received title to notes by right of succession, as legacy, further legacy, testamentary instruction or gift only if at the moment of the acquisition of the notes the acquirers were the Polish citizens or had residence within the territory of Poland. The rates of tax on inheritances and donations vary depending on the degree of kinship by blood, kinship through marriage or other types of personal relationships existing between the testator and the heir, or between the donor and the donee (the degree of the kinship is decisive for the assignment to a given tax group). The tax rate varies from 3% to 20% of the taxable base depending on the tax group to which the recipient was assigned. Acquisition of ownership of notes by a spouse, descendants, ascendants, stepchildren, siblings, stepfather or stepmother is tax exempt if the beneficiary notifies the head of the competent tax office of the acquisition within six months of the day when the tax liability arose or, in the case of an inheritance, within six months of the day when the court decision confirming the acquisition of the inheritance becomes final.

Tax on civil law transactions

Generally, tax on civil law transactions at a rate of 1% is levied on the sale or exchange of the rights exercised in Poland. The taxpayer of this tax is only the purchaser of the rights. The tax is also imposed on agreements for the sale or exchange of the rights exercised outside Poland (including notes) only if the sale or exchange agreement is concluded in Poland and the purchaser has a place of residence or seat in the territory of Poland. However, the sale of notes (i) to investment firms (including foreign investment firms within the meaning of the Polish Act on Trading on Financial Instrument), or (ii) via investment firms (including foreign investment firms) acting as intermediaries, or (iii) the sale of the notes either on the Warsaw Stocks Exchange or on any multilateral trading facility operating in Poland in accordance with relevant regulations (i.e. in the "Organized trading"), or (iv) outside the Organized trading by investment firms (including foreign investment firms) if the notes had been acquired by such firms as a part of Organized trading - is exempt from tax on civil law transactions.

Other Taxes

No other Polish taxes, including stamp duty, should be applicable to the notes.

Polish implementation of the EU Savings Tax Directive

The European Union adopted Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, on administrative cooperation in the field of taxation and repealing Council Directive 2003/48/EC, regarding the taxation of savings income. From 1 July 2005, Member States have been required to provide to the tax authorities of other Member States details of payments of interest or other similar income paid by a person to an individual resident in another Member State. A number of non-EU countries and territories (referred to in that Directive) adopted equivalent measures from the same date.

Notwithstanding the repeal of Council Directive 2003/48/EC (as amended by Directive 204/48/EU), equivalent measures continue to apply in Poland pursuant to the Act on the Exchange of Tax Information with other countries of 9 March 2017.

UK

Withholding tax

The notes issued by the Issuer will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 provided they are and continue to be "listed on a recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 as it applies for the purposes of section 987 of the Income Tax Act 2007. The International Stock Exchange has been designated as a recognised stock exchange for these purposes. Therefore, whilst the notes are and continue to be quoted Eurobonds, payment of interest on the notes may be made without withholding or deduction for or on account of UK income tax.

In other cases, an amount must generally be withheld on account of UK income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under any direction to the contrary by HM Revenue and Customs under any applicable double taxation treaty or, in certain circumstances, where an exemption contained in section 930 of the Income Tax Act 2007 applies (including, in particular, an exemption for payments to certain UK companies).

Where notes are to be, or may fall to be, redeemed at a premium, then any element of such premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax outlined above. In certain cases, the same could be true for amounts of discount where the notes are issued at a discount.

Where interest has been paid under deduction of UK income tax, holders of the notes who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

Other taxes

No UK stamp duty or stamp duty reserve tax is payable on the issue of the notes, or on a transfer of, or agreement to transfer, any of the notes.

12. Programme

12.1 General description of the Programme

The issue of the Bonds has been organised under the Programme of the Issuer established on the basis of the programme agreement dated 2 October 2025 concluded between the Issuer as issuer, Bank Pekao as dealer and arranger, PKO BP as, amongst others, dealer and arranger and Santander as dealer, arranger and global coordinator (the "**Programme Agreement**") under which the Issuer may carry out multiple bond issues in PLN, governed by Polish law, up to a total nominal value of issued and not redeemed bonds of PLN 2,000,000,000.

12.2 Purposes of the Programme

The detailed use of the proceeds of the bonds issued under the Programme will be set out in the terms of issue of such bonds.

The Issuer may decide that the bonds issued under the Programme will be green bonds, as this term is understood in the Green Bond Principles. If the Issuer decides to issue the green bonds, the detailed use of the proceeds of the issue will be set out in the Terms of Issue, with the net proceeds of the issue being used, inter alia, to finance and/or refinance projects that qualify as eligible sustainable projects (within the eligible green categories) under and pursuant to the Green Bond Framework.

12.3 Total size of the issue under the Programme

Up to 2,000,000 bonds (subject to the increase of the maximum programme value pursuant to the Programme Agreement).

12.4 Nominal value of the debt financial instruments covered by the Programme

Up to PLN 2,000,000,000 (subject to the increase of the maximum programme value pursuant to the Programme Agreement).

12.5 General characteristics of the bonds covered by the Programme

The Issuer may carry out multiple bond issues in PLN, governed by Polish law, up to a total nominal value of issued and not redeemed bonds of PLN 2,000,000,000.

The Issuer may decide that the bonds issued under the Programme will be green bonds, as this term is understood in the Green Bond Principles.

The Bonds will be issued by way of an offer to purchase in accordance with Article 33(1) of the Act on Bonds and Article 1.4(a) of the Prospectus Regulation without the need to prepare a prospectus within the meaning of the Prospectus Regulation or an information memorandum or other offering document within the meaning of the Public Offerings Act or Prospectus Regulation. The specific manner of offering the Bonds will be determined each time between the Issuer and the Dealers.

The bonds issued under the Programme shall bear interest at a floating or fixed interest rate.

Unless otherwise agreed under the Programme Agreement, the bonds issued under the Programme will have a maturity of three to seven years.

As at the date of this Information Document, the Bonds are the first series of bonds issued under the Programme.

V. INFORMATION ABOUT THE ISSUER

1. Basic information about the Issuer

(Business) Name:	PEU (FIN) PLC
Country of registered office:	United Kingdom
Seat:	London
Address:	14th Floor Capital House, 25 Chapel Street, London
Telephone number:	+44 (0) 2037 359 210
Website / e-mail:	https://www.pepcogroup.eu/investors
Tax Identification Number:	N/A
REGON statistical number:	N/A
KRS registration number:	N/A
Persons authorised to act on behalf of the entity:	Willem Eelman, Alan Chitty, Katie Close

2. Term for which the Issuer has been established

The issuer was established for an indefinite period of time.

3. Legal regulations under which the Issuer has been established

The issuer was formed on the basis of the provisions of UK Companies Act 2006.

4. Court that issued the decision on the entry of the Issuer in the relevant register

Companies House (Registrar of Companies for England and Wales).

5. Information whether the activity carried out by the Issuer requires a permit, licence or approval, as well as the subject matter and number of the permit, licence or approval, and the name of the authority that issued it

The activity conducted by the Issuer does not require a permit, licence or approval.

6. Short background information on the Issuer and the Group

History of the Group

The Group was established in July 2014 as an indirectly held subsidiary of Pepkor SA, a South African retail conglomerate, to serve as an entry point for Pepkor SA into the UK discount retail market.

At this time, Pepco, which has operated since 1999, comprised the whole of Pepkor SA's European operations.

Pepco was founded in Poland in 1999 by Brown & Jackson, a UK business trading in Poland under the Poundstretcher brand and was acquired by Pepkor SA in 2003.

Since its acquisition, the Group has continued to expand rapidly in CEE, including into Czechia and Slovakia in 2013, and Hungary and Romania in 2015.

In March 2015, SIHNV acquired Pepkor SA and in July 2015 the company took operational responsibility for the European assets of Pepkor SA (including Pepco and Mac Dan, a French discount retailer acquired by Pepkor SA in 2015). The Pepco and Mac Dan entities were legally transferred into the Group in May 2016.

The Group opened stores in Croatia, Lithuania and Slovenia in 2017 and further Baltic stores in Estonia and Latvia in 2018. It then expanded into Bulgaria in 2019.

Poundland, listed on the main market of the London Stock Exchange in March 2014, was acquired by SIHNV in September 2016 and immediately delisted.

Poundland debuted the Dealz proposition in September 2011 with its international expansion into the Republic of Ireland and Dealz later entered the Spanish and Polish markets in July 2014 and February 2018, respectively.

In 2016, the Group began a conciliation process to restructure the Mac Dan business. It sold 15 stores, closed two and converted five of the remaining stores to Dealz branded stores; the two further remaining stores were converted to Mac Dan outlet stores.

In 2018, the Group decided to exit the French market entirely. The remaining Mac Dan outlet stores were closed in 2019 and the five Dealz stores were sold during early 2019.

In April 2017, in connection with a wider reorganization of the SIHNV Group, Poundland and Dealz were brought under common control of the Company, alongside Pepco and Pep&Co.

In January 2018, the Group's integrated sourcing function, PGS, was also transferred into the Group. PGS was formed by Pepkor SA in 2006 to provide strategic sourcing services to retailers within Pepkor SA and consolidated existing Pepkor SA sourcing offices. PGS was acquired as part of SIHNV's Pepkor SA acquisition in 2016.

In 2017, following SIHNV's acquisition of Poundland, the existing Poundland sourcing office operations in Hong Kong were also transferred into PGS.

In September 2019, the Group announced a corporate rebranding from Pepkor Europe Limited to Pepco Group Limited to align itself more closely with the Group's largest and fastest growing brand, Pepco.

In 2020, the Group expanded the Pepco brand into the strategically important markets of Italy and Serbia, being respectively the first stores in WE and the first stores to operate outside the EU and therefore requiring new logistics and administrative arrangements. Each of these new territories traded significantly ahead of internal sales expectation before COVID-19 restrictions were introduced.

From 2020 to 2022, despite the challenges of COVID-19, the Group made progress in revenue and profitability and continued strategic expansion in retail markets. We also managed to open stores in four countries in Europe (including Austria and Spain in FY 2021 and Germany and Greece in FY 2022).

In May 2021, the Parent Guarantor was listed on the Warsaw Stock Exchange, becoming the largest Initial Public Offering (IPO) on the Warsaw Stock Exchange since 2010.

In June 2025, the Group disposed of its majority share in Poundland, retaining a 30% share and exited form FMCG in all Pepco Stores (predominantly Spain).

During 2025 the Group expanded into new countries of Kosovo and North Macedonia.

The Group owns and operates a multi-format, pan-European discount variety retail business, with more than 4,000 stores located across 19 territories in Europe, serving more than 50 million shoppers each month as at 30 September 2025.

Our stores are local and convenient, offering a combination of clothing and homewares-led general merchandise, including toys and seasonal products.

The majority of these products are sourced via our integrated sourcing business, PGS, which serves to maximize our buying scale and operating efficiencies across our operations while providing visibility and control over our supply chain. We provide our core shopper, a “family on a budget,” with all their regular shopping replenishment needs.

History of the Issuer

The Issuer is the financing vehicle of the Group and was incorporated on 5 February 2019 as PEU (FIN) Plc (formerly known as PEU (FIN) Limited).

The Issuer is holder of long-term external debt as described in "Our obligations under our credit facilities or inability to access further external financing in the future could adversely affect our implementation of our strategy and may in certain conditions restrict our ability to incur or guarantee additional indebtedness in the future." in Chapter II. (*Risk Factors*) of this Information Document.

7. **Types and value of the Issuer's and the Parent Guarantor's equity and the rules for their creation**

The total nominal value of the issued share capital of the Issuer is EUR 724,977.89 divided into 72,497,788,743 ordinary shares of EUR 0.00001 each, all of which are fully paid. The Articles of Association of the Issuer (the "**Issuer Articles**") provide that, subject to the provisions of the UK Companies Act 2006 (as may be amended from time to time), any share may be issued with such rights or restrictions as the Issuer may by ordinary resolution of shareholders determine or, subject to and in default of such determination, as the Board of Directors of the Issuer (the "**Issuer Board**") shall determine. The Issuer Articles do not restrict the Issuer’s ability to increase, consolidate or sub-divide its share capital. Therefore, subject to the UK Companies Act 2006 (as may be amended from time to time), the Issuer may by ordinary resolution of shareholders increase, consolidate or sub-divide its share capital.

The authorised share capital of the Parent Guarantor is EUR 17,250,000.00 and is divided into 1,725,000,000 ordinary shares with a nominal value of EUR 0.01 each. The total nominal value of the issued share capital of the Parent Guarantor is EUR 5,774,519.35 divided into 577,451,935 ordinary shares. The ordinary shares of the Parent Guarantor are listed on the Warsaw Stock Exchange. The Articles of Association of the Parent Guarantor (the "**PGNV Articles**") provide that the general meeting of shareholders is authorised to issue shares (or delegate that authority to the Board of Directors of the Parent Guarantor (the "**PGNV Board**")). Any delegation to the PGNV Board to issue shares must specify (i) the maximum number of shares that can be issued under the delegation and (ii) the duration of the delegation, which shall not be for more than five years. The duration of the delegation may be extended from time to time for periods not exceeding five years.

8. **Declaration of the Issuer stating whether, in the opinion of the issuer, its current assets are sufficient to cover its current needs**

According to the Issuer, the Issuer's current assets are sufficient to cover its current needs, i.e. its needs within 12 months from the date of this Information Document.

9. **Information on any unpaid portion of the share capital**

The Issuer's share capital has been paid up in full.

10. **Information on anticipated changes in the share capital due to the bondholders' exercising their rights under convertible bonds or bonds giving the right of priority to take up new issues of shares in the future, with an indication of the value of the conditional increase in the share capital and the expiry date of the bondholders' rights to acquire these shares**

The Issuer did not issue convertible bonds or bonds giving the right of priority to take up new issues of shares in the future.

11. **Indication of financial instruments markets on which the Issuer's financial instruments are or have been listed or depositary receipts have been issued in connection therewith**

On 28 June 2023 the Issuer issued EUR 375m 7.250% senior secured notes due 2028. These were listed on the TISE, however the Issuer redeemed an aggregate principal amount of €175,000,000 of the outstanding Notes on October 7, 2025 (partial redemption) and the final aggregate principal amount of €200,000,000 of the outstanding Notes on November 14, 2025 (final redemption).

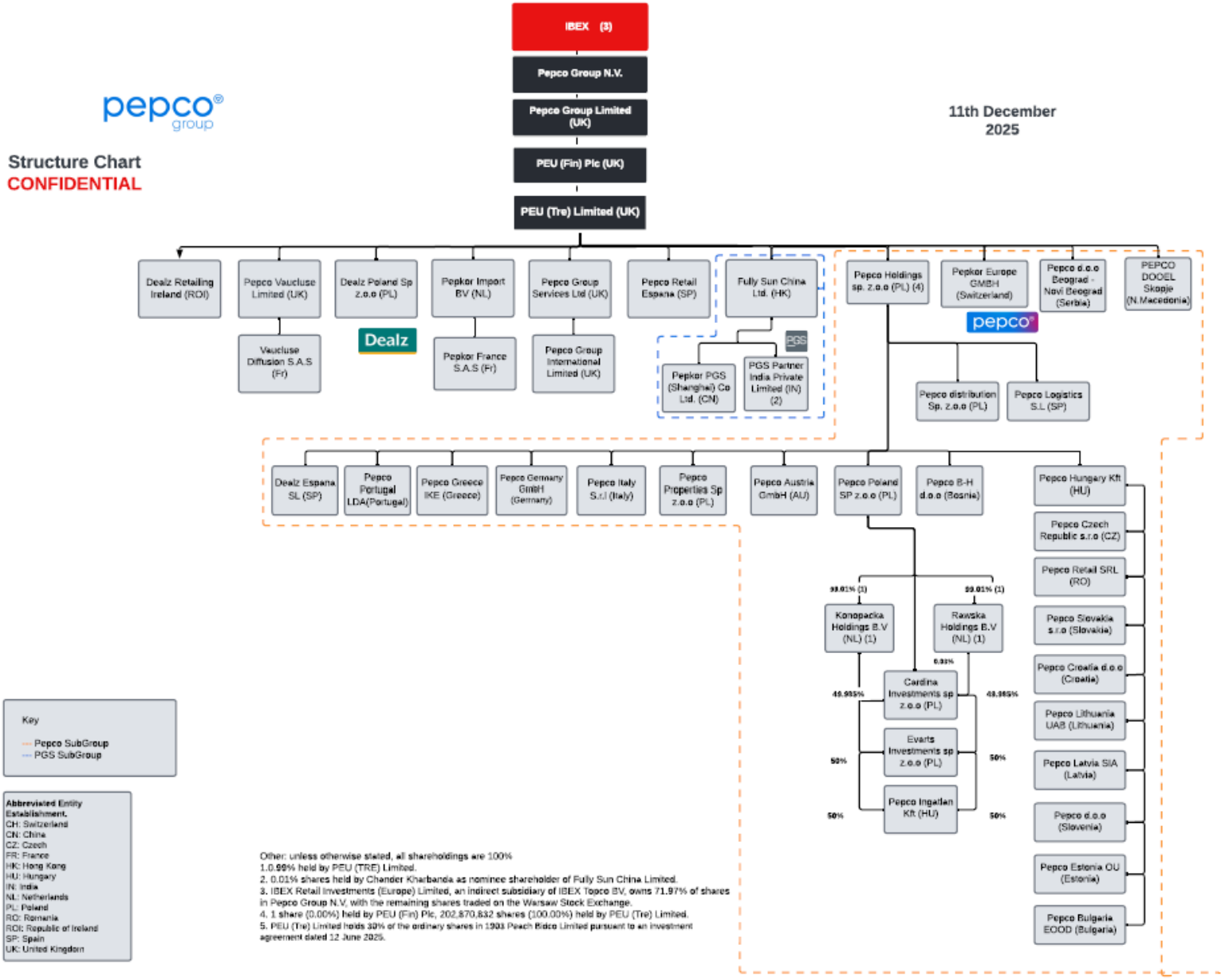
None of the Issuer's other financial instruments have been or are listed on any financial instruments market. The Issuer has not issued any depository receipts related to the financial instruments it issues.

12. **Basic information about the organisational or capital relations of the Issuer having a material impact on its operations, including entities of its group and entities which are not part of the issuer’s group but are significant to the issuer’s business and have capital or personal relations with the issuer, persons sitting on the issuer’s managing or supervisory bodies or the issuer’s significant shareholders,**

including at least the following information for each such entity: the (business) name and the legal form, the registered office and address, the business objects, the interest held by the issuer, persons sitting on the issuer's managing or supervisory bodies or the issuer's significant shareholders in the share capital or contribution and their stake in the total vote or voting rights

As of the date of this Information Document, 100% of the Issuer's issued share capital is owned by Pepco Group Limited (UK), which is wholly owned by the Parent Guarantor which holds 100% of issued share capital of Pepco Group Limited (UK).

The corporate structure of the Group is set out below:


pepco group
Structure Chart
CONFIDENTIAL
11th December 2025
IBEX (3)
Pepco Group N.V.
Pepco Group Limited (UK)
PEU (Fin) Plc (UK)
PEU (Tre) Limited (UK)
Dealz Retailing Ireland (ROI)
Pepco Vaucluse Limited (UK)
Dealz Poland Sp z.o.o (PL)
Pepkor Import BV (NL)
Pepco Group Services Ltd (UK)
Pepco Retail Espana (SP)
Fully Sun China Ltd. (HK)
Pepco Holdings sp. z.o.o (PL) (4)
Pepkor Europe GMBH (Switzerland)
Pepco d.o.o Beograd - Novi Beograd (Serbia)
PEPCO DOOEL Skopje (N.Macedonia)
Vaucluse Diffusion S.A.S (Fr)
Dealz
Pepkor France S.A.S (Fr)
Pepco Group International Limited (UK)
PGS
Pepkor PGS (Shanghai) Co Ltd. (CN)
PGS Partner India Private Limited (IN) (2)
pepco
Pepco distribution Sp. z.o.o (PL)
Pepco Logistics S.L (SP)
Dealz Espana SL (SP)
Pepco Portugal LDA(Portugal)
Pepco Greece IKE (Greece)
Pepco Germany GmbH (Germany)
Pepco Italy S.r.l (Italy)
Pepco Properties Sp z.o.o (PL)
Pepco Austria GmbH (AU)
Pepco Poland SP z.o.o (PL)
Pepco B-H d.o.o (Bosnia)
Pepco Hungary Kft (HU)
Pepco Czech Republic s.r.o (CZ)
Pepco Retail SRL (RO)
Pepco Slovakia s.r.o (Slovakia)
Pepco Croatia d.o.o (Croatia)
Pepco Lithuania UAB (Lithuania)
Pepco Latvia SIA (Latvia)
Pepco d.o.o (Slovenia)
Pepco Estonia OU (Estonia)
Pepco Bulgaria EOOD (Bulgaria)
99.01% (1)
99.01% (1)
Konopacka Holdings B.V (NL) (1)
Rawska Holdings B.V (NL) (1)
0.98%
49.995%
49.995%
Cardina Investments sp z.o.o (PL)
Evarts Investments sp z.o.o (PL)
Pepco Ingatlan Kft (HU)
50%
50%
50%
50%
Key
Pepco SubGroup
PGS SubGroup
Abbreviated Entity Establishment.
CH: Switzerland
CN: China
CZ: Czech
FR: France
HK: Hong Kong
HU: Hungary
IN: India
NL: Netherlands
PL: Poland
RO: Romania
ROI: Republic of Ireland
SP: Spain
UK: United Kingdom
Other: unless otherwise stated, all shareholdings are 100%
1.0.99% held by PEU (TRE) Limited.
2. 0.01% shares held by Chander Kharbanda as nominee shareholder of Fully Sun China Limited.
3. IBEX Retail Investments (Europe) Limited, an indirect subsidiary of IBEX Topco BV, owns 71.97% of shares in Pepco Group N.V, with the remaining shares traded on the Warsaw Stock Exchange.
4. 1 share (0.00%) held by PEU (Fin) Plc, 202,870,832 shares (100.00%) held by PEU (Tre) Limited.
5. PEU (Tre) Limited holds 30% of the ordinary shares in 1903 Peach Bidco Limited pursuant to an investment agreement dated 12 June 2025.

There are the following subsidiaries and affiliated companies in the Group:

Statutory list of all subsidiaries and affiliated companies

List of direct and indirect subsidiaries as at 30 September 2025

Country of incorporation	Entity name	Registered no.	Shareholding	Principal place of business
Austria	Pepco Austria GmbH	FN 534293a	100%	Gertrude-Fröhlich-Sandner-Straße 2-4/ Turm 9/7. Stock, 1100 Wien
Bosnia and Herzegovina	Pepco B-H d.o.o.	4203144510006	100%	Sarajevo, street Skenderpašina no. 1, Municipality Centar Sarajevo, 71 000 Sarajevo, Bosnia
Bulgaria	Pepco Bulgaria EOOD	205119149	100%	Mladost 4, Bul./Ul. Ul. Biznes Park Sofiya 1, Bl. Sgrada 8, ET. 6 Sofia 1766, Bulgaria
China	Pepco Global Sourcing Shanghai Co., Ltd	913100007914	100%	8th Floor, H Zone (East), 666 Beijing East Road, Huangpu District, Shanghai
China (Hong Kong)	Fully Sun China Limited	CR 1075298	100%	Rm 1006-8, 10/F, Sun House, 181, Des Voeux Road Central Sheung Wan, Hong Kong
Croatia	Pepco Croatia d.o.o.	MBS 081038164	100%	Zagreb (Grad Zagreb), Damira Tomljanovića Gavrana 11
Czechia	Pepco Czech Republic s.r.o.	24294420	100%	Prague 4 – Nusle, Hvězdova 1716/2b, PSČ 14078
England and Wales	Pepco Group International Limited	14772767	100%	14th Floor Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
	Pepco Group Limited	9127609	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Pepco Group Services Limited	10972213	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Pepco Vaucluse Limited	3484379	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Peu (Fin) Plc	11808114	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Peu (Tre) Limited	11808312	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
Estonia	Pepco Estonia OÜ	14249111	100%	Sõpruse Pst 145, Kristiine District, Tallinn, 13417, Estonia
France	Pepkor France S.A.S.	RCS 805 402 104	100%	1 Place Boieldieu, 75002, Paris, France
	Vaucluse Diffusion S.A.S.	RCS 306 487 075	100%	19 Rue du Musée 13001 Marseille, France
Germany	Pepco Germany GmbH	HRB 224064	100%	c/o WeWork, Kemperplatz 1, DE-10785, Berlin
Greece	Pepco Greece IKE	162515401000	100%	Municipality of Nikaia – Agios Ioannis Renti, at Petrou Ralli Street No 97, PC 18233
Hungary	Pepco Hungary Kft	Cg. 01-09-192750	100%	H-1138 Budapest, Váci út 187
	Pepco Ingatlan Kft	Cg. 01-09-300734	100%	H-1138 Budapest, Váci út 187
India	PGS Partner India Private Limited	U74999HR2018 FTC073537	100%	Unit No-128, Suncity Success Tower Sector, 65, Gold Course Extn Road, Gurugram, Gurgaon HR, 122005

Country of incorporation	Entity name	Registered no.	Shareholding	Principal place of business
Italy	Pepco Italy S.r.l	MI-2568153	100%	Via Michelangelo Buonarroti 39, 20145 Milano (MI), Italy
Latvia	Pepco Latvia SIA	40203062113	100%	Strelnieku iela 9 – 7, Riga, LV-1010, Latvia
Lithuania	Pepco Lithuania UAB	304488450	100%	Vilnius, Upės g. 9-2, LT-09308, Lithuania
North Macedonia	PEPCO DOOEL Skopje	7869932	100%	Naum Naumovski-Borche St. No. 40/5-8, Skopje – Centar
Netherlands	Konopacka Holdings B.V.	KvK 58864504	100%	Noord Brabantlaan 265, 5652LD Eindhoven
	Pepkor Import B.V.	KvK 61649112	100%	Noord Brabantlaan 265, 5652LD Eindhoven
	Rawksa Holdings B.V.	KvK 58864385	100%	Noord Brabantlaan 265, 5652LD Eindhoven
Poland	Cardina Investments Sp z.o.o.	KRS 0000424893	100%	ul. Strzeszyńska 73B lok. 4, 60-479 Poznań
	Dealz Poland Sp z.o.o.	KRS 0000692949	100%	Ul. Jasielska 16A, 60-476 Poznan, Wielkopolskie
	Evarts Investments Sp z.o.o.	KRS 0000471011	100%	ul. Strzeszyńska 73B lok. 4, 60-479 Poznań
	Pepco Distribution Sp. z o.o.	1042265	100%	ul. Strzeszyńska 75, 60 – 479 Poznań
	Pepco Holdings Sp z.o.o.	791461	100%	ul. Strzeszyńska 73A, 60-479 Poznań
	Pepco Poland Sp z.o.o.	KRS 0000111962	100%	ul. Strzeszyńska 73A, 60-479 Poznań
	Pepco Properties Sp z.o.o.	KRS 0000356422	100%	ul. Strzeszyńska 73A, 60-479 Poznań

Country of incorporation	Entity name	Registered no.	Shareholding	Principal place of business
Portugal	Pepco Portugal Unipessoal LDA	3453-7748-7417	100%	Rua Hermano Neves 18, piso 3, E7, 1600-477 Lisbon (Portugal)
Republic of Ireland	Dealz Retailing (Ireland) Limited	541977	100%	Unit 3 Westend Retail Park, Blanchardstown, Dublin 15
Romania	Pepco Retail SRL	J40/4655/2013	100%	17 Ceasornicului street, 3rd floor, District 1, Bucharest, Romania
Serbia	Pepco d.o.o. Beograd-Novi Beograd	21457345	100%	Bulevar Mihaila Pupina 10L, 11000 Novi Beograd, Serbia
Slovakia	Pepco Slovakia s.r.o.	46 868 674	100%	Nevädzova 6, Ružinov, Bratislava, 821 01, Slovakia
Slovenia	Pepco d.o.o.	7176457000	100%	Tržaška cesta 515, Brezovica pri Ljubljani, 1351, Slovenia
Spain	Dealz España S.L	B86867512	100%	C/Bravo Murillo 192, Madrid, Spain
	Pepco Logistics S.L	773439	100%	C/Bravo Murillo 192, Madrid, Spain
	Pepco Retail España S.L	B86283751	100%	Avda. Baix Llobregat 1-3, Módulo A, Planta Baja Par No., Esc. P, El Prat de Llobregat
Switzerland	Pepkor Europe GmbH	CHE-194.732.602	100%	c/o Kanzlei Pilatushof, Hirschmattstrasse 15, 6003 Luzern

Of all the subsidiaries listed above, the following entities are considered material to the Group based on net fixed assets and EBITDA:

(a) **Peu (Tre) Limited**, country of incorporation: UK, registered office and address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW15DH, business object: Group treasury company controlling FX hedging, revolving credit facility and intercompany financing, shareholding: 100% owned by the Issuer;

(b) **Pepco Holdings sp z o.o.**, country of incorporation: Poland, registered office and address: ul. Strzeszyńska 73A, 60-479 Poznań, business object: Pepco holding company for all Pepco retailers based in the EU, shareholding: 100% owned by the Group company being indirect subsidiary of the Issuer;

(c) **Pepco Poland sp z o.o.**, country of incorporation: Poland, registered office and address: ul. Strzeszyńska 73A, 60-479 Poznań, business object: largest retailer for the Group, Polish retail company, shareholding: 100% owned by the Group company being indirect subsidiary of the Issuer;

(d) **Pepco Hungary Kft**, country of incorporation: Hungary, registered office and address: H-1138 Budapest, Váci út 187, business object: Hungarian retail company, shareholding: 100% owned by the Group company being indirect subsidiary of the Issuer;

(e) **Pepco Czech Republic s.r.o**., country of incorporation: Czechia, registered office and address: Prague 4 – Nusle, Hvězdova 1716/2b, PSČ 14078, business object: Czech retail company, shareholding: 100% owned by the Group company being indirect subsidiary of the Issuer; and

(f) **Pepco Retail SRL**, country of incorporation: Romania, registered office and address: 17 Ceasornicului street, 3rd floor, District 1, Bucharest, Romania, business object: Romanian retail company, shareholding: 100% owned by the Group company being indirect subsidiary of the Issuer.

Material stakeholders outside of the Group

As of the date of this Information Document, 71.97% of the Parent Guarantor's issued share capital is owned by Ibex Retail Investments (Europe) Limited, a company incorporated and registered under the laws of England and Wales with its registered address at The Space (Floor 3), 120 Regent Street, London, W1B 5FE. The ultimate parent company of Ibex Retail Investments (Europe) Limited, and therefore of the Issuer, is IBEX Topco B.V. ("**ITBV**"), a private limited liability company (*besloten vennootschap*) incorporated under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa.

At the time of the Parent Guarantor's initial listing on the WSE, the Parent Guarantor entered into a relationship agreement (the "**Relationship Agreement**") with a predecessor of ITBV (the "**Predecessor**") and certain of its affiliate enterprises to regulate the relationship between the Group and its majority shareholder. Following the implementation of the reorganisation of the Predecessor group, the rights were transferred to ITBV, resulting in an amended and restated Relationship Agreement between ITBV and certain of its affiliate enterprises (the "**ITBV Affiliates**") on the one hand and the Parent Guarantor on the other. The Relationship Agreement was further amended and restated on 24 March 2025. The Relationship Agreement provides that:

(a) for so long as the ITBV Affiliates hold, in aggregate, more than 30% of the voting rights of the Parent Guarantor, the ITBV Affiliates shall jointly be entitled to nominate three non-executive directors to the PGNV Board. The non-executive directors appointed pursuant to the Relationship Agreement shall jointly be entitled to nominate (i) the director to be appointed as Chair of the PGNV Board, and (ii) the director to be appointed as Chair of the Remuneration Committee of the PGNV Board;

(b) for so long as the ITBV Affiliates hold, in aggregate, less than 30% but more than 20% of the voting rights of the Parent Guarantor, the ITBV Affiliates shall jointly be entitled to nominate two non-executive directors to the PGNV Board;

(c) for so long as the ITBV Affiliates hold, in aggregate, less than 20% but more than 10% of the voting rights of the Parent Guarantor, the ITBV Affiliates shall jointly be entitled to nominate one non-executive director to the PGNV Board;

(d) if the ITBV Affiliates hold, in aggregate, less than 10% of the voting rights of PGNV, they will no longer be entitled to nominate any members of the PGNV Board;

(e) subject to compliance with applicable laws and regulations, including MAR, the Parent Guarantor will: (i) provide certain information to the ITBV Affiliates to enable the ITBV group of companies to fulfil its regulatory and legal obligations and to facilitate the preparation of the accounts of the ITBV Affiliates and connected enterprises, for so long as such provision is reasonably required by generally applicable accounting principles; and (ii) provide reasonable assistance and access to the Parent Guarantor's management in connection with any planned disposal of shares in the Parent Guarantor, that are held by the ITBV Affiliates;

(f) transactions and arrangements between the ITBV group of companies and the Group will be conducted on an arm's length basis and on normal commercial terms; and

(g) no member of the ITBV group of companies will propose or procure the proposal of any shareholder resolution which would prevent PGNV from complying with its legal, statutory or regulatory obligations.

There are no single suppliers or financing partners that would be considered material to the Group.

13. **Personal, property and organisational relations between: a) the issuer and persons on the issuer's managing and supervising authorities; b) the issuer or persons on the issuer's managing and supervising authorities and the issuer's significant shareholders or partners**

The management board does not hold any shares in the Issuer or in the company of the Issuer's sole shareholder. Apart from the links described above, there are no other significant personal, financial or organisational connections between the Issuer and the members of its management and supervisory bodies.

14. **Basic information about products, goods or services, together with their value and quantity and the share of the individual groups of products, goods and services or, if material, individual products, goods and services in the total sales revenues for the Group and the Issuer, broken down by business segments**

Established in 2014, the Group is a pan-European discount variety retailer specialising in clothing and general merchandise through the Group's core brand, Pepco. Originally established in Poland, Pepco now has just over 4,000 stores across Central, Eastern and Western Europe and serves over 41 million customers annually.

The Group's stores are local and convenient, offering a combination of clothing and homewares-led general merchandise, including toys and seasonal products. The majority of these products are sourced via our integrated sourcing business, PGS, which serves to maximize our buying scale and operating efficiencies across our operations while providing visibility and control over our supply chain. The Group provides core shopper, a "family on a budget," with all their regular shopping replenishment needs.

Main operating segment of the Group is Pepco. Pepco is CEE's variety discount player, which offers affordable, high-quality apparel for the whole family (with a particular strength in childrenswear), home décor, toys, and seasonal products. As at 22 December 2025 the Group operated 4,065 Pepco stores in 18 countries across CEE and WE markets including Greece, Italy and Spain. The Group's goal is to further grow highly diversified geographic presence in Europe by dynamically expanding retail network through rollout in existing markets as well as by expanding into new markets. The Group operates its stores in a standardized format, with a discount mindset and a focus on leveraging large volumes while decreasing our operating costs. This format is key to ensuring price leadership. As a result, Pepco holds major positions across its key product categories, with consistently increasing market share. The Group's local and convenient stores offer a wide range of products at market leading prices to provide core shoppers with all their regular shopping replenishment needs at competitive prices. In addition, most of products are sourced via the Group's integrated sourcing business which helps ensure that our products offer value for money with lowest price point whilst being of high quality and responsible sourcing. The Group's aim is to combine high quality and affordable prices to create a unique customer offering on the market, which provides numerous growth opportunities and future strong prospects.

The Group also owns Dealz, a small FMCG-led business in Poland with 344 stores.

Revenue comprises the consideration paid for products by external customers at the point of sale in stores, net of value added tax and promotional sales discounts.

The Group's disaggregated revenue recognised relates to the following geographical segments:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Poland	1,712,936	1,617,790
Rest of Central and Eastern Europe	2,115,578	1,950,271
Western Europe	694,949	592,355
	4,523,463	4,160,416

The Group's disaggregated revenue recognised relates to the following operating segments:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Revenue		
Pepco	4,184,209	3,853,169
Dealz Poland	339,254	307,247
Group Revenue	**4,523,463**	4,160,416
Cost of sales		
Pepco	2,128,499	1,998,243
Dealz	230,032	213,544
Consolidation adjustments	(1,594)	(4,751)
Group cost of sales	**2,356,937**	2,207,036
Underlying EBITDA		
Pepco	874,327	792,906
Dealz Poland	24,694	13,117
Other	(33,749)	(22,144)
Group Underlying EBITDA	**865,272**	783,879
Reported EBITDA		
Pepco	847,101	750,643
Dealz Poland	16,777	11,299
Other	(23,786)	(24,162)
Reported EBITDA	**840,092**	737,780
Less reconciling items to operating profit		
Depreciation of right-of-use asset	(301,301)	(271,440)
Impairment of right-of-use asset	(32,631)	(419)
Depreciation of property, plant and equipment	(145,604)	(132,435)
Impairment of property, plant and equipment	(22,639)	(4,437)
Amortisation of other intangibles	(8,117)	(5,662)
Impairment of other intangibles	(10,146)	(619)
Profit on disposal of property, plant and equipment	220	272
Other expenses	–	1
Group operating profit from continuing operations	**319,874**	323,041

15. **Description of the Issuer's and the Group's main domestic and foreign investments, including capital investments, for the period covered by the consolidated financial statements included in the Information Document**

The Issuer only has UK investments – comprising 100% shareholding of PEU (TRE) Ltd, and an intercompany loan to PEU (TRE) Ltd. As follows:

6. Fixed asset investments

	30 September 2024 €000	30 September 2023 €000
Investment in subsidiary	724,978	724,978
Loans	386,000	414,209
	1,110,978	1,139,187

Movements in non-current investments

	Shares in group undertakings €000	Loans to group undertakings €000
Cost		
At 1 October 2023	724,978	414,209
Additions	-	11,891
Disposals	-	(40,100)
At 30 September 2024	724,978	386,000
Carrying amount		
At 30 September 2024	724,978	386,000

Additions and Disposals in the prior year relate to advancements to and repayments from other group undertakings respectively

The Group's main domestic and foreign investments, including capital investments, as at 30 September 2025 are shown below:

Consolidated statement of financial position

at 30 September 2025

	Note	30 September 2025 €000	30 September 2024 (Restated) €000	As at 1 October 2023 (Restated) €000
Non-current assets				
Property, plant and equipment	10	479,859	672,097	746,437
Right-of-use asset	12	986,276	1,290,531	1,246,837
Goodwill and other intangible assets	11	17,627	292,347	847,477
Loans receivable		3,199	–	–
Trade and other receivables	14	64	52	46
Derivative financial instruments	17	589	1,766	6,232
Deferred tax asset	18	113,244	86,418	116,621
		1,600,858	2,343,211	2,963,650
Current assets				
Inventories	13	892,487	1,174,676	1,119,547
Tax receivable		20	253	865
Trade and other receivables	14	63,255	102,874	143,132
Derivative financial instruments	17	16,023	32,741	42,106
Cash and cash equivalents		464,357	362,881	330,417
		1,436,142	1,673,425	1,636,067
Total assets		**3,037,000**	4,016,636	4,599,717
Current liabilities				
Trade and other payables	15	949,582	1,357,908	1,297,945
Current tax liabilities		54,904	34,105	–
Lease liabilities	12	284,796	394,469	304,794
Borrowings	16	430,937	–	118,794
Derivative financial instruments	17	85,839	51,259	91,045
Provisions	19	37,868	26,041	2,254
		1,843,926	1,863,782	1,814,832

	Note	30 September 2025 €000	30 September 2024 (Restated) €000	As at 1 October 2023 (Restated) €000
Non-current liabilities				
Trade and other payables	15	3,404	3,396	21,763
Lease liabilities	12	781,514	1,034,395	988,377
Borrowings	16	195,693	612,980	610,270
Derivative financial instruments	17	1,559	1,227	1,730
Provisions	19	47,892	59,605	67,409
		1,030,062	1,711,603	1,689,549
Total liabilities		**2,873,988**	3,575,385	3,504,381
Net assets		**163,012**	441,251	1,095,336
Equity attributable to equity holders of the parent				
Share capital	20	5,775	5,760	5,760
Share premium reserve	20	13	13	13
Treasury shares	20	(49,912)	–	–
Cash flow hedge reserve		(26,976)	(4,351)	(32,391)
Merger reserve		(562)	(751)	(751)
Translation reserve		13,337	19,981	(25,229)
Share-based payment reserve		52,192	39,908	33,013
Retained earnings		169,145	380,691	1,114,921
Total shareholders' equity		**163,012**	441,251	1,095,336

In terms of the Group's major foreign investment projects, please refer to section 6 (*Short background information on the Issuer and the Group*) and section 14 (*Basic information about products, goods or services, together with their value and quantity and the share of the individual groups of products, goods and services or, if material, individual products, goods and services in the total sales revenues for the Group and the Issuer, broken down by business segments*) in Chapter V. (*Information on the Issuer*) of this Information Document where the markets in which the Group is present are indicated.

16. **Information about bankruptcy, restructuring or liquidation proceedings instituted with respect to the Issuer**

Not applicable. No bankruptcy, restructuring or liquidation proceedings have been instituted with respect to the Issuer.

17. **Information about settlement, arbitration or enforcement proceedings instituted with respect to the Issuer, if the outcome of such proceedings is or may be of material significance for the Issuer's economic activity**

Not applicable. No settlement, arbitration or enforcement proceedings, which have or could be of material importance for the Issuer's operations.

18. **Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or which to the Issuer's knowledge may arise, and which may have had or have recently had an impact on the Issuer's financial situation, or information about the absence of such proceedings**

To the Issuer's knowledge, no proceedings before governmental authorities, court or arbitration proceedings have been initiated against the Issuer or its subsidiaries, including any pending proceedings, for a period covering at least the last 12 months, or those that to the Issuer's knowledge may arise, and which may have had or have recently had a material impact on the financial situation or the profitability of the Issuer.

19. **The Issuer's obligations relevant from the point of view of the performance of obligations towards holders of financial instruments, which are related in particular to the development of its economic and financial situation**

The table below presents the Group's consolidated balance sheet as at 30 September 2025, 30 September 2024 and 1 October 2023, including liabilities:

Consolidated statement of financial position

at 30 September 2025

	Note	30 September 2025 €000	30 September 2024 (Restated) €000	As at 1 October 2023 (Restated) €000
Non-current assets				
Property, plant and equipment	10	479,859	672,097	746,437
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Treasury shares	20	(49,912)	–	–
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Merger reserve		(562)	(751)	(751)
Translation reserve		13,337	19,981	(25,229)
Share-based payment reserve		52,192	39,908	33,013
Retained earnings		169,145	380,691	1,114,921
Total shareholders' equity		**163,012**	441,251	1,095,336

20. **The Issuer's off-balance sheet liabilities and their structure by maturity and category**

Not applicable. The Issuer does not have any off-balance sheet liabilities.

21. **Information about non-standard circumstances or events affecting the results of the Issuer's economic activity for the period covered by the financial statements included in this Information Document**

To the best of our knowledge, there are no non-standard circumstances or events that may affect the results of business activity for the period covered by the financial statements included in this Information Document.

22. **Indication of any material changes in the economic, property and financial situation of the Issuer and its Group, and other information relevant to their assessment, which occurred after the financial data contained in Chapter VI of this Information Document were prepared**

During November 2025, we completed our refinancing in the course of a dual-track process including EUR 770 in committed credit facilities under the New Senior Facilities Agreement and the Bonds. As a result of the refinancing, EUR 375m 7.250% senior secured notes due 2028 were fully redeemed on 3 November 2025, and the facilities under the Original Senior Facilities Agreement were fully repaid on 7 November 2025.

The refinancing reduced the average coupon from 6.4% to 3.9%, extended the debt maturity by three years, and reduced annual interest costs by €14 million.

The Group's current external financing structure is as follows:

Facility	Amount	Coupon	Maturity

3-year term loan facility under the New Senior Facilities Agreement	€235m	12m Euribor + 1.55% (2.08% + 1.55% = 3.58%)	5 November 2028
5-year term loan under the New Senior Facilities Agreement	€235m	12m Euribor + 1.70% (2.08% + 1.70% = 3.23%)	5 November 2030
Revolving credit facility under the New Senior Facilities Agreement	€300m	12m Euribor +1.35% (2.08% + 1.35%) =3.43%)	5 November 2030
Bonds	PLN 600m (approximately EUR 141m)	WIBOR6M + 2,50% (fixed EUR 4.50%)[2]	6 November 2030

23. **Professional CVs of the Issuer's managing persons**

As of the date of this Information Document, the Issuer's Board of Directors consists of Alan Chitty, Katie Close, Willem Eelman.

Alan Chitty (position: director, term: appointed for an indefinite period, qualifications: Chartered Accountant (South Africa), role: Pepco Group Treasurer)

Alan Chitty has been with the Group for 5 years as Group Treasurer. He has been involved in Global Finance and Treasury roles for over 25 years in companies such as Asahi International, SABMiller, Anglo American and Toyota.

Over the last three years Alan Chitty was or continues to be a member of the management or supervisory bodies of the following companies:

Company	Position	Period
Pepco Group Limited	Director	16 May 2022 - active
Peu (Fin) Plc	Director	16 May 2022 - active
Peu (Tre) Limited	Director	16 May 2022 - active
Pepco Group Services Limited	Director	16 May 2022 - active
Pepco Group International Limited UK	Director	16 May 2022 - active

[2] After swap to EUR fixed.

Alan Chitty's activities outside the Issuer are of no material significance to the Issuer.

Alan Chitty has not been convicted by a final judgment of any offenses referred to in Article 18 § 2 of the Commercial Companies Code or offenses specified in the Trading Act, the Public Offering Act, or the Commodity Exchange Act, or for similar offenses within the meaning of foreign law. Alan Chitty has not been prohibited by a court from acting as a member of management or supervisory bodies in commercial law companies.

Alan Chitty has not, in the last five years, held a supervisory or management position in entities that were subject to bankruptcy, restructuring, receivership, or liquidation during his term of office.

Alan Chitty does not conduct any activities that are competitive to the Issuer's business and is not a partner in a competing civil law partnership or partnership, a member of a governing body of a company, or a member of a governing body of any competing legal entity.

Alan Chitty is not entered in the register of insolvent debtors maintained pursuant to the National Court Register Act, or in any other equivalent register maintained pursuant to the law of a country other than the Republic of Poland.

Katie Close (position: director, term: appointed for an indefinite period, qualifications: FCA (Fellow Chartered Accountant) ICAEW (Institute of Chartered Accountants in England and Wales), role: Pepco Group Financial Controller)

Katie Close has been with the Group for since April 2024 as Group Financial Controller. She has been involved in Global Finance, Investor Relations and M&A roles for 30 years in companies such as Unilever, Anheuser-Busch InBev, SABMiller, and PWC.

Over the last three years Katie Close was or continues to be a member of the management or supervisory bodies of the following companies:

Company	Position	Period
Pepco Group Limited	Director	14 August 2025 - active
Peu (Fin) Plc	Director	14 August 2025 - active
Peu (Tre) Limited	Director	14 August 2025 - active
Pepco Group Services Limited	Director	14 August 2025 - active
Pepco Group International Limited UK	Director	14 August 2025 - active

Katie Close's activities outside the Issuer are of no material significance to the Issuer.

Katie Close has not been convicted by a final judgment of any offenses referred to in Article 18 § 2 of the Commercial Companies Code or offenses specified in the Trading Act, the Public Offering Act, or the Commodity Exchange Act, or for similar offenses within the meaning of foreign law. Katie Close has not been prohibited by a court from acting as a member of management or supervisory bodies in commercial law companies.

Katie Close has not, in the last five years, held a supervisory or management position in entities that were subject to bankruptcy, restructuring, receivership, or liquidation during his term of office.

Katie Close does not conduct any activities that are competitive to the Issuer's business and is not a partner in a competing civil law partnership or partnership, a member of a governing body of a company, or a member of a governing body of any competing legal entity.

Katie Close is not entered in the register of insolvent debtors maintained pursuant to the National Court Register Act, or in any other equivalent register maintained pursuant to the law of a country other than the Republic of Poland.

Willem Eelman (position: director, term: appointed for an indefinite period, qualifications: Chartered Controller Degree, role: Pepco Group CFO)

Willem Eelman has been with the Group for since February 2025 as Group CFO. He has been involved in Global Finance, IT and M&A roles for 40 years in companies such as Unilever, C&A, GrandVision NV, and Metro AG.

Over the last three years Willem Eelman was or continues to be a member of the management or supervisory bodies of the following companies:

Company	Position	Period
Pepco Group Limited	Director	28 February 2025 - active
Peu (Fin) Plc	Director	28 February 2025 - active
Peu (Tre) Limited	Director	28 February 2025 - active
Pepco Group Services Limited	Director	28 February 2025 - active
Pepco Group International Limited UK	Director	28 February 2025 - active
Pepco Holdings Sp z.o.o.	Director	25 March 2025 - active
IMCD N.V.	Supervisory Board Member	1 May 2022 - active

METRO AG	Supervisory Board Member	6 February 2024 - active
Shero Holdco B.V.	Board Member	30 November 2023 - active
Hunkemöller B.V.	Board Member (via holding)	30 November 2023 - active

Willem Eelman's activities outside the Issuer are of no material significance to the Issuer.

Willem Eelman has not been convicted by a final judgment of any offenses referred to in Article 18 § 2 of the Commercial Companies Code or offenses specified in the Trading Act, the Public Offering Act, or the Commodity Exchange Act, or for similar offenses within the meaning of foreign law. Willem Eelman has not been prohibited by a court from acting as a member of management or supervisory bodies in commercial law companies.

Willem Eelman has not, in the last five years, held a supervisory or management position in entities that were subject to bankruptcy, restructuring, receivership, or liquidation during his term of office.

Willem Eelman does not conduct any activities that are competitive to the Issuer's business and is not a partner in a competing civil law partnership or partnership, a member of a governing body of a company, or a member of a governing body of any competing legal entity.

Willem Eelman is not entered in the register of insolvent debtors maintained pursuant to the National Court Register Act, or in any other equivalent register maintained pursuant to the law of a country other than the Republic of Poland.

24. **Data on the Issuer's shareholding structure, indicating the shareholders holding at least 5% of votes at the shareholders' meeting**

As at the date of this Information Document, the shareholding structure of the Issuer is as follows:

Shareholder	Number of shares	Nominal value of each share	Share %
Pepco Group Limited	72,497,788,743	EUR 0.00001	100%

VI. FINANCIAL STATEMENT

Consolidated financial statements of the Parent Guarantor for the financial year ended 30 September 2025, together with the opinion of the statutory auditor



pepco group

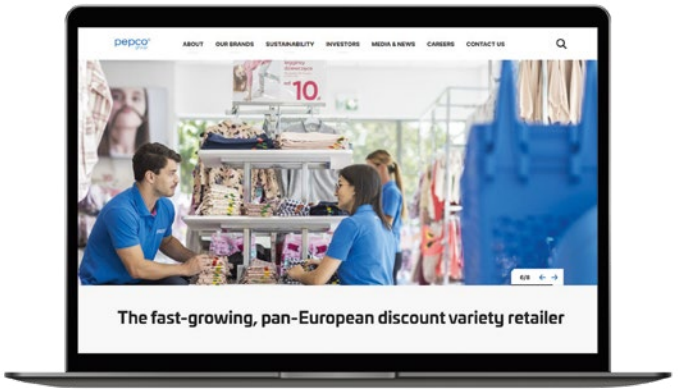
Value you feel

Annual Report 2025

Value you feel

Pepco Group is a leading variety discount retailer with a strong portfolio of stores across Central, Eastern and Western Europe. Our strategy is built around our core Pepco brand which offers quality clothing and general merchandise products at market-leading prices to a highly loyal customer base.

For more on our strategy go to page 17



For more on Pepco Group, visit our website: www.pepcogroup.eu

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This copy of the annual financial reporting of Pepco Group N.V. for the year ended 30 September 2025 is not presented in ESEF-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815).

The ESEF single reporting package is available at: https://www.pepcogroup.eu/investors/financial-reports-presentations-amp-videos/

FY25 highlights

Group financial highlights[1]

All metrics are for the continuing business only, unless otherwise specified.

Revenue (€m)

FY25	4,523
FY24	4,160

Like-for-like revenue growth (%)

FY25	2.6%
FY24	(3.0%)

Net new stores

FY25	247
FY24	379

Underlying gross margin (%)

FY25	48.0%
FY24	47.0%

Reported operating profit (€m)

FY25	171
FY24	127

Free cash flow (€m)

FY25	342
FY24	281

Underlying earnings per share (c)

FY25	38.1
FY24	31.7

Reported earnings per share (c)

FY25	29.8
FY24	22.1

Loss for the year including discontinued operations (€m)

FY25	(176)
FY24	(734)

Group sustainability highlights[2]

Scope 1 & 2 GHG emissions[3]

FY25	81k tCO_2e
FY24	132k tCO_2e

Women in leadership positions

FY25	50%
FY24	28%

Supplier factory audits completed[4]

FY25	100%
FY24	100%

Group operational highlights

- Successful sale of Poundland in June 2025
- Exit of FMCG in all Pepco stores
- LFL growth restored in Poland in H2 FY25
- Strong growth delivered in Western Europe
- Improved customer proposition and product availability across our stores
- Early progress made in digital with significant advancements in our infrastructure

1. Many of these financial highlights are Alternative Performance Measures (APM). Please see note 27 for definitions and reconciliations of APMs. Further information on our financial performance can be found on p.40.
2. For more information on our Sustainability performance, see our Sustainability statement on p.96.
3. Pepco Group Scope 1 & 2 marked-based emissions excluding Poundland. For further information on our emissions metrics see Sustainability Statement page 119.
4. Percentage of factories audited against our annual supplier factory audit plan. For further information on our factory audit metric see Sustainability Statement page 145.

Strategic report

This year's performance reflects our commitment to disciplined execution, customer focus, and long-term value creation. Across the region, our teams continued to navigate a dynamic market with resilience and ambition, delivering strong results while advancing our strategic priorities. As we look ahead, we remain focused on sustainable growth, operational excellence, making everyday essentials affordable for every customer, improving quality of life and creating opportunities.

Bogdan Grigoriu
Regional Operations Director

A leader in variety discount retailing

Pepco Group is a leading pan-European discount variety retailer specialising in clothing and general merchandise through our core brand, Pepco. Originally established in Poland, Pepco now has just over 4,000 stores across Central, Eastern and Western Europe and is proud to serve over 41 million customers monthly. Pepco Group also owns Dealz, an FMCG-led business in Poland with 344 stores.

Stores

4,359

Customers (per month)

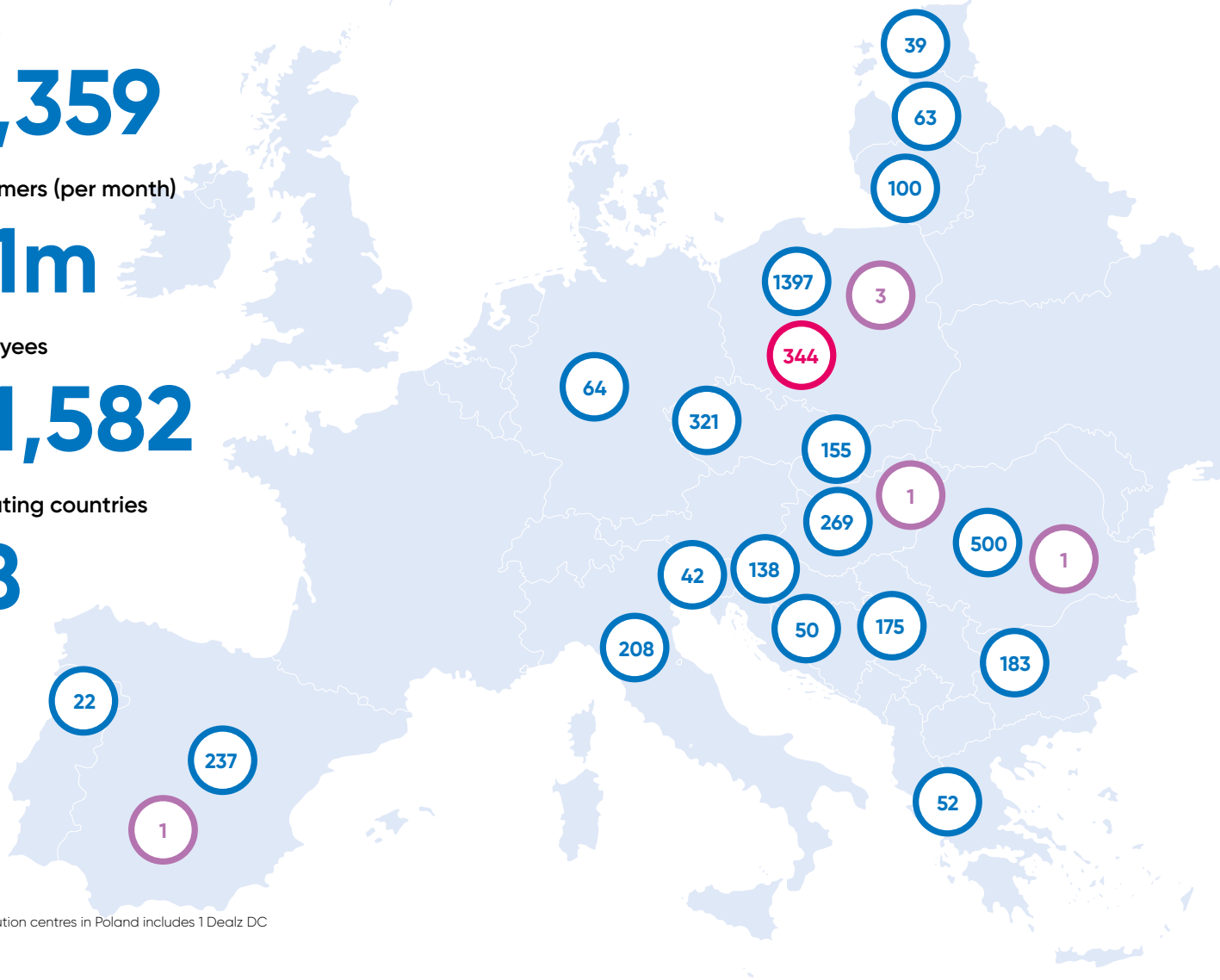
41m

Employees

31,582

Operating countries

18

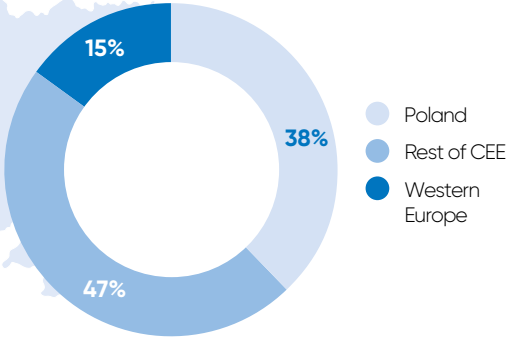


Our locations

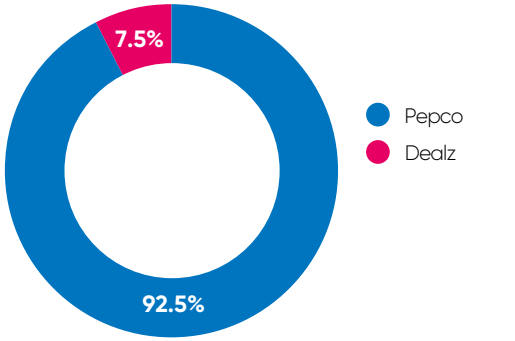
Pepco
Dealz
Distribution centres

Revenue

By region



By brand



1. Distribution centres in Poland includes 1 Dealz DC

Our purpose is to help all our customers live better lives

Our vision is to build Europe's leading clothing and general merchandise discount retailer

Our mission is to offer the lowest prices and the best value to families on a budget

Our strategy provides a clear framework for value creation

- Simplify and streamline the Group portfolio
- Refocus and digitise Pepco's customer proposition
- Topline growth through measured expansion in CEE
- Win in Western Europe
- Upgrade our core operating platform

Read more in our strategy section on pages 17

Pepco Group brands

Pepco is a fast-growing European discount variety retailer, operating over 4,000 stores across 18 countries. Pepco is widely recognised as one of CEE's strongest brands and most dynamic companies.

After more than 21 years of continuous growth, Pepco now serves over 41 million customers a month, offering clothing for the whole family, as well as household goods and toys, all at the lowest prices.

Pepco is the Group's primary brand and the focus of our strategy going forward. It represents 93% of Group revenue and 92% of our store footprint.

Dealz is a chain of FMCG-led stores that has been present in the Polish market since 2018. It has its own independent management team and operates across 344 locations in Poland. Dealz's FMCG focus no longer aligns with the Group's strategy, as a result, we intend to exit this business in the short to medium term.

Investment case

Pepco Group has a unique business proposition and is focused on maximising shareholder value.

Why invest?

Strong brand affinity

We have a well-recognised brand that resonates with consumers, creating loyalty and regular visits from our core customer base.

Price leadership

We have a strong reputation with customers for offering the best prices on quality clothing and general merchandise products.

Simplified, scalable model

We are becoming a more focused, efficient and disciplined business, centred around our core Pepco brand, with an increasingly standardised and scalable operating model.

Significant growth opportunity

We will deliver growth through enhanced operational excellence, increased customer engagement and expansion in our adjacent categories. This will be supplemented by store openings across established and new markets, with a particular focus on the sizeable whitespace opportunity in Western Europe.

Upside from digital

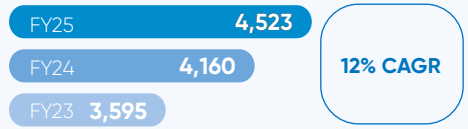
Pepco currently operates as a purely bricks and mortar retailer with no digital offering. There is significant potential to expand our customer engagement, average basket size, new customer growth and LTV through the development of digital capabilities and leveraging our data.

Focus on shareholder returns

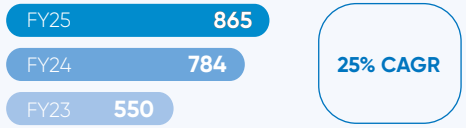
With profitable growth, a strong balance sheet and a disciplined approach to capital investment, the Group is generating consistent, strong free cash flow. We are focused on returning excess cash to shareholders.

By delivering value for our customers, we deliver value for our shareholders.

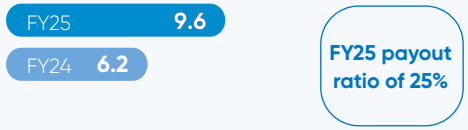
Revenue (€m)



Underlying EBITDA (€m)



Dividend (cents per share)



Note: all figures exclude Poundland.

Note: FY25 dividend is proposed and subject to approval at the AGM in March 2026.



Pepco – the core focus

It was an honour to be asked by my Board colleagues to take the role of Chair this year, succeeding Andy Bond, who made pivotal contributions as both CEO, and later as Chair. Andy took the reins at Pepco when it had a mere c.100 stores in Poland. He grew the business significantly, allowing me to inherit a business with a vast c.4,000 store portfolio spanning 18 countries. On behalf of the entire Board, I'd like to thank Andy once more for his years of dedication to helping make Pepco the iconic company it is today.

My mandate as Chair is to help take Pepco to the next level of performance and to drive value creation. Under the leadership of our new CEO, Stephan Borchert, that journey has begun with a flourish in numerous ways: strategic redirection, talent augmentation and diligent execution, all with a renewed sense of passion and urgency.

Governance & controls

The effectiveness of the ongoing collaboration between the Board and the management team is the most important aspect of governance for me. So much of the success or failure of a company emanates from this. As such, it is an area we have intensively sought to improve this past year as we planned for the strategic and operational improvements we wanted to accomplish.

The Board felt that to be the best possible resource for the new management team, and to provide best-in-class governance on behalf of stakeholders, we needed to understand the Company's challenges and opportunities in even greater detail, while simultaneously creating more effective processes for nimble and efficient collaboration.

Accordingly, we undertook a series of timely actions to enable high-value, agile and fast-paced Board decision-making. As a first step, we reduced the Board size to five members in preparation for the transformational change required. Then, through our Nomination Committee, we considered which skills and experience would best support future value creation during the "New Pepco" phase we were launching.

As a result, we have added three exceptionally qualified senior retail leaders as Board Observers, Dirk van den Berghe, Sander van der Laan and Nicolò Galante (all of whom will be proposed for election by our shareholders as Non-Executive Directors at the AGM on 11 March 2026), while still retaining a nimble, proactive Board model. For more information on these appointments please see page 70 in the Governance section and pages 81 and 82 in the Nomination Committee report. Finally, we sharpened the focus of our Board meeting agendas to emphasise and explore in detail the highly substantive strategic and operational topics critical to driving value creation, while also accentuating our focus on enhanced controls.

As to controls, under the focused oversight of the Board and, in particular, the Audit Committee, we've made great strides in further enhancing the Company's global compliance and control environment. We have achieved this while working carefully to preserve the entrepreneurial dynamism that has fuelled Pepco's growth over the years. This work has touched many areas: capital investment decision-making, sharpened ROIC metrics, enhanced internal audit processes, augmented IT resilience and controls, new compliance protocols, enhanced risk oversight and further sustainability efforts, to name just a few. In addition, we welcomed new external auditors to the Group, with Ernst & Young replacing Mazars, the latter having served the Company admirably since IPO.

By augmenting our governance and controls without impairing entrepreneurial dynamism, we have achieved dramatic improvements across the business.

Looking ahead, our business has focus, renewed energy and significant momentum. We go forward with excitement.

Frederick Arnold
Independent Non-Executive Chair

For example, in our Western European business, following intensive evaluation at both the management and Board levels and decisive action, we delivered LFL growth, excluding FMCG, of 14.1% and an uplift in pre-IFRS 16 Store EBITDA margin of 420bps thanks, in part, to the successful conversion of all our Pepco Plus stores. In Poland, the original and veritable core of Pepco, and still our largest market, we returned to LFL growth in H2, up 3.9% excluding FMCG.

Cultural and process changes are not always visible, but allow me to assure you, there is so much going on beneath the surface – new rigour, sharper discipline and improved controls. The results are starting to show and this is only the beginning.

Strategic redirection

Complementing the work to enhance governance and controls was a similar collaboration between Board and management, sharpening the strategic direction of the Company. The most critical decision was to exit fast moving consumer goods (FMCG) and refocus on Pepco's core strengths – deep-discount retailing of quality clothing and general merchandise in our most attractive markets. This streamlined strategy was communicated in detail by Stephan and the wider senior leadership team at our Capital Markets Day in March 2025, and is referenced in Stephan's CEO statement on page 8.

With Board support, the senior leadership team has been executing our strategy with due urgency and rigorous attention to detail – cultural touchstones for New Pepco. Significant progress has been made in the nine months since our new strategy was presented.

Among our many achievements, three critical milestones in our strategic move back to our core competitive strengths stand out. First, we executed a full strategic and financial separation of Poundland through a sale to Gordon Brothers in June 2025, positioning Poundland for a necessary restructuring, while also creating a potential path for it to enjoy future success as a stand-alone FMCG-led company. Second, we removed FMCG from our Pepco stores, including the reformatting of our Pepco Plus stores in Iberia, which we achieved while successfully enhancing core clothing and GM offerings there. Finally, we clarified our strategy for FMCG-led Dealz, helping the business consolidate recent successes in preparation for its future divestiture.

Our team's speed of execution on these key initiatives allowed us to start FY26 with a streamlined business model we have been calling "New Pepco" – which of course is partly a return to the core strengths of old Pepco, but with an enhanced foundation and a culture that emphasises disciplined, well-capitalised and expansive future growth.

Our management team

Our new senior leadership team is driving our growth-and-returns strategy. Our new Group CEO, Stephan Borchert, has re-energised many long-term Pepco leaders and recruited very talented executives to the business, instilling a culture of teamwork, transparent communication and a drive for excellence. Our recent additions include a new Group CFO, Pepco CFO, Group CIO, Western Europe COO, Group HRO, new leadership in PGS, as well as a new General Counsel of Pepco, alongside many others. We expect to add further senior strategic talent in FY26.

Value creation

In July 2025, the Board engaged with many Pepco leaders when we visited Poznan. We delved into the detail of the product range and visited stores, newer and older, larger and smaller. We also visited an array of competing stores. The Board is highly engaged in understanding our competition and adjusting our model to compete and win.

Through our Remuneration Committee, the Board is focused on ensuring the team's compensation remains closely aligned with our shareholders' interests. To that end, in FY25, we expanded the use of equity-based plans throughout the senior team and the Board. We believe that judicious use of incentives that align our senior leadership with our shareholder base helps position us for sustained value creation over time.

It is not just great retailing and operational execution that drive enhanced share value over time. The Board also prioritises disciplined capital allocation and balance sheet optimisation with a focus on free cash flow. Accordingly, we have positioned Pepco to be a robustly cash-positive business with ample flows to fund both our capital expenditure programme and enhanced capital returns to shareholders.

Our carefully crafted capital expenditure initiatives include both key platform enhancements, such as new IT systems, distribution and logistics architecture and omnichannel engagement, as well as critical store expansion and upgrades. As to capital allocation and balance sheet management, we paid the Group's first regular cash dividend in April 2025, as well as announcing and commencing execution of a share buyback programme in July 2025 given the Board's view that the Group's opportunities for future value creation were not reflected in our share price during the past year. Following the fiscal year end, we also refinanced our bond and term loan at significantly lower interest rates, improving profit after tax and enhancing financial flexibility.

Outlook

Effective Boards are about process and action. When a Board digs into the detail to make the kind of adjustments discussed above, and a strong management team executes well, positive results generally follow, as they did in FY25. Underlying EPS growth of 20% really demonstrates the impact of our actions. The Board thanks the entire team for their collaboration in seeing these difficult process changes through and for the work and commitment that drove these outstanding FY25 results.

Looking ahead, our business has focus, renewed energy and momentum, with years of opportunities both externally and internally to create and harvest consistent, sustainable growth. We go forward with excitement.

Frederick Arnold

Independent Non-Executive Chair



Shaping tomorrow together

Having taken over leadership of Pepco Group as its new CEO and member of its Board in October 2024, I am pleased with the significant strategic, operational and financial progress we have made in that time.

After a thorough period of assessment, I presented to my colleagues on the Board a quite far-reaching strategic plan which received broad support and was made public at the Capital Markets Day in March 2025.

At the same time as delivering on this plan, we achieved strong sales and profit performance in our core Pepco business during FY25, in what still remains a tough consumer and macro environment. We achieved this against a backdrop of far-reaching transformation across the Group and a new strategic roadmap. I am excited that we are successfully executing on our set objectives, including the sale of Poundland, as part of our overall exit from FMCG, and a consequent refocus on Pepco.

It is now clear that 2025 has proven to be a real turning point for the Group, which has been made possible through the support of a largely new leadership team. I am confident that we now have the right people across each role to build on the progress we've made this year. Our sharpened strategy and simplified Group structure have helped us to refocus on what makes our business successful – providing customers with quality products at market-leading prices.

Simplifying the Group structure

As part of our five-pillar strategic plan, we made the transformative decision to exit from our FMCG-led businesses and categories. Our standard Pepco store format has been the core value driver for the Group for many years, operating with faster revenue growth, higher margins, stronger cash generation and greater return on capital compared to our FMCG-led businesses of Poundland and Dealz.

The financial weakness in Poundland, in particular, was a significant drag on Group performance amid increasing competitive and cost challenges. We therefore acted swiftly and decisively to find the best steward for the business going forward. The sale to Gordon Brothers in June 2025 was a huge milestone for the Group and a significant step forward in advancing our earnings potential.

We also successfully reformatted all our Pepco Plus stores in Iberia, which sold primarily FMCG products, to standard Pepco stores, returning Pepco to its sole focus on our desired, higher margin categories – clothing and general merchandise.

I am pleased to say that the uplift in performance across these converted stores was almost immediate, with an increase in pre-IFRS 16 store EBITDA margin of 12.1ppts on an annualised basis, thanks to the beneficial gross profit margin difference.

Refocusing on Pepco has also allowed us to remove significant excess cost from the business as we align on our single store format, increasing synergies across the Group and enabling us to operate more efficiently. We've made good progress during FY25 but there is more we can realise in FY26 as we continue to sharpen our focus on these areas.

Leveraging the power of Pepco

The Pepco brand is the heart of the Group with a strong reputation among a large and growing customer base, processing roughly 440 million transactions per year. Our retail footprint continues to grow. We achieved a landmark opening with our 4,000th store in Madrid in September 2025. It was an extra special milestone to open this store in Western Europe – a market we have worked hard to prove the potential of this year, and one in which I am extremely encouraged by its prospects.

Visiting our retail stores across Europe over the last year, it is clear that Pepco resonates strongly with our customers. Our proposition as the go-to clothing and general merchandise discount retailer for young families on a budget is driving increasing loyalty amongst our customer base, as well as entrenching Pepco's market share versus the competition.

2025 has proven to be a real turning point for the Group and a year of swift strategic execution, made possible through the support of a reinvigorated leadership team.

Stephan Borchert
Group CEO

More than two-thirds of Pepco sales are generated by young, middle-income mums on a budget. These customers see Pepco as a true destination store, with our most loyal customers making around 14 visits on average during the year. As a result, Pepco has a c.30% market share in kids & baby wear and near complete brand recognition in our core CEE (Central and Eastern Europe) markets.

Financial performance

Such quick operational progress shows in our financial performance, as we delivered strong revenue of €4,523m, up 9%, and underlying EBITDA of €865m, up 10% in FY25. We also outperformed on underlying gross margin, which was up 100bps to 48.0%. The increase in gross margin was encouraging and was realised despite maintaining a strict focus on price leadership versus our competition.

Revenue growth was driven by Group LFL growth of 2.6% including FMCG (4.0% excluding FMCG) and new store expansion with 247 net new stores opened in FY25.

This growth was primarily driven by Pepco which delivered LFL growth of 2.7% including FMCG (4.1% excluding FMCG) and strong gross margin of 48.6%.

This healthy topline performance translated into strong profits with underlying profit after Tax of €219m, up 20% on FY24. Our balance sheet also remained strong as we continued to deliver increasing free cash flow, which grew by €61m YoY. With a healthy year-end cash position of €464m, we are committed to enhancing returns for our shareholders and I am therefore pleased to announce a proposed FY25 dividend per share of 9.6 cents, up from 6.2 cents in FY24.

Shortly after year end, the Group successfully completed the refinancing of our external debt facilities. This was a dual track process consisting of €770m in committed credit facilities, for which we were oversubscribed, as well as a €141m debut Polish bond, which is part of an up to c.€474m programme, with funds specifically allocated towards green projects, supporting our sustainability goals. The refinancing reduced our average coupon by 250bps to 3.9%, extended our maturity by 3 years to 2030 and resulted in an annual interest cost saving of €14m.

Pivoting to growth in Poland

Poland and CEE are fundamental to our business and central to our success. However, despite Pepco's strong history in Poland as its home market, there was an underlying scepticism surrounding the strength and relevance of our customer value proposition and growth potential in the region. This scepticism was driven by a negative quarterly like-for-like performance from the period of Q3 FY25 to Q2 FY25.

Pepco boasts many great attributes in CEE including near complete brand recognition and a large presence with 3,432 stores across 13 CEE countries. These stores are also highly profitable with >99% generating positive pre-IFRS 16 store EBITDA.

Despite these positives, it is fair to say that in recent years we had taken our eye off the ball and diluted our competitive edge. During 2025, we refocused our efforts on pricing and the customer offer, restoring a market-leading price proposition while still delivering strong profits for the business. In addition, we placed renewed focus on operational excellence, working to correct basic operational errors of the past and improve our supply chain logistics, governance and merchandising to ensure consistent stock availability and product quality. We also took steps to improve the operations of our weakest performing stores through refits, restaffing, relocations and modernisation initiatives.

The result is a significant improvement in performance, with Pepco LFLs in Poland returning to LFL growth in H2 FY25, +2.4% including FMCG (+3.9% excluding FMCG), remaining positive thereafter.

Based on the significant turnaround efforts and these very encouraging results, I am optimistic about the further strong and regained performance potential of Pepco Poland. We have started to apply a similar playbook to other selected CEE markets where we feel that there is more growth to be achieved. Operational excellence remains central to our business model and a core priority going forward. We are confident in our ability to create further operational leverage and drive profitable growth whilst providing a blueprint for growth across potential new markets.

Successful proof points in Western Europe

I had strong belief in Western Europe as a significant opportunity for the Group from the outset. On first review of our track record in the region, there was no clear market or customer-related reason for our underperformance. It was a problem caused by our strategy and, more specifically, by our execution. I was therefore confident we would be able to turn performance around by implementing the right strategy, executed by the right team. We appointed a new COO Western Europe in October 2024 to lead our transformation. He brings significant international retail experience which has been invaluable, and the results so far have exceeded my initial expectations.

When we talk about Western Europe, we are focusing on Spain, Portugal and Italy, which account for more than 80% of our stores and sales. During 2025, we significantly improved profitability in both Iberia and Italy. This was achieved through strong LFL growth, driven by better stock availability and freshness, renewed focus on pricing, as well as improved gross margins as we drove efficiency gains through our simplified store operating model.

c.30%

market share in kids & baby wear

14

average store visit per most loyal customer segment

+1.9%

LFL revenue growth - CEE

+6.8%

LFL revenue growth - Western Europe

+2.6%

LFL revenue growth - Group

Note: all LFLs are including FMCG

41m

customers per month

€45,000

raised by employees for charity

100%

Pepco Poland stores running on renewable energy

>90%

brand recognition in CEE markets

In Spain, our new distribution centre (DC), which opened in Guadalajara in September 2024, further enhanced these efficiency gains. Previously, products had been travelling 3,000km from our DC in Hungary, so our new Spanish DC has been quickly impactful in improving efficiency, with transport costs down by 380bps and lead times to stores halved to 3 days.

During the year, we began the process of exiting several unprofitable stores in Germany and converted our lower margin Pepco Plus stores in Iberia to standard Pepco stores, with very promising initial results. The opportunity for success in Western Europe is no longer a question mark, the uplift in performance in Iberia and Italy speaks for itself and has been achieved in a matter of months. However, there is still more we can do to drive improved growth and margin. We will closely monitor our turnaround progress in this region and align our capital allocation on store expansion accordingly. I am very excited about the significant future growth opportunity this region presents for our business, and I believe in our ability to scale into our ambitions of becoming a truly pan-European operator.

Significant upside potential from digital engagement

During our Capital Markets Day in March 2025, I addressed the huge opportunity for advanced utilisation of state-of-the-art data and digital tools. Historically, there has been little to no investment in this area, with all of our sales originating in store. We serve approximately 41 million customers per month through the strength of our brand alone. We are therefore in an excellent position to build on that by developing a series of digital customer engagement channels that will advance the Group's digitally influenced store sales and accelerate growth.

Initially, this will be through the setup of a central data lake for all customer and Company data, a materially improved website that will serve as a compelling online window to all our products and stores, and the launch of a mobile app that will house a new customer loyalty scheme. Testing is already complete and the app is expected to go live to our Polish customers in Q1 calendar 2026, with rollout to several more of our geographies during the year.

With this new platform in place, we will accelerate our truly holistic customer relationship management approach. With hundreds of millions of transactions each year, Pepco is building ever-growing data insights we can use to better understand our customers and their demand and spending patterns. These insights will be crucial for our loyalty programme and, in turn, deliver increased value, fuelling our growth by driving frequency of purchase and basket size.

Empowering change

In 2025, we advanced our sustainability strategy, "Where Growth Meets Care", reflecting our belief that growth and care are mutually reinforcing – care makes our growth sustainable and growth expands our capacity to care. Guided by our values – Care for our people, Be at our best and Love our customers – the strategy builds on our 2025 double materiality assessment to focus on key ESG topics across three pillars: People, Value Chain and Customers. Supported by strong governance and our sustainability strategy, it embeds care and responsibility across our business from supply chain and renewable energy transition to employee engagement. In 2025, we made solid progress, expanding the use of renewable energy (see our case study on page 35).

For years, our community outreach efforts have focused on empowering disadvantaged young people. Helping them build confidence, develop talents, explore passions and care for their mental wellbeing as they enter adulthood. These initiatives are made possible through community partnerships and the engagement of our employees and customers. They are partially funded by the sale of charity bears and shopping bags, supporting meaningful local projects. Across all countries where Pepco operates, we collaborate with trusted NGOs to invest over €3m annually in children's education, talents and mental health, reaching more than 90,000 young people each year. In 2025 we celebrated the 5th anniversary of Better Move, Better Lives, which brought together Pepco teams across all markets. By walking, running, and cycling over 121,000 km, employees raised €45,000 to support eight NGOs helping children and youth in need.

People

The strength of performance this year would not have been possible without the hard work of our colleagues across the business who consistently go above and beyond to deliver results. I would like to personally thank all 31,582 of our colleagues, especially those who delight customers in our stores every day. Your effort is clearly reflected in the strength of our financial results.

We have made significant changes to our management team this year with key new hires in each area of our business. This ensures we now have the right structure in place to deliver our strategy and a team that is not only aligned with our vision for the future but also has the expertise and experience required to execute on our critical transformation and growth plan.

I was pleased to welcome Willem Eelman as Group CFO in March 2025. Having spent many years working alongside Willem at GrandVision, I was delighted when he decided to join our team.

In addition, we welcomed several people to our leadership team to ensure we are best positioned to action our strategy. This included new roles filled for the Pepco CFO, Chief Human Resources Officer, Chief Information Officer and COO Western Europe.

Driving shareholder returns

Delivering sustainable growth is the primary aim of our strategy, with high margins that will ensure we generate continued strong and growing free cash flow. The early progress we have made in implementing our strategy shows that we are well on track to achieve what we set out to.

Our capital allocation framework emphasises disciplined deployment of capital in existing stores, new stores, and upgrades to our platform in order to drive thoughtful growth at attractive returns on capital. We are highly focused on optimising free cash flow generation, positioning our Company to return capital to our shareholders from excess cash without compromising on our growth and improvement strategies.

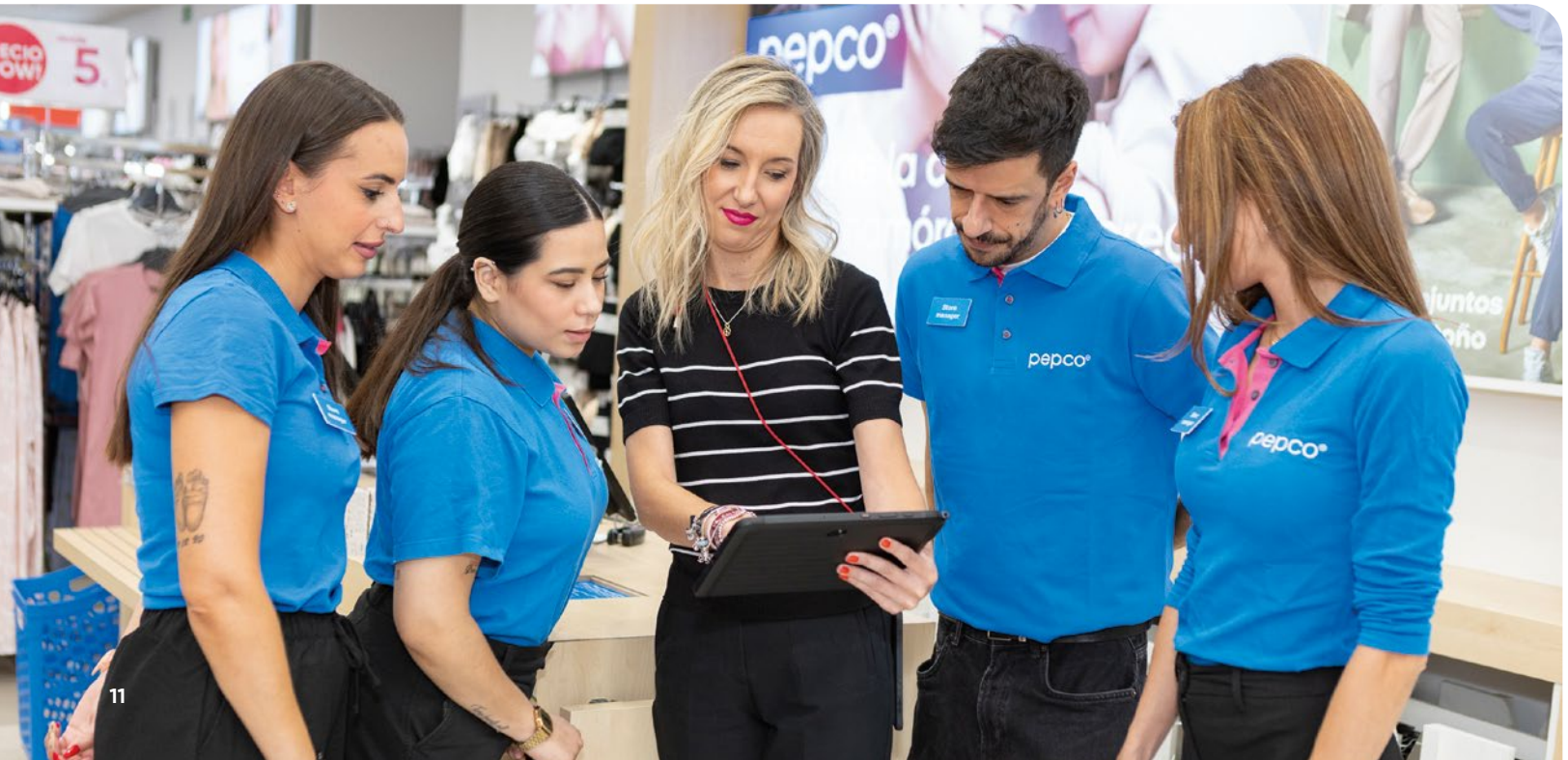
In FY25, we declared an ordinary dividend of 9.6 cents per share, up 55% relative to our inaugural FY24 dividend, while also completing a €50m share buyback programme (the first tranche of a committed up to €200m programme to be completed by 2027).

In our overall capital allocation strategy, we are highly focused on value creation for our shareholders. Looking forward, we will continue to consider regular dividends, share buybacks, and, where appropriate, special dividends as important parts of this strategy.

Summary

I am very proud of what the business has achieved during FY25. We have delivered on our strategic roadmap, upgraded our customer proposition and streamlined our business while delivering improved profit growth and enhanced returns for shareholders. However, there is considerable opportunity ahead as we continue to implement our strategy, optimise operational leverage and deliver continued profitable growth. I am excited for the future and look forward to further delivering on our ambitions.

Stephan Borchert
Group CEO



Delivering shareholder value

Free cash flow[1]

€342m

FY24 €281m

Dividend per share[2]

9.6c

FY24 6.2c

Share buyback

€50m

FY24 N/A

Underlying EPS[3]

38.1c

FY24 31.7c

1. See note 27 in the financial statements.
2. Subject to approval at the AGM in March 2026.
3. See note 30 in the financial statements.

Business model

Pepco Group's business model is designed to leverage our strengths and resources, balancing efficiency with our desire to prioritise operational excellence and the customer experience. By doing so, we aim to deliver sustainable, profitable growth and provide value for all our stakeholders.

Enhanced efficiency

Efficiency is integral to enabling our market-leading pricing

What this means to us

- Simplified model and standardised store format streamlines expansion
- Well trained and skilled colleagues
- Focused SKU count and inventory management mitigates markdown risk
- Increasing use of renewable energy in our stores



Winning customer proposition

Quality products at market-leading prices in convenient store locations

What this means to us

- Consistent focus on our market-leading price proposition
- Offer centred on staple items with broad appeal that remain resilient to changing trends
- Friendly and helpful service across our highly accessible store portfolio

Operational excellence

Optimising our operations ensures the consistency of our customer experience

What this means to us

- Careful stock management to ensure consistent availability of products in the sizes customers want
- Optimised store layout for a quick and convenient customer journey
- Integrated supply chain ensuring reliable and ethical delivery of products

PEOPLE: Care for colleagues

VALUE CHAIN: Give our best

CUSTOMERS: Love our customers

See more on our Sustainability strategy on p29

Our strengths

Differentiated products

Leveraging our scale and sourcing strategy, we offer a diverse range of clothing and general merchandise products to meet the needs of our core shopper – families on a budget. Understanding customer preferences, prioritising price leadership and focusing on quality are key to delivering customer satisfaction and growing our market share.

Local stores in convenient locations

Pepco operates over 4,000 conveniently located stores across 18 countries. By focusing on standardisation and repeatability across our operations, we aim to expand our store footprint efficiently, in line with our growth objectives.

Infrastructure and distribution network

We continue to invest in the development of high-quality, scalable infrastructure, including information technology, warehouses and back-office support. We are also investing in our data and technology to drive increased customer engagement, loyalty and customer lifetime value.

Direct sourcing operation

Pepco Global Sourcing (PGS) maximises our buying scale and operating efficiencies, thereby reducing costs and improving margins. With the full product development chain for clothing and general merchandise managed within the Group, our vertically integrated model provides flexibility in sourcing.

Our colleagues

We aim to maintain the right pipeline of skills within the Group to facilitate the long-term success of our growth strategy. This is underpinned by a strong commitment to ethical and responsible business conduct, honesty and integrity, within the Group and throughout our value chain.



How we create exceptional value for our stakeholders

Customers

Pepco strives to make everyday life better for every customer, especially families on a budget. Pepco ensures responsible products are accessible without compromising on price or quality. By embedding care for people and the planet into design, sourcing and packaging, we bring our customers a product portfolio that is both accessible and responsible.

41k
customers per month

Employees

Our 31,500+ colleagues are the heart of Pepco's success. Their diversity of backgrounds and perspectives helps us understand and serve millions of customers every day. That is why we aim to create a workplace where everyone feels valued, included and empowered to thrive – enabling positive customer experiences, stable teams and sustainable business performance.

52%
internal development and promotion in operations

Suppliers

Pepco's operational success depends on a resilient and responsible supply chain and operations. Our end-to-end value chain focuses on transparency, climate-conscious sourcing and ethical practices to support business continuity while reducing environmental and social impact.

100%
factories audited against our annual social and ethical audit plan

Shareholders

Our ambition, strategy and execution generate substantial shareholder value. With high margins, strong cash conversion and a robust balance sheet, we can invest to drive future growth through store expansion in new and existing markets and strategic initiatives that enhance our share of customer spend, while also returning surplus cash through annual dividends, share buybacks and special dividends, as appropriate.

55%
dividend per share growth

Communities

Pepco is committed to supporting the communities in which we operate. Our core customers are low-middle income families and we work to ensure that every child, especially those that are most vulnerable, has what they need to thrive through initiatives such as back-to-school vouchers or free school supply packs.

90,000
young people reached each year

Environment

As a large multinational retailer, we recognise our responsibility to manage our impact on the environment and create products for customers that are responsibly sourced. Our environmental engagement covers a range of activities including our memberships, association and accreditations with both international and local programmes including Better Cotton and the Responsible Business Forum in Poland.

-39%
scope 1 & 2 emissions reduction[1]

1. Reduction in emissions in FY25 vs FY24 for the Pepco Group excluding Poundland for Scope 1 & 2 marked-based emissions. For further information on our emissions metrics see Sustainability Statement page 119.

Feel the quality, love the price

The Pepco customer proposition centres on providing quality products at market-leading prices in convenient locations. In doing so, we ensure customers come back to us again and again. We are also focused on digitally transforming our customer proposition. By investing in new platforms and technologies that will make it easier for customers to engage with us, we will drive footfall and loyalty.

Pepco is a leading discount variety retailer, providing quality clothing and general merchandise products at leading prices. Our stores are located in close proximity to our customers, making it highly convenient to shop with us.

In FY25 we significantly improved the quality and availability of our products and restored our reputation as the destination for essential items at market-leading prices across all age groups, adding new curated assortments.

We are focused on prioritising discounter basics and operational excellence to ensure we always deliver for our customers and, at the same time, we are re-imagining our customer journey with digital in mind. From personalised campaigns to offers that drive store visits, we are creating more reasons to visit. This digital transformation will not only increase engagement but better enable us to anticipate evolving customer needs.

In FY25, we invested in our digital journey, as we build quickly from the ground up. This investment will enable us to launch a new digital store front, manage and utilise our customer data and enhance our engagement through a mobile app and digital loyalty scheme which we will start rolling out in FY26.

These initiatives will serve to enhance our digital customer experience, driving sales growth, customer lifetime value, more frequent visits, higher retention and improved NPS scores.

Our customer proposition focuses on three key pillars:

1 Store at the core

Pepco stores are the heart of our model. Our stores are based in highly accessible locations, in close proximity to our customer base, ensuring it is always convenient to visit a Pepco store.

2 Customer first

Our customer wants and needs are always at the forefront of our proposition. We are focused on providing a holistic range of quality clothing and general merchandise products at market-leading prices.

3 Digitally influenced store sales

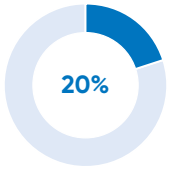
We are investing in data and digital to create new tools and features that will drive in-store sales and improvements in the customer experience. We are early in this journey but are making quick progress.



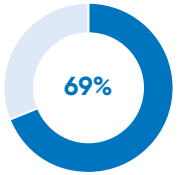
Pepco customer demographics

Young families on a budget

Share of Pepco shoppers



Share of Pepco sales



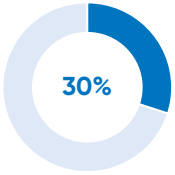
Yearly visits: **~14x**

Average basket: **€13.0**

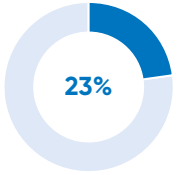
Key demographic: **Women aged 25-45 with young families**

Pre and post-family value seekers

Share of Pepco shoppers



Share of Pepco sales



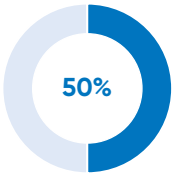
Yearly visits: **~4x**

Average basket: **€9.9**

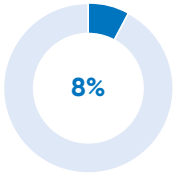
Key demographic: **Households with teenage family or no children**

Occasionals

Share of Pepco shoppers



Share of Pepco sales



Yearly visits: **~2x**

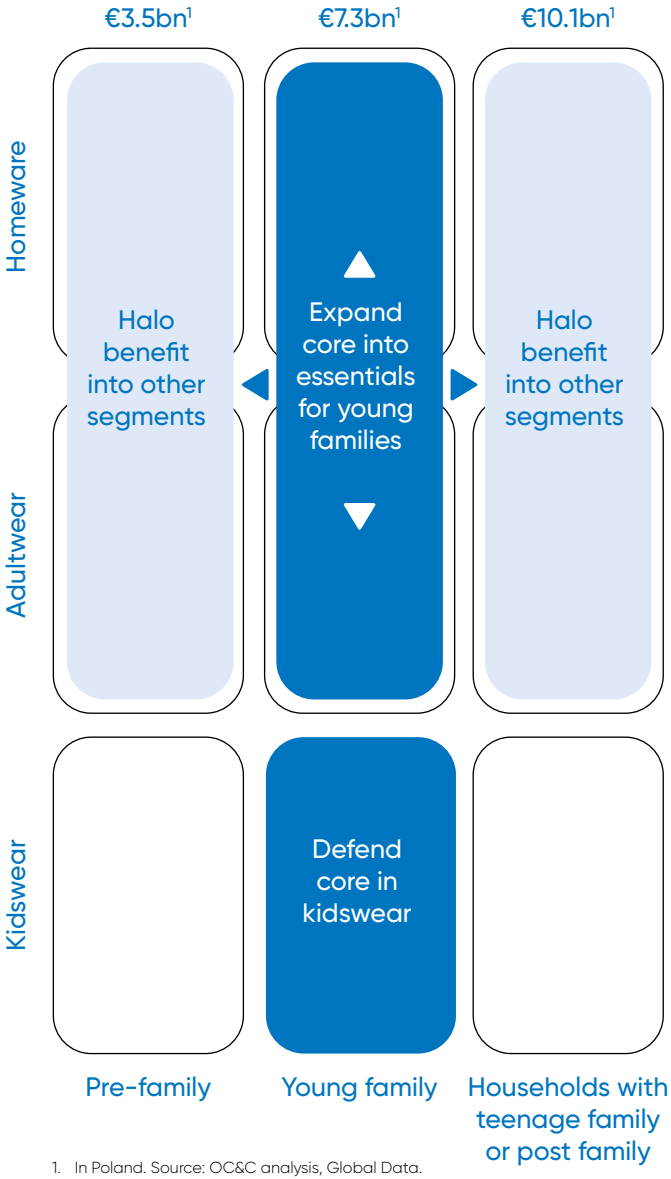
Average basket: **€5.7**

Key demographic: **Single/couples with no children in the household**



Pepco strategy by customer segment

Market size[1]



1. In Poland. Source: OC&C analysis, Global Data.

Navigating industry trends

Consumer spending in Poland & CEE

5.2%

CAGR (2025-2029) in the Polish apparel market[1]

Context

- The Polish clothing market is expected to reach $16.4bn[1] in value in 2025, with clothing chains continuing to be the leading sales channel with nearly half of total sales.
- Polish GDP growth is forecast to be one of the highest across Europe in 2025/26 at 3.2% and 3.5% respectively. Many CEE economies anticipate continued growth at above average rates driven by strong domestic demand and wage convergence with the EU average, all of which supports consumer spending growth in the region.
- In Poland, consumer spending rose 26% Q2 2023 to Q2 2025[3]. YoY growth in retail sales grew from c.-6% to c.+5% over the same period.

Outlook

- With a strong backdrop in our core markets, our focus is on prioritising operational excellence to capture consumer demand, attract and retain customers and maintain our market-leading positions.
- This means executing the basics correctly, prioritising consistent product availability, quality and price leadership.
- It also means investing in technology to digitise customer engagement, creating more touchpoints with customers, driving visit frequency, LTV and new customer growth.
- We have made strong progress this year and, in FY26, we will launch our mobile app, complete with digital loyalty scheme.

Consumers seeking out value

68%

of people in CEE are afraid of inflation[4]

Context

- Despite expected continued growth of real disposable income in Poland and CEE, sustained inflation continues to put pressure on consumer budgets.
- A 2024 survey showed people in CEE feared inflation above other potential threats such as geopolitical and climate-related risks.
- In Western Europe, budgets are also under pressure with CPI growth in Spain of 5.7%[3] in the two years to June 2025.
- It is therefore no surprise that the variety discount market expects strong growth at a 5.7% CAGR in CEE[5]. Discount models continue to gain share across the apparel sector, now representing 30% of sales in most advanced European markets[5].

Outlook

- We have a strong reputation as a variety discount retailer, prioritising market-leading prices and quality products to provide our customers with great value for money.
- We are therefore well positioned to benefit from the increasing consumer focus on value.
- We will capture this demand by focusing on our market-leading pricing, utilising customer engagement tools to provide offers and discounts and ensuring we operate efficiently.
- We have taken many steps to improve efficiency, including onshoring our distribution to reduce transport costs, and outsourcing our DC management to optimise efficiency and labour costs.

Demographics in our markets

3%

growth per year in kidswear (2025-2029)[6]

Context

- Globally, we are experiencing historically low birth rates. The UN has forecast that children are expected to reduce as a percentage of the population worldwide. Despite weaker birth rates in recent years, the number of households[7] with at least one child has remained stable and kidswear spend across CEE and Europe is expected to more than offset population pressures.
- Kidswear spending is forecast to increase 6.3% in Poland and 8.5% in Romania annually from 2023 to 2027[8].
- In Spain, birth rates are expected to improve by 2030. In the meantime, immigration has compensated and kidswear spending is up 3% in the 10 years to 2023[5].

Outlook

- Market conditions remain supportive despite changing demographics. While kidswear is a core part of our business, Pepco's focus is on everyday essentials with just under 25% of our sales generated from kidswear and the remainder from adultwear and GM.
- We are well placed to adapt to evolving trends with many levers available to drive growth, including expanding our adultwear ranges and deepening our category penetration to drive higher LTV per customer.
- Through our digital transformation, we will also utilise data and technology to increase loyalty and spend across a wider category base which will further support LFL growth.

Cost inflation

7.2%

wage inflation in CEE[5]

Context

- Despite slowing growth rates, inflation remains a headwind to input costs globally.
- In 2025, wage inflation across the EU was 3.5-4.0%[8] and although overall employment costs are generally lower in CEE vs other areas of Europe, blue collar wage inflation is far higher, up c.8.3% in Poland and 7.2% in CEE[3].
- Commodity prices and freight costs are also driving up input costs. There is increasing volatility and inflation in sea freight costs due to bottlenecks, capacity shortages and geopolitical events.
- The energy crisis is also ongoing with gas prices rising 59% across the EU in 2024[10].

Outlook

- With high wage inflation in many of our core markets and an internal investment programme in place to grow and refurbish our store footprint and enhance our digital capabilities, Pepco is focused on driving sales productivity and cost efficiency.
- Our decision to exit low margin FMCG removed complexity, improved efficiency and facilitated the reallocation of space to higher margin clothing and GM products.
- We have driven efficiencies across the business. We opened a new DC in Spain, reducing transport costs and outsourced the management of our DCs.
- Moreover, 100% of Pepco Poland stores operate on renewable energy.

1. Statista 2. European Commission 3. Trading Economics 4. Strategy& 5. Internal analysis 6. Euromonitor data for Poland 7. On a CEE weighted basis 8. CBI 9. Eurostat 10. Ember energy

Strategic framework

Following a strategic review, at our Capital Markets Day in March 2025 we set out a new five-pillar strategic framework to drive the business into its next phase of growth. This sharpened framework is designed to focus and modernise our business and apply the discipline needed to drive sustainable, profitable growth and to generate consistently attractive returns on capital.

Our strategy centres on delivering exceptional value to both customers and shareholders.

Simplify and streamline the Group portfolio

- Operate Pepco as our sole Group brand
- Exit FMCG to focus on higher margin clothing and general merchandise
- Divest Poundland and Dealz

For more on simplifying the Group portfolio go to page 18

Refocus and digitise Pepco's customer proposition

- Restore price leadership position
- Grow core in kidswear and GM and adjacent categories like adultwear
- Enhance our customer experience with technology and data

For more on refocusing our customer proposition go to page 20

Topline growth through measured expansion in CEE

- Return Poland to consistent positive LFL growth
- Return CEE to consistent positive LFL growth
- Expand store footprint in new and existing geographies

For more on our expansion in CEE go to page 22

Win in Western Europe

- Exit FMCG to return to one brand and one format
- Operational improvement to align store economics with CEE
- Increase brand awareness and NPS

For more on our expansion in Western Europe go to page 24

Upgrade our core operating platform

- Reset and standardise our operating model
- Create a faster, more flexible distribution centre network
- Implement new technology focused on automation

For more on upgrading our core operating platform go to page 26

Simplify and streamline the Group portfolio

Entering FY25, we operated three brands: Pepco, Poundland and Dealz. Pepco specialises in clothing and general merchandise (GM), while Poundland and Dealz are fast-moving consumer goods (FMCG) led. In our recent past, and under previous leadership, the Group sought to integrate the operations of Pepco, Poundland and Dealz, with the aim of creating a unified customer offer and a single sourcing strategy. The expectation was that this would bring both scale and efficiency benefits. However, it became clear this was not the case and integrating our brands wasn't delivering for customers or shareholders.

The FMCG-led businesses were hindering the Group's financial performance, with lower revenue growth, lower gross margins, higher costs to operate and, consequently, lower profitability. Following a strategic review in early FY25, we determined that it was in the best interests of each brand, the Group, our customers and our shareholders to separate the three brands and streamline the Group by exiting FMCG, through the divestment of Poundland and Dealz, and move forward with Pepco as our sole brand. We acted quickly, securing the sale of Poundland just a few months later in June 2025, taking the Group a significant step closer to its goal of exiting FMCG.

Pepco is clearly the core growth engine of the Group, generating strong LFL performance at consistently high margins. In FY24, pre-IFRS 16 Group EBITDA (excluding corportate costs) was split 99% Pepco, 3% Poundland and -2% Dealz, demonstrating the dominant value Pepco contributes to Group performance. Pepco has a clear and unique proposition as a price-leading discount retailer and over 90% brand recognition, making it the obvious focal point for the Group. Progressing with one, unified brand ensures the Group is more focused, agile and dynamic, supporting faster and more profitable growth.

Key objectives

- Separate the operations of Pepco, Poundland and Dealz
- Operate Pepco as our sole Group brand
- Exit FMCG, focusing on clothing and GM
- Divest Poundland as an immediate priority due to its declining profitability
- Manage Dealz for value

Progress in FY25

- Successful separation of Pepco, Poundland and Dealz, with each brand operating independently and with distinct management teams
- Poundland sold to Gordon Brothers in June 2025
- Pepco Plus store reformatting completed by August 2025, marking the removal of FMCG from all Pepco operations
- Strategic review of Pepco Germany complete

What to expect in FY26

- Further profitable scaling of our Pepco operations as we progress with our disciplined store rollout
- Commencement of divestment process for Dealz
- Closure of c.50% of Pepco Germany stores as we scale back our operations in the region to focus on our core markets



Strategy in action

Poundland sale

Poundland is an FMCG-led brand, with strong customer affinity in its markets. In FY24, it generated c.€2.0bn in revenue from 836 stores across the UK and Ireland. However, its core customer proposition of FMCG-led goods at low price points had suffered through an increasingly challenging environment and an extended period of high inflation impacting both sales and profitability. In FY24 Poundland EBITDA was just €141m. This further intensified in April 2025, following the UK government's changes to National Insurance and National Minimum and Living Wage, announced as part of the October 2024 budget. These changes placed additional pressure on Poundland's cost base, further impacting its profitability. In FY24, Poundland contributed 33% to Group revenues, but just 3% of EBITDA (pre-IFRS 16) and was a significant drag on Group free cash flow generation.

In addition, Poundland's FMCG-led proposition meant it no longer fit with the Group's strategy to simplify and focus operations on clothing and GM. The decision to consider strategic options for Poundland was announced on 12 March 2025. The team executed quickly and the successful sale of Poundland to Gordon Brothers was reached on 12 June 2025.

Terms of the deal:

The shares in Poundland were sold to Gordon Brothers for a nominal consideration, with Pepco providing a secured loan of £30m.

Certain unsecured loans initially remained in place between Pepco Group and Poundland, including an overdraft facility of up to £30m. However, following the approval of the proposed restructuring plan by the UK High Court on 26 August 2025, these unsecured loans transitioned into a minority equity stake in Poundland Group that will enable Pepco Group to share in the upside potential of Poundland's turnaround.

Strategic benefits:

The sale of Poundland was a significant step towards our strategic goal of solely operating the Pepco brand and exiting FMCG to focus on our higher margin clothing and GM ranges.

By divesting Poundland, we benefit from improved revenue growth, higher profitability and margins and stronger cash generation, as shown in our strong FY25 financial performance.

The sale demonstrates our clear focus on driving shareholder value, our commitment to the turnaround of the Group and it significantly advances our strategy and growth momentum.



Refocus and digitise Pepco's customer proposition

When we think about enhancing our customer proposition, step one is to home in on what makes Pepco unique and compelling for customers and that is providing quality products at market-leading prices. Step two is to digitise our proposition, using technology to improve our customer experience, as well as offering more to our customers by enhancing our data capabilities.

In FY25, we held consistent focus on maintaining our market-leading pricing strategy, while also turning our attention to improving our product availability and quality, ensuring the products customers want and need are always available in the sizes they are looking for and at the quality they expect. This is integral to our success, which means supply chain logistics and careful stock control are essential. We also optimised our store layouts and product SKUs to deliver a more seamless customer journey in store, as well as increasing our marketing efforts to drive repeat visits and new customer growth.

For example, in July 2025, we launched a pilot of our new "Coupon at Till" programme across 20 stores in Poland. Under our initial pilot, customers received a coupon after their purchase based on their basket size. Following initial strong results, with redemption rates and sales uplifts beyond our target plan, the pilot was then extended to 350 Polish stores by the end of September and across all stores in Poland by the end of November. It is still early, but this strong initial momentum is encouraging.

We also significantly expanded our efforts on digital this year, an area that the Company had historically under-invested in but has the potential to be transformational for our business. Pepco has always been a solely bricks and mortar retailer with a limited online presence. It will therefore take time to implement as we are building from the ground up, but the opportunity ahead of us is significant and we have a clear roadmap in place.

Key objectives

- Restore Pepco's price leadership, prioritising value for customers
- Maintain and grow our core in kidswear and GM, as well as expand in adjacent categories like adultwear
- Increase use of technology and data to enhance our customer proposition and grow LTV
- Launch new, digital loyalty scheme to drive sales and retention

Progress in FY25

- New price benchmarking tool implemented
- Solid LFL revenue growth in adultwear and GM with improving LFL trend in kidswear and baby
- Significantly improved availability of our bestselling key value items
- "Coupon at Till" launched in Poland with strong early results
- New app developed and ready for launch in Q1 calendar 2026

What to expect in FY26

- Consistent focus on value proposition and competitive pricing
- Improvement of the value proposition of baby and kidswear
- Mobile app launch in Poland and Spain
- "Coupon at Till" to go live across Spain, Czechia, Italy and Bulgaria
- Growth in digitally influenced store sales (DISS)

For customers, a key development will be the launch of our mobile app in 2026 and its accompanying digital loyalty scheme. The traction we have built with "Coupon at Till" not only delivers a near-term sales benefit, it will make it easier to encourage those same customers to join our digital loyalty scheme when it launches. With customers increasingly primed to review their paper coupons post-purchase, we can use this habit to provide them with QR codes that link to our app download to support new member growth.

Digitising our proposition will allow us to draw in more customers, increase the frequency of their visits and encourage them to spend more with us through greater use of technology and data. It will enable us to leverage our unique insights as we accumulate more and more personalised, attributable purchase data, which we will use to better understand our customers and their individual spending behaviour.



Strategy in action

Developing our new mobile app

During FY25, we have worked quickly to build our mobile app, which is ready for launch in Q1 calendar 2026. The app will provide a slick user experience with enhanced functionality that will allow customers to view our product ranges and locate a store near them, driving our digitally influenced store sales.

What's more, the app will feature an in-built loyalty programme that will reward customers with personalised promotions.

Through increased use of the app, we can capture more data to better understand our customers, drive enhanced experiences, inform our buying patterns and respond to customer behaviour.

We can also use this same data to create more tailored offers for our customers and run targeted campaigns with offers pushed directly to customers through the app.

We are still very much in the test and learn phase but with no legacy systems, we have been able to build quickly and are confident in the outlook for our launch.

In time, we expect the app to drive increased engagement, frequency of visit, basket size and LTV.





Strategy in action

Building the foundations for Pepco's digital future

In FY25, Pepco invested to build the core foundations of our new digital ecosystem, positioning the Company for meaningful digital activation and customer engagement in 2026. This investment has created the essential infrastructure needed to operate modern digital channels - web, mobile app, loyalty, and personalised customer experiences - delivered at exceptional pace.

We have implemented a best-of-breed architecture, integrating key platforms such as our Product Information Management (PIM) system, Content Management System (CMS), loyalty engine, mobile app, and new website. These components are now connected through a robust integration layer, allowing us to deliver digital services faster, more reliably, and with the flexibility to scale with our ambition.

A major part of the investment has been establishing the foundations of our new data lake, which will enable Pepco to unlock far greater value from data. This includes improved accuracy of product and customer information, better insights for decision-making, and the ability to deliver more personalised and relevant experiences to customers.

This foundational work is critical: it provides the digital "plumbing" that underpins future growth.

Although we are starting from a relatively low digital base, this is also a significant strategic advantage. We are able to design and build a fully integrated, modern digital ecosystem from day one, without the complexity, legacy systems, or costly "bolt-on" technology layers that many long-digitised retailers must navigate. Starting from a greenfield position also allows us to adopt the latest technology, apply industry lessons learned, and create a cleaner, more intuitive, and more scalable foundation that will serve the business well for many years to come.

With these building blocks now in place, Pepco is ready to activate digital channels in 2026 with confidence, driving customer engagement, sales, operational efficiency, and long-term value for shareholders.

Topline growth through measured expansion in Central Eastern Europe

Central Eastern Europe (CEE) is the heartland of the Group, with 85% of Pepco stores based there and near 100% brand awareness in the region. In recent years, our performance was impacted as we scaled too quickly, lost focus on operational discipline and allowed our market-leading pricing to erode. However, the market remains attractive and continues to offer strong opportunities. Our established regional presence gives us a robust platform with multiple levers available for us to drive growth and gain market share.

Our Pepco CEE business remains the key engine driver for the Group, delivering the highest returns across the estate. We operate in 13 CEE countries, with our largest store presence in Poland. Pepco opened 234 net new stores during the period, with 85% opened in the CEE region and the balance in Western European countries. We opened 58 net new stores in Poland, totalling 1,397 stores at the year end. Outside of Poland, the majority of new openings in the CEE region took place in Bosnia, Romania, Serbia and Bulgaria.

A key priority in FY25 was not just to restore LFL growth in CEE as a whole but also in Poland specifically. To achieve this, we focused on restoring our market-leading price proposition to ensure customers find the great value prices they expect when they visit our stores. We also improved our supply chain and restocking strategy to ensure reliable product and size availability and we turned our attention to the weakest 20% of stores in Poland which were dragging country LFL performance.

Our strong portfolio of >3,400 Pepco stores in CEE is strategically located in close proximity to our customers, maximising convenience. This, combined with a renewed focus on price leadership and product quality, creates a compelling proposition that underpins both revenue and market share growth.

Our strategic efforts restored LFL growth in Poland in Q3 and Q4, up 2.4% in H2 FY25, with CEE returning to LFL growth in Q1 and continuing for the entirety of FY25, up 1.9% for the FY.

However, there remains significant opportunity to further grow our LFL and topline performance. While our stores are already a compelling destination for great-value kidswear, we can drive additional growth by attracting new customers, increasing basket size and encouraging more frequent visits through effective cross-selling across clothing and general merchandise categories.

To achieve this, we are focusing on design, quality, availability, and freshness to ensure our products consistently meet customer expectations. Strengthening our adultwear offer represents a straightforward opportunity to enhance the overall customer experience, add convenience and drive further growth. We have made encouraging early progress this year but the full impact of these initiatives is expected to be realised next year.

We see substantial potential for further store expansion as we advance our new store opening programme across both established and emerging markets. We believe there is capacity for a minimum of c.850 additional Pepco stores across the CEE markets. Our approach remains measured and disciplined, guided by a calibrated rollout plan that prioritises established markets such as Poland. The new stores opened there in FY25 have seen strong footfall and attractive returns on capital, performing in line with our minimum 30% IRR threshold. Over time, we will extend this growth into newer markets such as North Macedonia, capturing additional opportunities across the region. With our renewed focus on operational leverage and our refocused strategy, we are well placed to execute our expansion plans.

Finally, we are actively improving our existing store portfolio. Refits, relocations, enlargements and closures began in FY25 and will continue into FY26, optimising our network to deliver the best customer experience and enhanced operational efficiency.

With a renewed focus on operational leverage and a sharpened strategic direction, we are well positioned to execute our expansion plans. By driving thoughtful growth in the CEE region — a market we know well — we have strengthened our confidence in delivering consistent, profitable growth with attractive returns.

Key objectives

- Return Poland to consistent positive LFL growth
- Return CEE to consistent positive LFL growth
- Expand store footprint in existing and new geographies
- Maintain market-leading pricing
- Improve existing store portfolio

Progress in FY25

- Poland returned to positive LFLs in Q3 FY25 and Q4 FY25
- CEE returned to positive LFLs in Q1 FY25 and remained positive through the year
- Average pre-IFRS 16 store EBITDA margin improved by 140bps in Poland
- 215 net new stores opened in CEE countries (incl Poland) with a payback period of 24 months
- Store refits launched

What to expect in FY26

- Continued progress in line with our 500-600 net new store openings to the end of FY27
- New store openings in established markets such as Serbia and Romania and in new markets such as North Macedonia
- 500+ store refits
- CEE will continue to be our launch market for new data and digital initiatives

Strategy in action

Restoring LFL growth in Poland

Poland is Pepco's largest market and continues to present ample opportunity for further growth, despite the negative LFL performance experienced in FY24 and H1 FY25. During the year, we took swift action to correct this by focusing on restoring operational excellence across the region, with encouraging results as we returned to LFL growth of 2.4% in H2 FY25. We achieved this by turning our attention to three key areas: product availability, product assortment and our weakest-performing stores.

Product availability had been impacted by a standardised approach to restocking which resulted in mismatched size availability versus demand. Previously, sizes were restocked in preset packs that did not account for demand and resulted in an oversupply of less popular sizes and a lack of availability of the sizes in demand. This impacted customer satisfaction and, ultimately, sales. During FY25, we implemented a much more tailored restocking approach based on tracked sales and have seen good results with a significant improvement in availability.

Our product assortment contained excessive breadth of products which impacted availability and led to product cannibalisation. By investing in availability rather than breadth, we ensure a much more positive shopping experience for customers. At the same time, we also reduced our aged stock, creating more space for fresh products.

Lastly, we addressed the weakest 20% of stores across our Polish estate which were dragging country LFL performance. The cause varied but largely focused on people-related issues, which we addressed by restructuring or replacing teams, or store-related issues, which we addressed largely through our refit programme to refurbish stores and optimise their layouts. We also relocated a small number of stores, as well as closing some stores where relocation was not possible. As a result, we have improved sales performance across these weakest stores which has helped deliver the turnaround in LFL performance across the country as a whole. It is important to note that although a drag on LFL performance, these stores were all already operating profitably.

This work has all been underpinned by the renewed focus on restoring and maintaining our market-leading price leadership position which is crucial to the Pepco customer proposition.

Win in Western Europe

Western Europe, in particular Spain, Portugal and Italy, presents an exciting opportunity for the Pepco brand. The clothing and homeware discounter market is forecast to grow between a 1.5% and a 3.5% CAGR across Spain, Portugal and Italy from 2024 to 2029, driven by supportive dynamics including growing populations (bolstered by high levels of immigration), as well as increasing spend on kidswear per household. There is also limited competition for Pepco's customer proposition across Western Europe, which provides a significant opportunity for our brand and a large whitespace opportunity for expansion.

During our initial Western European rollout, we made some missteps which hindered our success. Fundamentally, we didn't appropriately consider the varying dynamics between WE and CEE customers. To ensure our future success, we now have a new approach, a more measured expansion plan and a revitalised team with the experience and expertise required to deliver. Under new regional management, the business has shown a marked turnaround, with double-digit LFL growth in Iberia and Italy and enhanced store profitability.

During the year, we opened 34 net new Pepco stores in Western Europe. Pepco operated 583 stores across Western Europe at the end of FY25, generating revenue of €695 million (15% of Group sales). The opening of a new distribution centre ("DC") in Madrid, Spain in September 2024 marked an important step in realising an appropriate economic model for our Iberian operations. Previously goods were travelling over 3,000km from our DC in Hungary. The new DC therefore structurally reduced high transport and distribution costs, while also reducing lead times, improving availability in stores.

Key objectives

- Deliver improved growth strategy by exiting FMCG (Pepco Plus) to return to one brand and one format focused on clothing and general merchandise
- Deliver operational improvements to align store economics with CEE
- Increase brand awareness and NPS scores
- Restore profitability in Germany

Progress in FY25

- New COO in Western Europe bringing greater expertise and revised strategy
- 34 new stores opened, including 4,000th Pepco store in Madrid
- Spain, Italy and Portugal all profitable on an underlying pre-IFRS 16 EBITDA basis. New stores performing in line with plan with average pre-IFRS 16 store EBITDA margin of 15.9% and reformatted stores delivering an annualised pre-IFRS 16 store EBITDA margin uplift of 12.1ppts
- Brand awareness in Spain of 59% (+600bps) and in Italy of 38% (+600bps)

What to expect in FY26

- Accelerated store expansion in Spain, Portugal and Italy guided by attractive returns on investment
- Targeting increased awareness and NPS
- Rollout of the new loyalty scheme and mobile app
- Restructuring of store portfolio in Germany

A key step in FY25 was our FMCG exit, realised through the reformatting of our "Pepco Plus" stores (see case study overleaf). Then, as with all Pepco stores, we focused on putting the customer experience first. This includes focusing on our market-leading price proposition and standardising our store formats, so customers know what to expect when they visit our stores. This will help build brand awareness and customer confidence as we work to grow our brand towards the level of recognition and satisfaction already established in CEE, delivering LFL improvements as we do so. In FY25, we delivered strong LFL growth of 6.8% including FMCG and 14.1% excluding FMCG.

In FY25, brand awareness increased 600bps in Spain to 59% and 600 bps in Italy to 38%. We are also focused on our operating model, turning attention to our distribution and supply chain to ensure stock availability and enhance efficiency as we progress with our controlled store expansion plan.

Strategy in action

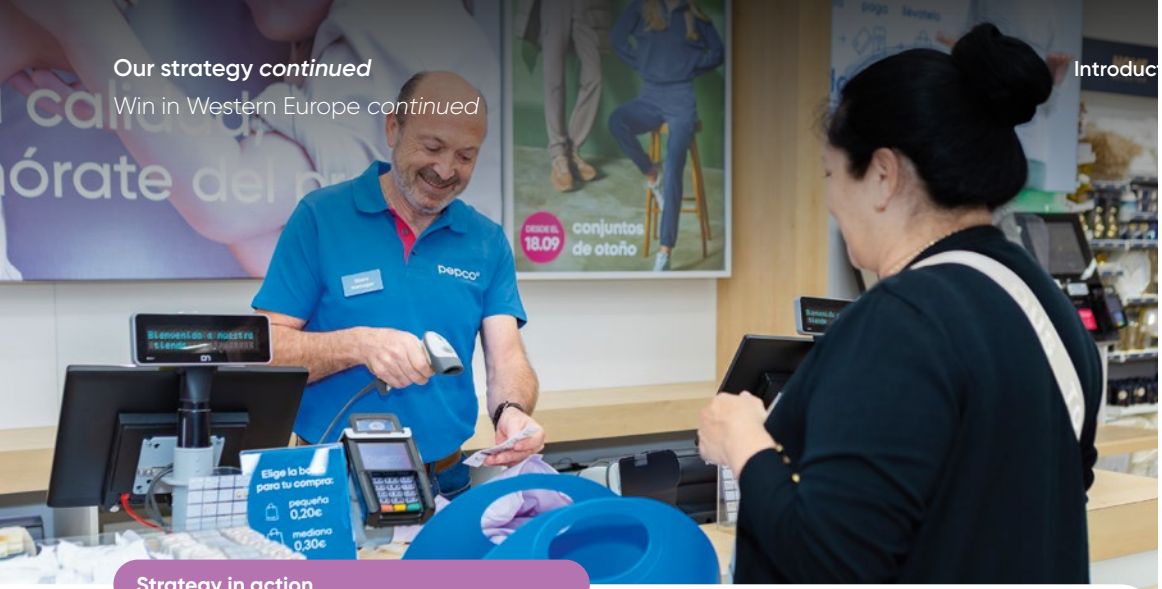
Milestone 4,000th Pepco store opens in Madrid

In September 2025, we were proud to open our 4,000th Pepco store in Madrid, Spain.

This opening was a clear testament to the Group's commitment to the Spanish market, where it already had 237 stores. The new store, Pepco's 36th in Madrid, opened in the Madrid Sur Shopping Centre in Vallecas, covering 507m². In just four years in Spain, Pepco has successfully consolidated its business model: a retail concept offering quality fashion and home décor at competitive prices, designed to make the shopping experience accessible to everyone.

Pepco provides families with everything they need in one convenient and affordable space, stocking 2,300+ fashion items for the whole family and 2,700+ home, toy, pet and stationery products.

The opening of our 4,000th store is not only a milestone achievement, highlighting our expansion strategy and the flexibility of our model to open in high street locations, retail parks and shopping centres, it also confirms the business model we will continue to develop in Spain. Spain is a key market for Pepco and one we will continue to invest in. Pepco plans to open ~75 new stores in Iberia and Italy by the end of FY26, consolidating its presence and reaffirming its commitment to Western Europe.



Strategy in action

Performance uplift in reformatted Pepco Plus stores

On entering FY25, we operated 123 Pepco Plus stores, all based in Spain and Portugal. The "Pepco Plus" format was launched in 2023 as a set of larger stores that included a range of FMCG products in addition to our core clothing and GM ranges.

Pepco Plus stores were also larger in footprint at 800m^2 on average vs 500m^2 in a standard store, meaning higher costs from increased rent, utilities and labour. The focus on FMCG meant these stores were delivering significantly lower gross margin and no longer aligned with our strategy. However, their locations were good, with strong demographics and footfall providing a compelling opportunity for reformatting.

We successfully completed the reformatting of 117 of our Plus stores, as well as exiting the six that were unsuitable for reformatting by August 2025, in line with our plan. The capital expenditure required to reformat these stores was low at c.€40k-45k/store and the resulting uplift in performance exceeded initial expectations, with an increase in pre-IFRS 16 store EBITDA margin of 12.1ppts across our converted stores on an annualised basis.



Strategy in action

Three-tier store model

To win in Western Europe, we have simplified our store model to focus on three distinct formats to best position us for success. We have categorised these as A, B or C-stores, with each format tailored to distinct catchment areas.

Currently, most of our Western Europe portfolio is A-stores. These stores are based in prime locations with large catchment areas and high foot traffic. They generate the highest sales of c.€1.6-1.8m on average and the highest pre-IFRS 16 EBITDA per store of c.€220-250k on average. However, these valuable attributes mean rents are high.

B-stores, our next most common format, are typically based in mid-sized catchment areas, often located in medium sized shopping centres and retail parks. B-stores generate €1.3-1.4m in sales and €140-180k pre-IFRS 16 EBITDA on average.

Lastly, C-stores are smaller in size, often based in small shopping centres, retail parks and residential high streets. These stores are in smaller catchment areas, but rents are also the lowest of the three formats. C-stores typically generate €1.0-1.1m in sales and €100-130k in pre-IFRS 16 EBITDA per store.

As we progress with our store opening plans in FY26, we will continue to assess the attributes and benefits of each format. Our future openings will be roughly 25% A-stores, 35% B-stores and 40% C-stores, where there is the greatest whitespace opportunity. By correctly utilising these three formats to balance our portfolio and creating a more nimble approach, we can capture greater market share and higher returns on capital.

Upgrade our core operating platform

Investing in and implementing a modern operating platform is pivotal for our long-term success and underpins all our strategic pillars.

Our model centres on planning, buying, transporting and selling products efficiently. However, our operations have been affected by a period of significant underinvestment in certain core operating platforms. As a result, our processes are unstandardised and often manual, which can creates inefficiencies.

Our initial focus centres on upgrading two key areas: our supply chain and our digital customer experience. This will allow us to operate more efficiently, a key enabler in maintaining our market-leading price proposition and driving free cash flow generation.

We already have an integrated supply chain through Pepco Global Sourcing (PGS), our product sourcing, development and technical services business. This is a real differentiator which allows us to offer greater value to our customers. However, we are also working to upskill our overall distribution network through partnerships that will enable us to operate more quickly, flexibly and efficiently. We are focused on implementing a two-speed supply chain with two new de-consolidation centres expected to open by FY28, alongside new distribution centres (DCs) to reduce lead times and improve inventory allocation. We will also deploy new IT systems that will allow for better planning and steering accuracy and increased automation, enhancing operational efficiency.

In addition, we will implement a new ERP system, integrated supply planning and a global POS technology platform, as well as enhanced data management and digital tools that will enable significant improvements in our customer engagement initiatives.

Key objectives

- Reset and standardise our operating model
- Create a faster, more flexible distribution centre network with shorter lead times
- Implement a new technology landscape focused on automation and scalability to support growth
- Implement a new digital ecosystem to deliver a superior customer experience
- Implement a new IT operating model focused on agile ways of working

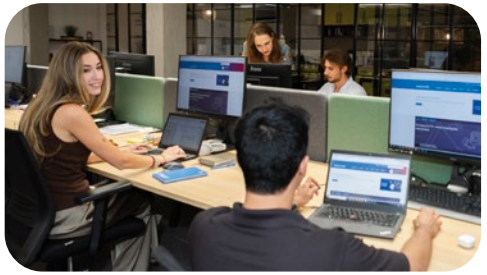
Progress in FY25

- Automation in merchandise financial planning and implementation of a unified product lifecycle management tool
- First full trading year with new Spanish DC, with management of DCs moved to DHL
- Implementation of new data lake
- Proof of concept with several AI technologies and use cases

What to expect in FY26

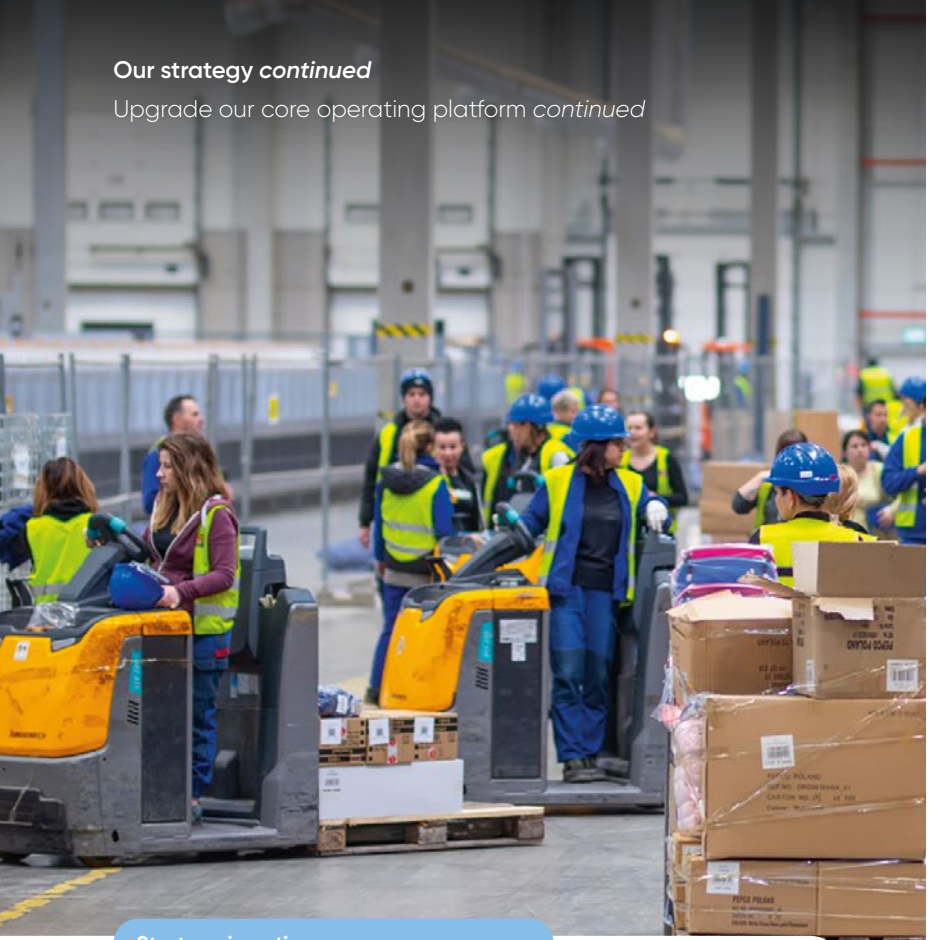
- New digital ecosystem including new mobile app, new loyalty programme and new websites
- Further implementation of data use cases in the new data lake
- Implementation of AI technologies in several business areas
- Finalise rollout of new HR information system

Upgrading our core platform goes beyond new technologies. It is equally important to align our organisation and empower our people to unlock its full potential. By aligning roles, processes and skills, we ensure that teams can fully leverage the capabilities to drive efficiency, collaboration and innovation. This people-focused approach transforms the use of these new technologies into a true enabler of business outcomes, allowing us to deliver greater value to our customers. Our investment in both technology and organisation design underscores our commitment to sustainable growth and operational excellence.









Strategy in action

New DC in Spain drives efficiency gains

In September 2024, we opened a new distribution centre (DC) in Guadalajara, Spain to support our operations in Western Europe. The 45,000 sqm facility services 260 of our stores in Iberia.

This was a crucial next step for our expansion plans in Western Europe, as Spain is one of our primary growth markets. Previously, products were transported to stores there from Hungary, c.3,000km away, which was a significant drag on profitability and stock freshness.

During its first full year of operation, the new DC reduced our transport costs by 380bps and our average lead time to stores by 3 days. This supported both increased LFL growth as customers benefitted from fresher stock and improved availability of items, and increased profitability as we operated more efficiently and reduced our cost base.



Strategy in action

Expansion of DHL supply chain agreement

As part of our transformation journey and our efforts to upgrade our end-to-end Value Chain, the majority of our distribution centres (DCs) are now being managed by DHL, a leader in supply chain logistics. Since 2019 we have had a long-standing agreement in place, first with operations at our facility in Sosnowiec, Poland, before expanding the partnership in 2024 with the opening of our DC in Guadalajara, Spain. Since September 2025 our DC in Rawa Mazowiecka, Poland and, as of January 2026, our DC in Gyal, Hungary are also being successfully managed by DHL.

Partnering with DHL allows us to streamline our operations, reduce our headcount and drive greater efficiencies. It also helps ensure customers continue to have timely access to a wide range of quality products at competitive prices.

DHL provides warehousing, inbound and outbound picking, loading and value-added services. With a large employee base at their disposal and the ability to scale staffing according to seasonal requirements, the partnership facilitates optimised warehousing and distribution costs through increased efficiency.

With our continued strong growth, it made strategic sense to expand the agreement, allowing us to leverage DHL's extensive logistics network and expertise, facilitating quicker and more efficient distribution of products to our stores and customers. The partnership also contributes to sustainable practices within our supply chain.

Capital allocation framework

In FY25, we announced a new capital allocation policy prioritising shareholder value creation. Disciplined investment in the business is critical to our ongoing success. It will ensure we continue to provide a market-leading proposition to our customers and drive growth across the Group, creating enhanced value for all our stakeholders.

Organic growth

New store opening programme, as well as refurbs and refits of our existing estate

€78m

Tech initiatives

Developing data and technology capabilities and digitising our customer proposition

€16m[1]

Supply chain

Building out and optimising new distribution and deconsolidation centres and bonded facilities

€2m

Debt paydown

Maintaining leverage within our target range of 0.5x-1.5x (pre-IFRS 16)

Leverage:

0.3x

Leading to solid and consistent cash conversion

€342m

Free cash flow[2]

Dividends

We issued our maiden dividend in FY24 of **6.2 cents** per share, a payout ratio of 20%. This was increased to 25% in FY25

FY25 dividend per share[3]

9.6 cents

Share buybacks

€200m share buyback programme FY25-27. We completed **€50m** in August 2025, with a further **€50m** due to complete by January 2026

Value of shares repurchased in FY25

€50m

Special dividends

Reviewed on a case-by-case basis

1. Over the next three years, capital expenditure will be higher than normal in order to fund upgrades in our technology platform. This category of expenditure will significantly lower thereafter.
2. See note 27 of the financial statements.
3. Subject to approval at the AGM in March 2026.

Our sustainability strategy: Where Growth Meets Care

***"Where Growth Meets Care"* is more than a commitment, it's our guiding sustainability approach supporting our new five-pillar strategic framework, for becoming a responsible, resilient, and future-fit organisation. As one of Europe's leading variety discount retailers, we believe it is vital to embed sustainability into how we operate and approach long-term planning.**

Following our 2025 double materiality assessment and baseline target setting, this year we have further developed our sustainability strategy. It focuses on our most material sustainability topics, organised under three strategic pillars – People, Value Chain and Customers – and anchored by a CSRD-compliant reporting framework and supported by strong governance. Read more in our Sustainability Statement on page 96.

Turning sustainability strategy into action

"Where Growth Meets Care" is not an add-on to our business but the continuous evolution of growing responsibly. It creates value across our strategic priorities while mitigating critical risks. It reflects our view of sustainability as an integrated, ongoing process of translating our values – "Care for colleagues, Give our best, Love our customers" – into business decisions, product design, supply chain practices and employee experience. Aligned with evolving European regulations such as the EU Taxonomy, CSRD and CSDDD, it ensures we remain competitive, compliant, and trusted.

The three pillars of our sustainability strategy link to our material topics under the ESRS, as well as other areas identified as strategically important to our business resilience and long-term growth. Read more in our Sustainability Statement on page 96. This enables us to proactively address our ESG impacts, risks and opportunities – from operational disruption and regulatory change to shifting customer expectations – with clear mitigation and measurable progress. Read more in our Risk section on page 54.

	PEOPLE Care for colleagues	VALUE CHAIN Give our best	CUSTOMERS Love our customers
Priority	Building a stable, skilled and safe workforce.	Creating a transparent, responsible, and lower-impact value chain.	Enabling access to more responsible product choices at affordable prices.
Key activities	• Strengthen engagement • Ensure fair working conditions • Provide L&D opportunities	• Supply chain due diligence and audit programme • Climate transition plan	• Responsibly sourced own-brand materials and products
Key metrics	• % Participation in feedback channels • % Women in top 3 leadership levels • % Internal promotion in operations	• % Suppliers audited against our supplier factory audit plan • % GHG reduction across all scopes	• % Better Cotton in own-brand textile products • % Own-brand product made in Cat. 1-3 factories • % Reusable, recyclable or compostable own-brand packaging
2030 Goal	• 100% of employees can participate in feedback channels • 40% women in top 3 leadership levels • 70% internal development and promotion in operations	• 100% of our factories are audited against our supplier factory audit plan at least annually • 50% Scope 1+2 GHG reduction by 2030, and 25% Scope 3 GHG reduction by 2035	• 30% Better Cotton in own-brand products • 100% of own-brands made in Cat. 1-3 factories • 100% of own-brand packaging is reusable, recyclable or compostable
2050 Ambition	**A future-ready, stable workforce.**	**A resilient, climate-neutral value chain.**	**Responsibly sourced and affordable products.**

Our strategy is primarily focused on Pepco, which represents the majority of the Group's operations. 2024 serves as the baseline year for the 2030 goals. For more information on our sustainability metrics please refer to the following pages of our sustainability strategy and our Sustainability Statement.

Transformation with care – our journey

"Where Growth Meets Care" reflects our transformation in a rapidly evolving retail landscape defined by rising customer expectations, tighter regulation, supply chain volatility, and the accelerating impacts of climate change. Consumers today expect more – responsibility, transparency, and trust from the brands they choose.

In this context, our refined business strategy outlines how we will achieve growth through operational excellence, network expansion, and portfolio simplification. At the same time, we are embedding care, responsibility, and future-readiness at the heart of our journey, ensuring growth that is both sustainable and empowering.

Each of the Group's five strategic value creation pillars (see section Strategic framework on page 17) – from portfolio simplification and digitisation to market expansion and operational excellence — is supported by ESG priorities that mitigate risks, enhance resilience, and create long-term value.

For example, integrated sustainability governance and supplier oversight strengthen the Group's portfolio and supply chain streamlining and stability, while product traceability and responsible sourcing build customer trust and protect the Group's expansion and licence to operate. Lastly, embedding ESG data and standards into our systems improves transparency, compliance, and investor confidence – ensuring growth that remains responsible and future-fit.

In turn, business growth amplifies our sustainability impact by enabling the provision of affordable, responsibly sourced products and fair employment, while advancing robust environmental and social standards across markets.

Ultimately, "Where Growth Meets Care" demonstrates how sustainability performance and business success are mutually reinforcing: sustainability drives competitiveness, and growth expands our capacity to care and create positive impact.



Our strategic pillars

- Simplify and streamline the Group portfolio
- Refocus and digitise Pepco's customer proposition
- Topline growth through measured expansion in CEE
- Win in Western Europe
- Upgrade our core operating platform

ESG focus areas

- Centralised integrated ESG governance & supplier oversight
- Product traceability and sustainability
- Affordable, responsibly sourced products and fair jobs
- Adoption of relevant ESG standards
- ESG data embedded into systems

Reinforcement results

- Lower ESG risks and impacts; secure supply continuity and compliance
- Stronger customer trust and informed choices
- Responsible growth and fair employment in new markets
- Resilient supply chains, disciplined expansion and investor confidence
- Improved ESG reporting and decision-making, transparency and risk management



Building a stable, skilled, and safe workforce

Our 31,000+ colleagues are the heart of Pepco's success. Their diversity of backgrounds and perspectives helps us understand and serve millions of customers every day. That is why we aim to create a workplace where everyone feels valued, included, and empowered to thrive – enabling strong customer experiences, stable teams, and sustainable business performance.



Key actions

- **Listening and acting** – We believe that colleagues bring their best to work when they feel heard, valued and supported, driving customer satisfaction and operational excellence. Therefore, engagement is a management priority. Our approach is enabled by HR and corporate communications through tools, frameworks and guidance, while employees' voices are gathered via surveys, listening sessions, daily dialogue, Works Councils and an employee grievance and whistleblowing platform. Motivated and stable teams strengthen capabilities, reduce turnover and support the sustainable growth of our value retail model.
- **Fairness, equity and belonging** – Our Diversity, Equity & Inclusion (DEI) framework focuses on fostering inclusive culture, building fair systems and growing diversity through awareness and development. We are strengthening grievance procedures, analysing pay equity, updating recruitment practices and embedding DEI learning at all levels.
- **Leaders for today and tomorrow** – We invest in tailored leadership programmes for store, office and senior leaders, aligned with our values and leadership principles. Internal mobility is supported through clear career paths and cross-functional development opportunities.
- **Strong pipelines, stronger futures** – We prioritise internal promotions in operations and build flexible pathways in head office, preparing colleagues for future roles and ensuring business resilience.

Accountability in action

Managers are directly responsible for fostering engagement and development within their teams, supported by HR tools, training and oversight. At Group level, the CHRO monitors trends, ensures alignment with strategic priorities and oversees the implementation ofour people initiatives, ensuring that accountability and support are embedded at every level.

Our ambition

In FY25, we made significant changes to our management structures to simplify governance, strengthen accountability, and reflect the evolving scope of our business.

As a result, the composition of our top leadership has evolved, achieving greater gender balance across senior levels and surpassing our gender diversity goal, with women now representing 50% of our top leadership (CEO, CEO-1, and CEO-2 levels*).

The 70% internal promotion target, introduced in FY25, aims to strengthen internal mobility and career progression across operations – specifically for Store Manager and Shift Leader promotions. The current 52% share serves as the baseline from which future progress will be measured.

We continue to strengthen employee voice through accessible feedback and dialogue channels. Our next biennial employee survey will take place next year, providing an important platform to inform our ongoing engagement strategy.

Looking further ahead to 2050, our goal is to maintain a workforce that is not only skilled and stable but also inclusive, adaptable and fully prepared to meet the demands of the future retail environment.

Full list of topics

More details on topics and metrics related to our people are available in our Sustainability Statement, S1: Own Workforce (see page 127).

* The list of leadership levels is verified by the CHRO to ensure consistency with role definitions. Some roles may be excluded if their impact is not considered at the leadership level.



Strategy in action

Pepcoolture Masters Programme – celebrating values, driving engagement

Now in its third year, the Pepcoolture Masters Programme is Pepco's flagship employee recognition initiative, celebrating individuals who embody the Company's values in their daily work. Designed to strengthen culture and unity across our Pepco and PGS teams, the programme aims to turn values into visible action. It fosters appreciation and peer recognition, encourages cross-team collaboration, and plays a key role in boosting employee engagement, motivation, and retention.

The 2025 Pepcoolture Masters Programme launched with a nine-week campaign promoting peer recognition and sharing stories of values in action. It received over 1,500 nominations – a 25% increase from the previous year – showing growing cultural engagement. The programme recognised 34 local winners and 100 standout nominators, culminating in a global event where eight were named Global Pepcoolture Masters. Recognised employees reported higher motivation, while nominators felt more valued. The initiative has been linked to stronger trust, wellbeing, and retention, and continues to unify Pepco's culture and values across all countries, reinforcing its global Employee Value Proposition.



Creating a transparent, responsible, and lower-impact value chain

Our success depends on a resilient and responsible supply chain and operations. Our Value Chain pillar focuses on transparent and responsible sourcing, to support business continuity while reducing our environmental and social impact.



Key actions

- **Sourcing** – We assess factories that supply own-brand products against our risk-based audit plan, complemented by ongoing engagement to raise standards.
- **Operations** – We are transitioning our operations to run on renewable energy and partnering with our carbon accounting platform provider to measure, report and act on carbon emissions across our value chain, ensuring data-driven decision-making and transparent reporting. We are also reducing waste in our stores, distribution centres and offices.
- **Governance and transparency** – Vertical integration through PGS, together with our internal sourcing compliance team, provides high visibility and control across the supply chain. We conduct regular reviews under the oversight of the Audit Committee to ensure accountability and drive continuous improvement. At the same time, we are adopting tools to advance full supply chain mapping.

Accountability in action

Sourcing and compliance teams, together with local management, ensure supplier adherence to ethical standards. Executive leadership reviews ethical performance regularly, while the Audit Committee provides independent oversight, embedding responsibility throughout the value chain.

Our ambition

We aim for 100% audit of factories that supply own-brand products against our audit plan. This year we have continued to achieve our goal[1]. See page 148 of the Sustainability Statement for further details of our sourcing KPIs.

We have also formalised targets to reduce Scope 1 and 2 GHG emissions by 50% by 2030 and Scope 3 GHG emissions by 25% by 2035. In FY25 we delivered a 39% reduction in Scope 1+2 GHG emissions, driven by our investment in renewable electricity in Poland (further detail can be found in our strategy in action case study on page 35) and a 24% decrease in Scope 3 emissions driven by enhancements in our carbon accounting data quality and reporting methodology[2]. Our ambition is to achieve a climate-neutral value chain that enhances resilience, protects people and safeguards the planet, with measurable progress and transparent reporting along the way by 2050.

To support our carbon targets, we have also set a goal to reduce operational waste, covering store, distribution, and office activities, by 20% by 2030, using 2024 as the baseline.

In FY25, we achieved a 17% reduction compared to the baseline, marking continued progress toward our target.

Full list of topics

More details on topics and metrics related to our value chain are available in our Sustainability Statement, E1: Climate change (see page 113) and S2: Workers in the value chain (see page 127).

1. Our supplier factory audit plan is defined as all active factories for own-branded products that are designated "own-brand" in our sourcing system, CBX.
2. The 39% and 24% reduction vs FY24 in Scope 1+2 and Scope 3 GHG emissions respectively relates to the Pepco Group excluding Poundland

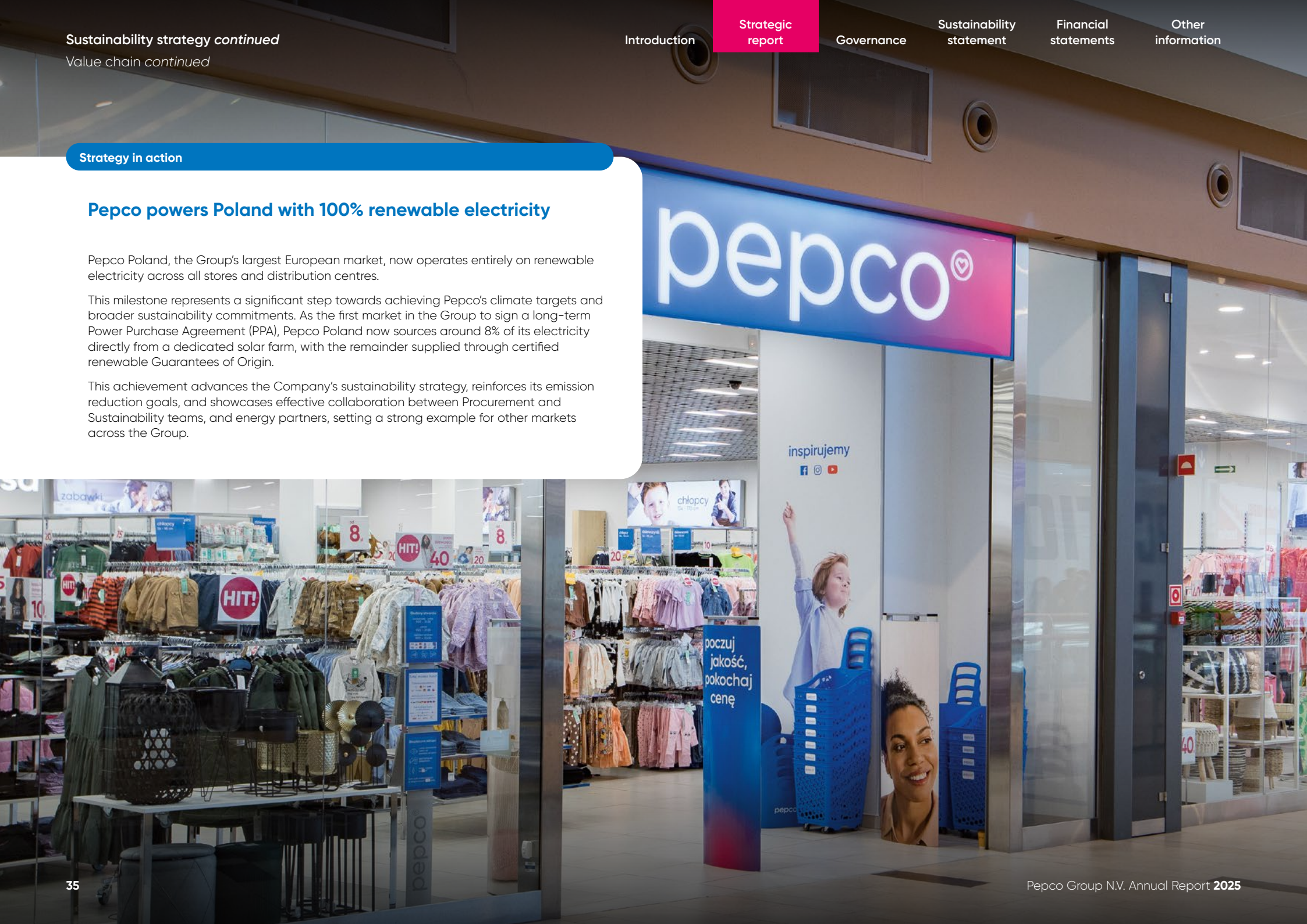
Strategy in action

Pepco powers Poland with 100% renewable electricity

Pepco Poland, the Group's largest European market, now operates entirely on renewable electricity across all stores and distribution centres.

This milestone represents a significant step towards achieving Pepco's climate targets and broader sustainability commitments. As the first market in the Group to sign a long-term Power Purchase Agreement (PPA), Pepco Poland now sources around 8% of its electricity directly from a dedicated solar farm, with the remainder supplied through certified renewable Guarantees of Origin.

This achievement advances the Company's sustainability strategy, reinforces its emission reduction goals, and showcases effective collaboration between Procurement and Sustainability teams, and energy partners, setting a strong example for other markets across the Group.



Enabling access to more responsible product choices at affordable prices

We strive to make everyday life better for all customers, especially families on a budget. Through our Customers pillar, we make responsibly sourced products accessible and affordable, without compromising on quality. By embedding care for people and the planet into design, sourcing, and packaging, we offer a product portfolio that is both responsible and accessible.



Key actions

- **Materials:** We are increasing the share of Better Cotton in our own-brand products as well as expanding the use of other responsibly sourced and recycled materials.
- **Sourcing:** We source our own-brand products from factories that comply with responsible sourcing standards, supported by regular assessments to safeguard working conditions across our supply chain.
- **Packaging:** We are redesigning our packaging to prioritise reuse, recyclability and compostability.

Accountability

Customer trust depends on transparency, product safety and quality. Regular compliance checks, product quality testing and third-party certifications reinforce accountability, while progress is reviewed by Group leadership to ensure alignment with our sustainability and business goals.

Our ambition

By 2030, we aim to source at least 30% Better Cotton in own-brand textile products and expand the use of other recycled and certified materials. In the current reporting period, we achieved 25% Better Cotton, representing an increase in absolute volume compared to last year.

Additionally, all own-brand products will be sourced from factories meeting Category 1, 2, or 3 compliance standards; currently, 94% of our suppliers meet these standards.

We are also redesigning packaging to achieve 100% reusability, recyclability, or compostability, having already transitioned 97.9% of our packaging.

Full list of topics

More details on topics and metrics related to our products are available in our Sustainability Statement, E1: Climate change (see page 127) and S2: Workers in the value chain (see page 113).



Strategy in action

Sustainability meets finance – connecting purpose across teams at Pepco

Pepco is committed to growing responsibly by embedding sustainability into its core operations and long-term planning. Guided by its values – Care for colleagues, Give our best, Love our customers – Pepco integrates sustainability into product design, supply chains, and business decisions.

In a great example of cross-functional collaboration between Sustainability, Treasury, and Operations teams, Pepco developed its first Sustainable Finance Framework, receiving a "Good" Second Party Opinion from Sustainable Fitch. This framework aligns sustainability goals with financial strategy, enabling funding for projects that reduce environmental impact and promote positive social outcomes.

The framework funds initiatives such as sustainable resource management, renewable energy, green buildings, and responsible sourcing, linking financing to Pepco's targets of:

- 50% reduction in Scope 1 and 2 GHG emissions by 2030
- at least 30% certified cotton in own-brand textile products

By linking finance with sustainability, Pepco is embedding responsible growth across teams and operations. This collaborative approach enhances transparency, accountability, and impact – setting a strong example of purpose-driven business transformation.

Monitoring performance across the Group

The following key performance indicators (KPIs) include Alternative Performance Measures (APMs). The Directors use APMs[1] as they believe these measures provide additional useful information on the Group's performance. Unless otherwise stated, all prior year figures are FY24 Restated.

Net new stores



We took a more disciplined and targeted approach to growth in FY25, with 247 net new store openings in line with guidance, leading to a total of 4,359 stores at year end.

Definition and relevance:

Disciplined and controlled store growth is fundamental to our Group strategy, with strengthened store economics and returns on capital.

Net new store numbers accounts for store closures during the year.

Total retail trading space ('000 sqm)



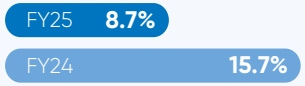
Retail trading space of 1.9 million square metres represents an increase of 6% year-on-year.

Definition and relevance:

Trading space is defined as retail trading space including tills, excluding back-of-house and changing rooms.

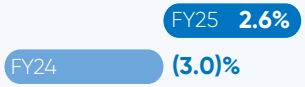
Store space growth allows us to extend our ranges and drive profitability.

Total revenue growth (%)



FY25 revenue of €4.5bn, up 9% year-on-year, driven by LFL growth of 2.6% and new store expansion.

LFL growth (%)



Definition and relevance:

LFL growth is fundamental to our Group strategy in delivering operating leverage.

LFL growth is defined as year-on-year revenue growth for stores open beyond their trading anniversary and is reported on a constant currency basis.

Underlying gross margin (%)



Underlying gross margin improved 100 bps to 48.0%, driven by enhanced operational efficiency and FMCG exit.

Definition and relevance:

Profitability is a core focus, supported by gross margin expansion through monitoring the performance of our sourcing model.

Underlying gross margin represents underlying gross profit divided by sales excluding VAT.

1. Refer to Alternative Performance Measures (APMs) in Note 27 to the consolidated financial statements on page 200.

Underlying EBITDA (€m)



Underlying EBITDA of €865m represents growth of 10% year-on-year.

Definition and relevance:

Underlying profit before tax, net finance costs, depreciation and amortisation. Prepared on an IFRS 16 basis.

Underlying EBITDA margin (%)



EBITDA margin is up 30bps year-on-year, driven by continued improvement in gross margin.

Definition and relevance:

Underlying profit before tax, net finance costs, depreciation and amortisation, divided by sales excluding VAT. Prepared on an IFRS 16 basis.

Underlying profit after tax (€m)



Sharp improvement in Underlying profit after tax to €219m, up 20% year-on-year. This includes a one-off pre-tax impairment charge of €38m.

Definition and relevance:

Profit after tax excluding exceptional items.

Profit conversion (%)



Improved profit conversion of 25% driven by a reduction of interest expense and notably lower effective tax rate.

Definition and relevance:

Focus on improving profit conversion, through tax efficient financing and assessing the legal and balance sheet structure to actively manage our effective tax rate.

Underlying profit after tax, divided by underlying EBITDA.

Free cash flow (€m)



Strong free cash generation of €342m, up 22% year-on-year and above our newly upgraded mid-term ambition of at least €250m per annum.

Definition and relevance:

Generation of robust free cash flow is central to the strategy of enhancing shareholder value.

Cash generated from operations, after working capital movements, capital expenditure, tax and rental costs, but pre funding and investment.

Free cash flow conversion (%)



Maintaining strong free cash flow conversion of 156%, through greater focus on disciplined capital investment.

Definition and relevance:

Executing in a disciplined manner with a strong emphasis on efficient working capital and returns will deliver strong cash flows.

Free cash flow divided by underlying profit after tax

Introduction and strategic context

This Financial review sets out Pepco Group's financial performance for the year, highlighting how the results support the execution of the strategy and long-term value creation for stakeholders.

Pepco Group operates as a leading clothing and homeware discount retailer across Europe, focused on offering quality clothing and general merchandise products at market-leading prices and the best value to families on a budget. FY25 has been a year of transitions for the Group – transitions to a renewed leadership team, a sharpened strategy, and a simpler portfolio and structure.

The Group's redefined strategic framework announced at our Capital Markets Day in March aims to simplify the business model and focus on profitability, with sustained discipline around capital investment and optimising free cash flow. The strategy is built on five pillars:

1. Simplify and streamline the Group portfolio
2. Refocus and digitise Pepco's customer proposition
3. Topline growth through measured expansion in CEE
4. Win in Western Europe
5. Upgrade our core operating platform

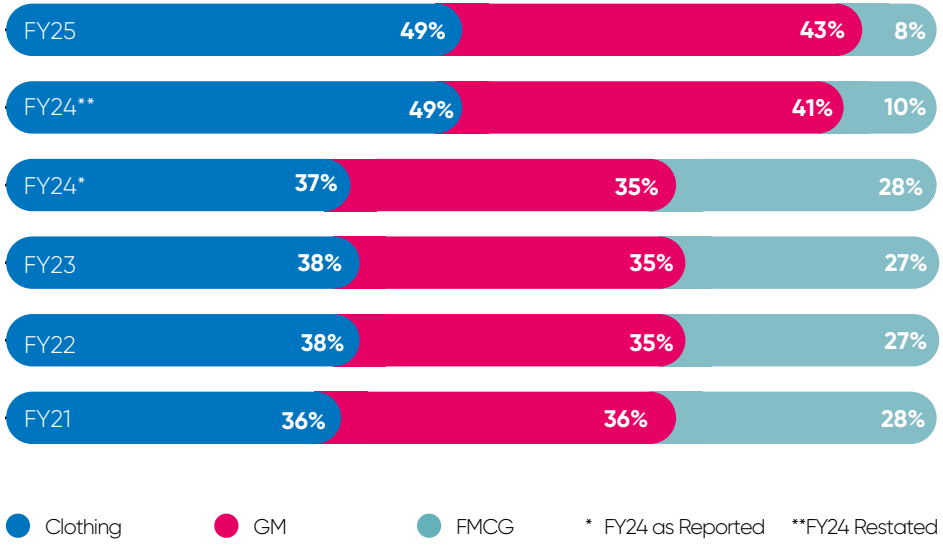
These are supported by our value creation model and a clear capital allocation framework which is to first invest in the core business and growth initiatives, and then to return excess free cash flow to shareholders through dividends and share buybacks.

Our capital allocation decisions and long-term planning are informed by our commitment to sustainability and responsible business practices, as outlined in the 2030 ESG Strategy we launched in FY24. This focuses on carbon reduction, ethical sourcing, and energy efficiency (as part of a resilient climate-neutral value chain), and responsibly sourced and affordable products, including Better Cotton in own-brand products, and an increasing use of renewables and a reduction in waste, especially own-brand packaging.

We set out how we embed sustainability into how we operate and approach long-term planning on page 29.

The financial outcomes presented in this review reflect progress against these priorities despite a challenging macroeconomic backdrop and reflect the transformation of the business following the decision to focus on the Pepco brand as the single future format, a strategic move away from FMCG to focus on higher-margin clothing and general merchandise, and the resulting disposal of Poundland on 12 June 2025. FMCG now represents only 8% of revenue mix, down from around 28% historically, and now primarily reflects the Dealz Poland business. Dealz is now fully independent, and a divestment process is intended to commence in 2026 as we explore strategic options for the business.

Revenue mix by category





FY25 has been a been a year of transitions for the Group – transitions to a renewed leadership team, a sharpened strategy, and a simpler portfolio and structure.

Willem Eelman
CFO of Pepco Group

Group performance overview

Profit and Loss (€m) Continuing operations	FY25	FY24 (Restated)	YoY (reported FX)	YoY (constant FX)
Revenue	**4,523**	4,160	8.7%	8.4%
LFL growth (%)	**2.6%**	(3.0)%	-	-
Underlying Gross profit	**2,172**	1,953	11.2%	10.9%
Underlying Gross margin %	**48.0%**	47.0%	100 bps	110 bps
Underlying Operating costs	**(1,307)**	(1,170)	11.7%	11.3%
Underlying Operating costs %	**28.9%**	28.1%	80 bps	70 bps
Underlying EBITDA	**865**	784	10.3%	10.4%
Underlying EBITDA margin %	**19.1%**	18.8%	30 bps	30 bps
Underlying EBITDA (pre-IFRS 16)	**531**	480	10.6%	11.0%
Underlying EBITDA margin (pre-IFRS 16) %	**11.7%**	11.5%	20 bps	30 bps
Depreciation, amortisation & impairment	**(494)**	(417)	18.5%	18.1%
Underlying EBIT	**371**	367	1.1%	1.7%
Net financial expense	**(68)**	(89)	(23.6)%	(22.6)%
Underlying profit before tax	**303**	278	9.0%	9.4%
Underlying profit after tax	**219**	183	19.7%	20.3%
Underlying EPS (cents)	**38.1**	31.7	20.2%	20.5%
Exceptional items	**(51)**	(44)	15.9%	15.4%
Reported profit before tax	**251**	234	7.3%	8.3%
Tax	**(80)**	(107)	(25.2)%	(24.5)%
Reported profit after tax	**171**	127	34.6%	35.8%
Reported EPS (cents)	**29.8**	22.1	34.8%	35.9%

	FY25	FY24 (Restated)	YoY (reported FX)
Net debt	**1,229**	1,679	(26.8)%
Leverage: Net debt to EBITDA	**1.4x**	2.1x	(0.7)x
Net debt (pre-IFRS 16)	**163**	257	(36.6)%
Leverage (pre-IFRS 16): Net debt to EBITDA	**0.3x**	0.5x	(0.2)x
Impact of IFRS 16 on leverage	**1.1x**	1.6x	

Numbers above based on continuing operations and according to IFRS 16 unless stated otherwise.

Poundland is classified as a discontinued operation, therefore all numbers above (including comparatives) exclude Poundland.

All foreign currency revenues and costs are translated at the average rate for the month in which they are made.

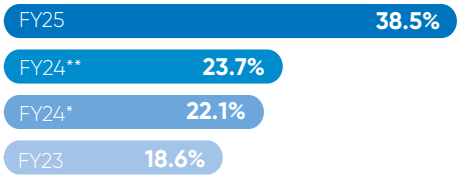
The Group Executive Committee assesses the performance of the Group using a variety of performance measures; some are IFRS Accounting Standards and some are adjusted and therefore termed "non-GAAP" measures or Alternative Performance Measures (APMs). The Group Executive Committee principally discusses the Group's results on an underlying basis excluding material exceptional, unusual or other items, and for some measures (such as Underlying EBITDA and net debt) on a "pre-IFRS 16" basis given this is how financial performance is measured by management and reported to the Board. A reconciliation of these non-GAAP measures to the nearest measure prepared in accordance with IFRS Accounting Standards is provided in note 27 to the consolidated financial statements (Alternative Performance Measures note) and, for net debt, is also provided in the Capital Structure and Financing section of this Financial Review on page 51.

Financial highlights

The key milestones this year were in line with the strategy outlined at the Capital Markets Day and highlight a clear focus on driving shareholder value by focusing on our successful Pepco business. The sale of Poundland and removal of FMCG from the Pepco brand has resulted in a Group with faster revenue growth, improved profitability and margins, and stronger cash generation.

- Revenue of €4.5bn, an increase of 9% on a reported basis and 8% on a constant currency basis
- LFL revenue growth of 2.6%, and up 4.0% excluding the impact of the exit from the FMCG category
- Volumes grew materially faster than revenues given our focus on delivering more competitive prices for our customers
- Gross margin improved 100 bps to 48.0%, driven by enhanced operational efficiency and FMCG exit
- Underlying EBITDA growth of 10.3% on a reported basis and 10.4% on a constant currency basis to €865m
- Underlying EBITDA margin increased by 30 bps driven by continued improvement in gross margin and demonstrating disciplined cost management in light of inflationary pressures
- Sharp improvement in underlying profit after tax of €219m, up 20% despite a one-off IFRS 16 impairment charge of €38m (pre-tax).
- Profit conversion of 25%, up 200bps on FY24 Restated (and 630 bps on FY24 Reported) driven by a reduction in interest expense and a notably lower effective tax rate
- Underlying earnings per share of 38.1 Euro cents, up 20% year-on-year
- Full-year dividend of 9.6 Euro cents per share, up 55% on prior year. Dividend payout ratio increased from 20% to 25% given the focus on enhancing capital returns to shareholders
- Strong ROIC of 38.5%, up 14.8 ppts year-on-year, reflecting efficient capital deployment

ROIC



* FY24 as Reported ** FY24 Restated

- Continued robust balance sheet position and liquidity profile with €464m cash at year end and free cash flow of €342m, above our newly upgraded mid-term ambition for free cash flow of at least €250m per annum, with strong free cash flow conversion of 156% of underlying PAT
- Net debt of €1,229m including right-of-use lease liabilities, a decrease of €450m from the prior year; net debt to EBITDA leverage (pre-IFRS 16) reduced to 0.3x, well below our internal target for a maximum net leverage (pre-IFRS 16) ratio of up to 1.5x, thereby ensuring financial flexibility while maintaining a strong balance sheet
- A full refinancing of the Group's borrowings was executed in Q4 FY25 and Q1 FY26, which materially extended the maturity profile of debt, as well as reducing the average paid interest cost from 6.4% to 3.9%
- Announcing and commencing the execution of a share buyback programme, with capability of up to €200m authorised by the Board for use during FY25 to FY27. The first €50m tranche of the programme was completed during July to August 2025, with a second €50m tranche commencing after the year end on 28 October 2025 with around 90% expected to complete by mid-January 2026.

As part of setting up efficient infrastructure and a solid platform to support future growth, we are focusing on upgrading the core financial systems and internal control processes within Finance. During the year this has included:

- appointing EY as the external auditor for the Group to bring a fresh perspective and enhance the robustness of our assurance process;
- implementing a new lease management software tool in Pepco to streamline lease administration and ensure compliance with IFRS 16 reporting requirements;
- performing a deep dive on the balance sheet for each operating company to ensure compliance with the Group accounting policy manual, with special focus on aged items, the approach to store impairments, and provisions for dilapidations and stock; and
- establishing tax-efficient financing across the Group and assessing the Group's legal structure and balance sheet structure to actively manage the effective tax rate going forward.

As a result, we identified a number of restatements to the financial statements for FY24, which primarily relate to correcting errors in accounting for leases under IFRS 16 identified by the new tool, the revised approach to the allocation of central costs in the impairment review of store assets and establishing dilapidations provisions for restoration or dismantling obligations. These are set out in note 26 to the consolidated financial statements (Restatement note).

+8.7%
Revenue growth

+10.3%
Underlying EBITDA growth

+20%
Underlying earnings per share growth

+55%
Dividend per share growth

€342m
Free cash flow

38.5%
ROIC

Revenue

Revenue grew by 8.7% on a reported basis to €4,523m (FY24 Restated: €4,160m), supported by 247 net new store openings (6% growth in stores since the end of FY24), a return to growth in Poland and resilient demand in core markets such as Romania.

Revenue growth % (reported) YoY	Pepco	Dealz	Continuing operations
Q1 Total	8.5%	18.9%	9.2%
Q2 Total	10.5%	8.0%	10.3%
Q3 Total	7.4%	12.2%	7.7%
Q4 Total	8.3%	1.0%	7.7%
FY Total	**8.6%**	**10.4%**	**8.7%**

The Group delivered positive trading momentum throughout the year, with LFL growth accelerating from 2.3% in the first half to 2.9% in the second half, resulting in full year LFL growth of 2.6% (FY24 down 3.0%).

Positive LFL growth was achieved by both Pepco (up 2.7%) and Dealz (up 1.9%), largely driven by volume reflecting improved availability and a renewed focus on price leadership of the best-selling items and investments in stock freshness and price.

LFL growth % YoY	Pepco	Dealz	Continuing operations
Q1	1.4%	6.6%	1.8%
Q2	3.6%	(1.7)%	3.2%
Q3	2.4%	5.8%	2.6%
Q4	3.8%	(3.8)%	3.2%
FY LFL	**2.7%**	**1.9%**	**2.6%**

Gross margin %



* FY24 as Reported ** FY24 Restated

Gross margin increased by 100 bps to 48.0% (FY24 Restated: 47.0%), driven by expansion in Pepco of 90 bps and supported by Dealz up 270 bps. In Pepco, gross margin progression was driven by improved category mix reflecting our exit from FMCG categories during the year, with sales shifting into higher margin clothing and homewares.

Margin also benefited from improved buying negotiations which offset an increased level of markdown to clear older stock. As part of strengthening our operating platform, during the year we outsourced distribution centre management to DHL which will deliver efficiency savings going forward.

Gross margin %	Pepco	Dealz	Continuing operations
Q1	46.2%	33.7%	45.8%
Q2	48.9%	33.8%	48.6%
Q3	49.5%	34.3%	49.0%
Q4	50.6%	30.4%	49.4%
FY25	**48.6%**	**33.1%**	**48.0%**
YoY improvement	***90 bps***	***270 bps***	***100 bps***

Operating costs

Store costs

Store operating costs as a percentage of revenue increased by 140 bps to 20.6% of sales (FY24 Restated: 19.2% of sales). Despite the improving momentum in like-for-like growth, store labour costs increased on account of ongoing elevated wage inflation in the Group's operating territories, particularly in Central and Eastern Europe, along with the need to service a higher volume of sales. We expect this increase to moderate in the future through exiting FMCG, which is more costly to serve and replenish, and seeking further in-store operating efficiencies.

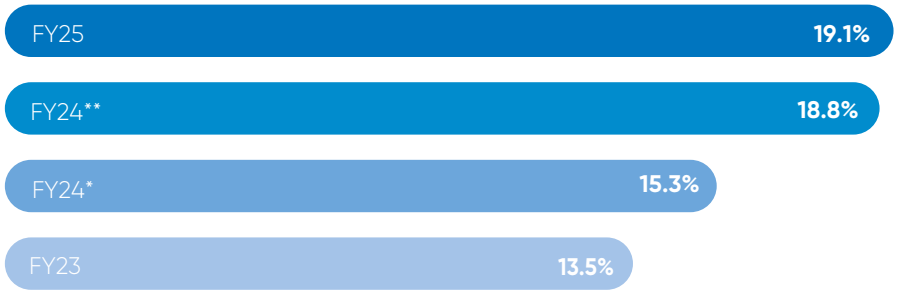
SG&A costs

Group SG&A costs were largely in line year-on-year, at €373m in FY25 (FY24 Restated: €370m).

Underlying EBITDA

Underlying EBITDA was €865m for FY25, up 10.3% on the prior year (FY24 Restated: €784m), largely driven by sales growth and continued improvement in gross margin (up 100 bps) as a result of better contracting with suppliers and sales mix shifting towards higher-margin categories following the exit of FMCG ranges during the year. Despite continuing inflationary pressures on costs, Underlying EBITDA margin increased 30 bps to 19.1% (FY24 Restated: 18.8%).

On a pre-IFRS 16 basis, FY25 Underlying EBITDA was €531m, an increase of 10.6% versus the prior year (FY24 Restated: €480m).



* FY24 as Reported ** FY24 Restated

Underlying EBIT

Underlying EBIT was €371m in FY25, up 1.1% on the prior year (FY24 Restated: €367m).

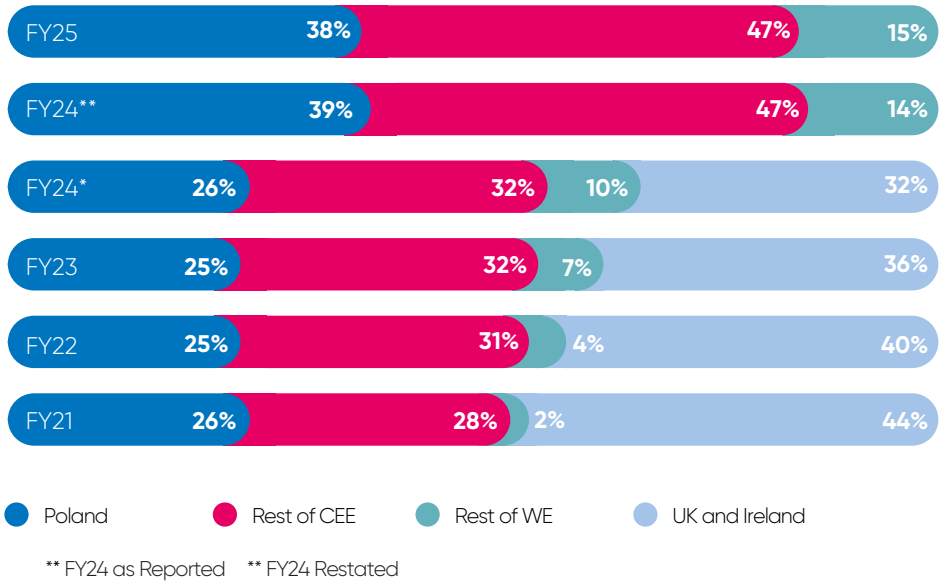
Significant non-cash impairments of €38m were booked in FY25, up €33m on FY24 (Restated) of €5m. As part of the focus on upgrading financial processes, we have revised our approach to the allocation of central costs in the impairment review of store assets, and this resulted in an incremental €10m impairment charge in the year. In Pepco, an additional €12 million right of use impairment was recognised reflecting more unprofitable stores and €8 million of property, plant and equipment impairments were booked (which included writing off assets for closed stores). A further €3 million of the increase reflected Dealz stores reaching sufficient maturity to be included in the assessment for the first time.

Excluding the non-cash impairments booked in both years, Underlying EBIT would have increased by 9.9% rather than 1.1%.

Continuing operations (€m)	**FY25**	**IFRS 16 impact**	**FY25 (pre-IFRS 16)**	FY24 (Restated)	IFRS 16 impact	FY24 (Restated) (pre-IFRS 16)
Underlying EBITDA	**865**	**(334)**	**531**	784	(304)	480
Underlying EBIT	**371**	**(9)**	**362**	367	(36)	331
Underlying profit before tax	**303**	**30**	**333**	278	8	285
Reported profit after tax	**171**	**34**	**206**	127	7	134
Exceptional items	**48**	**(9)**	**39**	55	0	55
Underlying profit after tax	**219**	**26**	**245**	183	7	190
Net debt/(cash)	**1,229**	**(1,066)**	**163**	1,679	(1,422)	257

Segmental reporting

Geographic segments



In our core Poland and Central European (CEE) markets, energy price shocks and food supply disruptions resulting from the conflict in Ukraine have driven up inflation in recent years. However, this is now easing, with the exception of Romania and Hungary which still face elevated rates, partly linked to these shocks.

In Poland, revenue grew by 4.1% on a constant currency basis to €1.7 billion, driven by new store openings (71 net new stores covering both Pepco and Dealz, an increase of 4.3%). LFL growth was flat for the full year; however Pepco Poland returned to growth in the second half, with LFL growth of 2.4% (versus a decline of 3.1% in H1) driven by strong growth of 4.8% in Q4. Excluding the impact of the exit of FMCG, LFL growth improved to 6.5% in Q4. The turnaround in Pepco Poland was delivered through enhanced frontline sales execution, more local and intensified marketing campaigns to strengthen our competitive position, improved stock freshness and more targeted promotions.

Revenue growth in CEE excluding Poland was strong at 9.3% (on a constant currency basis), reaching €2.1bn, driven by the expansion of the store estate (store numbers up 7.5%) and supported by LFL growth of 3.6%. LFL growth was driven by Pepco's second-largest market of Romania (up 7.6%), where Pepco marked a decade of operations with the opening of its 500th store. Sales in CEE, excluding Poland, represented 47% of Group revenue in FY25.

Western Europe delivered particularly strong revenue growth of 17.3%, with LFL growth of 6.8% (cycling a decline of 6.5% in the prior year) driven by Spain and Italy, and store numbers increasing by 6.2% (with the majority of openings in Greece and Italy). As a result, the region generated 15% of Group revenue in FY25 (FY24 Restated: 14%). In line with the strategy to simplify the business and move away from the FMCG category, all "Pepco Plus"stores (which operated across Iberia) were either closed or converted to the standard Pepco format by the end of the year. Performance has been strong on an underlying basis (excluding FMCG from the base), with LFL growth of 14.1% for the region and 19.3% in Spain where momentum accelerated quarter on quarter, to LFL growth of 24.2% in Q4.

With consumers still under pressure to manage their spend, our markets were highly competitive throughout the period, with the trading environment in Germany particularly challenging. This contributed to our decision to restructure our business in Germany and in July we filed for a company-led insolvency process in order to realign the store network for the German market, with a smaller store portfolio, focused on more profitable locations where Pepco's proposition is most attractive to local shoppers.

Revenue (€m)	FY25	FY24 (Restated)	YoY (reported FX)	YoY (constant FX)
Poland	**1,713**	1,618	5.9%	4.1%
CEE excluding Poland	**2,116**	1,950	8.5%	9.3%
Western Europe	**695**	592	17.3%	17.3%
Total continuing operations	**4,523**	4,160	8.7%	8.4%

LFL growth %	FY25	FY24 (Restated)
Poland	**0.0%**	(3.6)%
CEE excluding Poland	**3.6%**	(1.7)%
Western Europe	**6.8%**	(6.5)%
Total continuing operations	**2.6%**	(3.0)%
Memo: Western Europe excluding FMCG	***14.1%***	*n/a*

The Group opened 247 net new stores, a 6.0% increase in store numbers, in line with guidance. Store expansion continued but at a slower pace, reflecting increased financial governance to focus on locations that generate the highest returns. As a result, Pepco opened 234 net new stores during the year, down from 331 in FY24. These were focused in the CEE region, concentrated in Poland (58), Serbia (30), Romania (25) and Bosnia (15), together with 34 in Western Europe, reflecting our growth strategy in select Western European markets. In September, Pepco opened its milestone 4,000th store in Europe, located in Madrid, and ended the year with a total network of 4,015 stores (FY24: 3,781). The 42 Pepco store closures included 11 in Spain, in line with the strategy to exit the "Pepco Plus" format, and 7 in Poland.

Store numbers (#)	Pepco	Dealz	Continuing operations
Store numbers at start of FY25	3,781	331	4,112
New openings	260	19	279
Relocations	16	0	16
Closures	(42)	(6)	(48)
Store numbers at end of FY25	**4,015**	**344**	**4,359**
Net new stores	234	13	247
YoY increase	*6.2%*	*3.9%*	*6.0%*

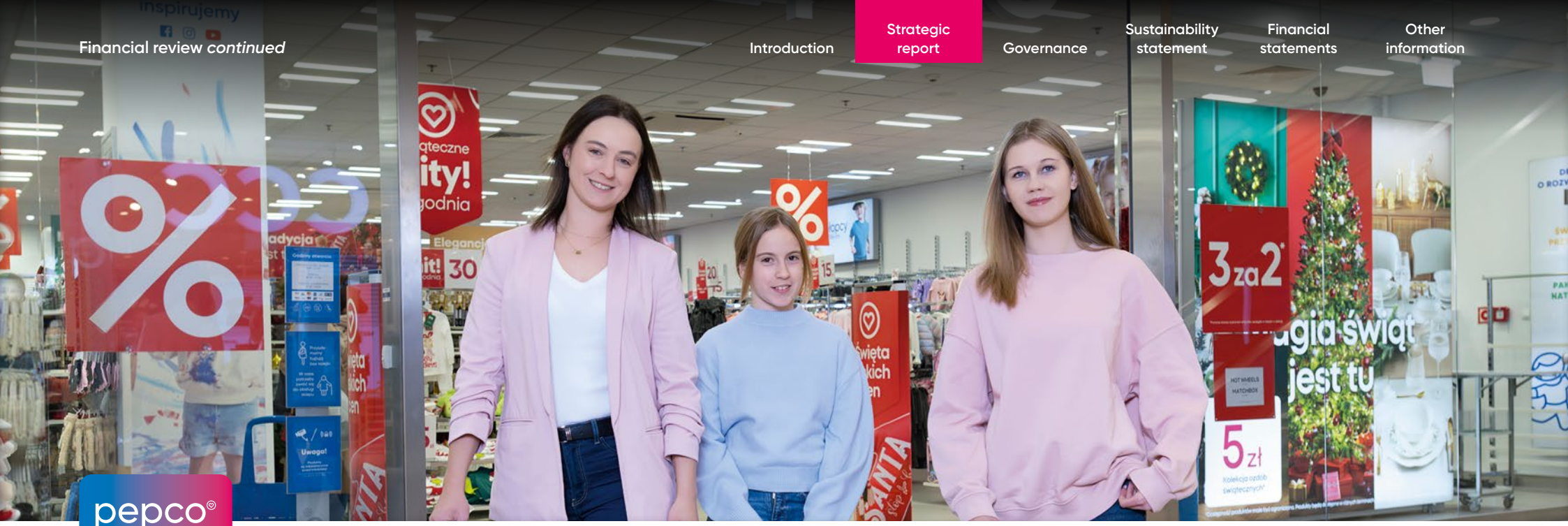
Store numbers (#)	Poland	CEE excl. Poland	Western Europe	Continuing operations
Store numbers at start of FY25	1,670	1,893	549	4,112
New openings	84	150	45	279
Relocations	8	7	1	16
Closures	(21)	(15)	(12)	(48)
Store numbers at end of FY25	**1,741**	**2,035**	**583**	**4,359**
Net new stores	71	142	34	247
YoY increase	*4.3%*	*7.5%*	*6.2%*	*6.0%*

Trading segments

Segmental performance is reported after the apportionment of attributable head office services costs. Following the disposal of Poundland, Pepco now represents c.93% of Group revenue and over 100% of Underlying EBIT with the breakdown by segment shown below.

Underlying EBIT (€m)	**FY25**	FY24 (Restated)	YoY (reported FX)	YoY (constant FX)
Pepco	**423**	412	2.7%	3.1%
Dealz	**(17)**	(20)	15.0%	19.0%
Corporate & central entities	**(35)**	(25)	(40.0)%	(47.2)%
Total continuing operations	**371**	367	1.1%	1.7%





Pepco

Pepco's FY25 sales increased by 8.6% to €4,184m (FY24 Restated: €3,853m), driven by new store openings (net 234 stores) and supported by LFL growth of 2.7% on a reported basis (with growth of 3.8% in the fourth quarter).

LFL revenues excluding the impact of the FMCG exit grew 4.1% for the year, with sequential improvement quarter on quarter to 7.5% in Q4, resulting in strong growth of 6.1% in the second half. LFL momentum was driven by improved availability, a renewed focus on price leadership of the best-selling items, and an enhanced product offer. Investments in stock freshness and price supported LFL growth of 2.4% in the clothing category (FY24: down 4.6%), and general merchandise (GM) rebounded to 6.4% LFL growth (FY24: down 2.5%).

FY25 gross margin was 48.6% (FY24 Restated: 47.7%), an increase of 90 bps. The exit of lower-margin FMCG products benefitted profitability, partly offset by increased markdown to exit FMCG stock and improved freshness in other categories. Despite a reduction in average unit prices from targeted investments in pricing, our focus on better buying and positive foreign exchange movements, maintained margins.

Underlying operating costs increased by 11.2% year-on-year and were 27.7% of sales, up 60 bps on prior year (FY24 Restated: 27.1% of sales) driven by store & distribution costs increasing by 15.9%. Wage inflation in stores and DCs reached high single digits to remain competitive and attract and retain staff. Pepco continued to invest in process efficiencies and customer experience improvements, increasing the use of self-checkouts and rolling out the "Full Potential" programme to standardise and streamline store processes across Western Europe.

FY25 Underlying EBITDA grew by 10.1% to €874m (FY24 Restated: €794 m). The Underlying EBITDA margin increased to 20.9% (FY24: 20.6%), with gross margin improvements partly offset by operating cost headwinds. On a pre-IFRS 16 basis, FY25 Underlying EBITDA was €567m, up by 10.5% year-on-year (FY24 Restated: €513m).

Pepco (Underlying) (€m)	**FY25**	FY24 (Restated)	*YoY (reported FX)*	*YoY (constant FX)*
Revenue	**4,184**	3,853	*8.6%*	*8.4%*
LFL growth (%)	**2.7%**	(2.8)%	–	–
Gross profit	**2,034**	1,837	*10.7%*	*10.6%*
Gross margin %	**48.6%**	47.7%	*90 bps*	*100 bps*
Operating costs	**(1,160)**	(1,043)	*11.2%*	*10.9%*
Operating costs %	**27.7%**	27.1%	*60 bps*	*60 bps*
Underlying EBITDA	**874**	794	*10.1%*	*10.1%*
Underlying EBITDA margin %	**20.9%**	20.6%	*30 bps*	*30 bps*
Underlying EBIT	**423**	412	*2.7%*	*3.1%*
Underlying EBIT margin %	**10.1%**	10.7%	*(60) bps*	*(50) bps*
Store numbers	**4,015**	3,781	*234*	
Underlying EBITDA (pre-IFRS 16)	**567**	513	*10.5%*	*10.9%*
Underlying EBITDA margin (pre-IFRS 16) %	**13.5%**	13.3%	*20 bps*	*30 bps*

Dealz

Dealz delivered revenue growth of 10.4% in FY25, driven predominantly by continued store expansion in Poland (net 13 new stores). Like-for-like sales increased 1.9%. Trading was strong across the first three quarters, but softened in Q4, reflecting a challenging performance in health & beauty due to elevated promotional intensity, weaker soft drink sales during an unseasonably cool summer in Poland, and underperformance of "back to school" ranges.

Gross margin expanded by 270 bps to 33.1% (FY24 Restated: 30.4%), supported by better supplier management for perishable goods, and change in mix towards higher-margin FMCG products. Efficiencies from shifting supply away from Poundland-sourced ranges towards more local sourcing helped reduce UK-related import costs, including duties and labelling. Margin in Q4 was impacted by an increased level of markdown as sales volumes weakened.

Operating costs grew broadly in line with revenue, with the ratio to sales improving 30 bps to 25.8% (FY24 Restated: 26.1%), reflecting inflation and additional operating costs from new stores, partially offset by central cost savings.

Underlying EBITDA increased by €12m to €25m (FY24 Restated: €13m) as gross margin gains outpaced operating cost growth. Underlying EBITDA margin increased by 300 bps to 7.3% (FY24 Restated: 4.3%).

Dealz (Underlying) (€m)	**FY25**	FY24 (Restated)	*YoY (reported FX)*	*YoY (constant FX)*
Revenue	**339**	307	*10.4%*	*8.5%*
LFL growth (%)	**1.9%**	(4.8)%	-	-
Gross profit	**112**	93	*20.4%*	*18.2%*
Gross margin %	**33.1%**	30.4%	*270 bps*	*270 bps*
Operating costs	**(88)**	(80)	*10.0%*	*7.3%*
Operating costs %	**25.8%**	26.1%	*(30) bps*	*(30) bps*
Underlying EBITDA	**25**	13	*92.3%*	*85.0%*
Underlying EBITDA margin %	**7.3%**	4.3%	*300 bps*	*300 bps*
Underlying EBIT	**(17)**	(20)	*(15.0)%*	*(19.0)%*
Underlying EBIT margin %	**(4.9)%**	(6.6)%	*170 bps*	*170 bps*
Store numbers (#)	**344**	331	*13*	
Underlying EBITDA (pre-IFRS 16)	**(1)**	(8)	*91.6%*	*91.7%*
Underlying EBITDA margin (pre-IFRS 16) %	**(0.2)%**	(2.7)%	*250 bps*	*250 bps*



Exceptional items and Discontinued operations

Exceptional items constitute material, infrequent, unusual and other items. In determining whether events or transactions are treated as exceptional items, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

In FY25 exceptional items totalled €25m at EBITDA (FY24 Restated: €46m), including:

- Restructuring costs of €17m relating to:
  - Pepco's exit from the FMCG category, which involved the closure of stores in Iberia and the conversion of "Pepco Plus" stores to the standard Pepco format;
  - Pepco Germany insolvency costs, as part of plans to reorganise the store network and better meet customer demand;
  - Redundancy costs associated with the new target operating model; and
- €8m relating to ERP Software-as-a-Service (SaaS) costs which is considered to be an unusual and material cost by nature.

In addition to the above, we incurred exceptional impairment costs of €17m across fixed assets and right-of-use assets, of which

- €14m related to the Pepco Germany insolvency and closure of stores; and
- €3m as a result of the announced exit of the FMCG category in Pepco and the closure and conversion of stores in Iberia.

Exceptional costs impacting EBITDA in FY24 (Restated) were €46m. Additional categories not present in FY25 were:

- €16m relating to the fraudulent phishing attack in Hungary in February 2024; and
- €1m relating to the Value Creation Plan (VCP) scheme that has now ceased.

The prior year reported results included the non-cash impairment of Poundland (primarily goodwill), which has now been reclassified to discontinued operations in both FY24 (Restated) and FY25.

Discontinued operations

On 12 June 2025, the Group completed the sale of its entire shareholding in Poundland Limited to Gordon Brothers, reflecting our strategy to simplify the Group's structure, focus on the core Pepco-branded operations and drive shareholder value, as outlined at the Capital Markets Day. In the last financial year, Poundland contributed 33% to Group revenues, and 15% of Underlying EBITDA. In the FY25 financial statements, Poundland is presented as a discontinued operation in line with IFRS 5 in the consolidated income statement, and comparative figures have been restated accordingly.

The disposal of Poundland led to a loss of €350m, recognised in discontinued operations. Full disclosures are provided in note 25 to the consolidated financial statements.

By divesting Poundland, we took a significant step towards our strategic goal of solely operating the Pepco brand and exiting FMCG to focus on our higher-margin clothing and GM ranges. The transaction significantly advances our strategy and growth momentum, through improved revenue growth, higher margins and stronger cash generation.

The shares in Poundland were sold for nominal consideration of £1, with Pepco providing a secured loan of £30m. Certain unsecured loans initially remained in place between Pepco Group and Poundland, including an overdraft facility of up to £30m. However, following the approval of the proposed restructuring plan by the UK High Court on 26 August 2025, these unsecured loans were converted into a minority equity stake in Poundland Group of c.30% that will enable Pepco Group to share in the upside potential of Poundland's turnaround.

Taxation

The Group's statutory profit before tax increased by 7.3% year-on-year, to €251m (FY24 Restated: €234m). On an underlying basis, profit before tax increased by 9.0% to €303m (FY24 Restated: €278m).

In our five largest operating markets by revenue of Poland, Romania, Spain, Czechia and Hungary, the headline rate of corporate tax varies between 9% and 25%, with performance in each operating territory impacting our effective tax rate. The impact of the global minimum tax rules (Pillar Two) was first recognised by the Group in FY25, the provision being €0.5m.

In FY25 the Group's reported corporate tax charge was €80m, a decrease of 25.2% compared to FY24 Restated of €107m, primarily as a result of a reduction in movements in unrecognised temporary differences across the Group. On a reported basis, our effective tax rate is significantly distorted by exceptional items on which no current or deferred tax credit is recognised, therefore the Group also presents an underlying effective tax rate to guide against the underlying performance of the Group.

On an underlying basis, the effective tax rate was 27.6%, which was a 6.6 ppt improvement on the prior year (FY24 Restated of 34.2%). This measure reflects the underlying tax rate in relation to profit before tax excluding exceptional items. The tax impact on exceptional items within operating profit is the sum of the tax on each exceptional item, based on the applicable country tax rates and tax treatment.

In the medium term, our expectation is that the underlying effective tax rate will be between 22% and 24% as a result of initiatives to optimise the Group's capital structure.

	FY25			FY24 (Restated)		
	Underlying	**Exceptional**	**Reported**	Underlying	Exceptional	Reported
Profit/ (loss) before taxation	**303**	**(51)**	**251**	278	(44)	234
Taxation	**(84)**	**4**	**(80)**	(95)	(12)	(107)
Profit/ (loss) after taxation	**219**	**(48)**	**171**	183	(55)	127
Effective tax rate %	**27.6%**	**6.9%**	**31.8%**	34.2%	(26.5)%	45.6%

The amount of tax paid in the year decreased by €8m to €77m (FY24 Restated: €85m), as shown in the continuing operations cash flow on the following page.

Continuing operations cash flow

Operating cash flow and working capital

Net cash inflow from operating activities was €770m, up €36m (4.9%) on the prior year restated €735m, with strong operating cash conversion of 89% of Underlying EBITDA. Cash flow from working capital was a small net outflow of €5m in the year. Markdown and sell-through of old inventory helped to improve stock freshness and drive stock days for the continuing business down to 137 at the year end from 147 in FY24. Trade payable days declined by 11 days to 99 at year end, from 110 in the prior year, owing to delays in shipments through the Red Sea in FY24, as a result of conflict in the Middle East, and supported by the normalised payment schedule with partner suppliers in the current year.

Pepco Group (€m)	FY25	FY24 (Restated)	YoY (Reported)
Underlying EBITDA	**865**	784	81
Exceptional items	**(25)**	(46)	21
Reported EBITDA	**840**	738	102
Share-based payments (non-cash)	**13**	7	6
Working capital	**(5)**	75	(80)
Cash generated by operations	**848**	820	28
Tax paid	**(77)**	(85)	8
Net cash inflow from continuing operating activities	**770**	735	36
Capex	**(96)**	(149)	53
IFRS 16 lease liabilities (repayment and interest)	**(332)**	(304)	(28)
Free cash flow	**342**	281	61
Net debt	**1,229**	1,679	(450)
Leverage: Net debt to EBITDA	**1.4x**	2.1x	(0.7)x
Net debt (pre-IFRS 16)	**163**	257	(94)
Leverage (pre-IFRS 16): Net debt to EBITDA	**0.3x**	0.5x	(0.2)x
Impact of IFRS 16 on leverage	**1.1x**	1.6x	

Capital expenditure

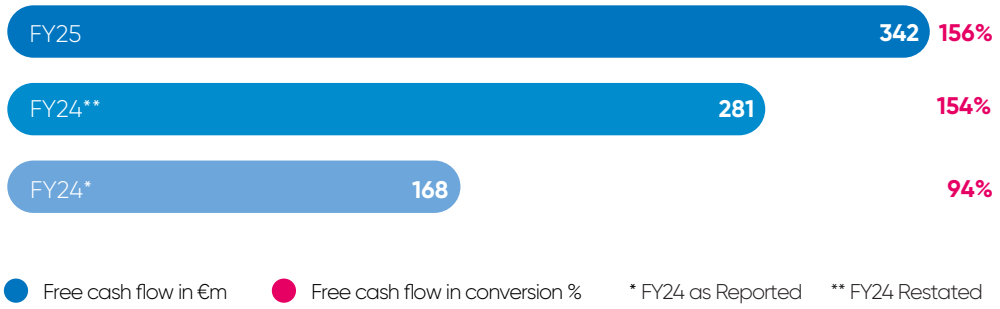
In FY25, capital expenditure represented 2.1% of revenues (FY24 Restated: 3.6%). We continued to take a more considered approach to investment spending, with store openings reduced versus previous years and more focus on operational improvements. As a result, capital expenditure was down to €96m for the FY25, 36% lower than the €149m invested in FY24 (Restated), with the principal areas of expenditure as follows:

- €59m was invested in opening 295 gross new stores (FY24 Restated: 425 gross new stores);
- €19m was invested in store refits and enlargements, including the conversion of the remaining "Pepco Plus" stores in Iberia to the standard format;
- €16m was invested in IT, including the digital transformation of our operations; and
- the remaining €2m investment relates to other projects, including existing DCs, our Poznan Head Office and additional store hardware.

Capital investments are considered in alignment with our ESG strategy, to deliver its objectives and commitments, for example in energy efficiency and decarbonisation, as well as meeting financial thresholds.

Free cash flow

We delivered strong free cash flow conversion of 156% of Underlying profit after tax. Free cash flow was €342m in FY25 up €61m (22%) on prior year (FY24 Restated: €281m), above our newly upgraded mid-term ambition for free cash flow of at least €250m per annum.



Capital structure and financing

Net debt

Net debt (pre-IFRS 16) i.e., excluding right-of-use lease liabilities, reduced by €94m to €163m at 30 September 2025 (FY24 Restated: €257m) with cash and cash equivalents increasing €101 million to €464m (FY24 Restated: €363m). Including the impact of right-of-use lease liabilities, net debt stood at €1,229m, a reduction of €450m on prior year (FY24 Restated: €1,679m), broken down as follows:

Pepco Group (€m)	FY25	FY24 (Restated)	*YoY (reported FX)*
Borrowings from credit institutions	**625**	625	–
Capitalised costs	**(5)**	(12)	*7*
Redemption premium	**6**	–	*6*
Finance leases	**1**	7	*(6)*
Gross debt	**627**	**620**	**7**
Cash and cash equivalents (net of overdrafts)	**(464)**	(363)	*(101)*
Net debt (pre-IFRS 16)	**163**	257	*(94)*
IFRS 16 lease liabilities	**1,066**	1,422	*(356)*
Net debt	**1,229**	**1,679**	***(450)***
Maturity of gross debt:			
Within one year (note)*	***425****	–	*250*
Between one and two years	**–**	*250*	*(250)*
Between two and five years	***200***	*375**	–

* The €425m shown as due within one year comprised the April 2026 term loan (€250m) and the impact of calling €175m of the senior secured notes prior to the year-end (as part of the refinancing process detailed below).

Refinancing

In the fourth quarter, the Group initiated a debt-refinancing strategy to strengthen the Group's capital structure, significantly lower financing costs and enhance financial flexibility through extending debt maturities out to November 2028 and beyond. The average maturity of the gross financial debt portfolio, excluding the undrawn revolving credit facility (RCF), was 1.1 years at year end (30 September 2024: 2.9 years). If the refinancing process had not begun, average maturity would have been 1.9 years at year end.

On 24 September we called €175m of the €375m corporate bond, which was repaid after the year end.

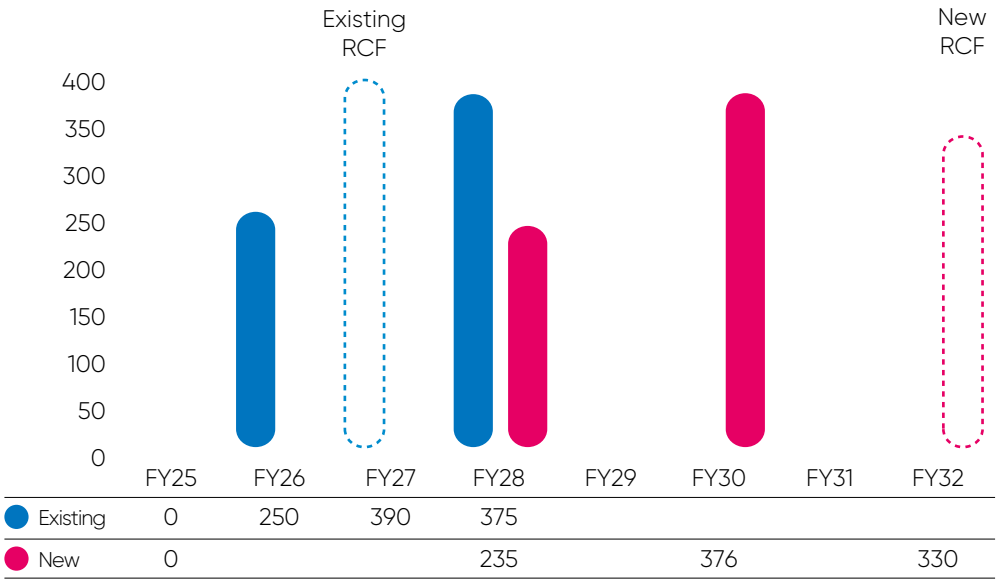
After the year end, we completed a significant refinancing in November 2025 as follows:

- Series 1 Bonds Polish Floating Rate Note (FRN) with maturity of October 2030 were issued under the PLN 2bn bond issuance programme. The proceeds of this issue, totalling PLN 600m (approximately €141m), were converted to fixed rate Euro at a coupon of 4.4% through cross-currency swaps.
- €770m of committed credit facilities were signed with a syndicate of 10 relationship banks. This comprised a 3-year term loan of €235 million maturing in November 2028, a 5-year term loan of €235m maturing November 2030, and a new 5-year multicurrency RCF of €300m to November 2030. The RCF has two 1-year uncommitted extension options to extend further to 2032, and replaced the existing undrawn facility of €390m, expiring in April 2027. The facilities were coordinated by Citibank, ING Bank and J.P. Morgan Securities. Syndication was oversubscribed, enabling the Group to upsize the facilities from the originally proposed €750m. Opening margins for the three new facilities range from 1.35% to 1.70% over EURIBOR.
- During December, an existing lender rejoined the syndicate for the committed credit facilities allowing the Group to increase the RCF, and therefore the total committed credit facilities, by €30m to €330m (RCF) and €800m (total committed credit facilities).

The new facilities were used to refinance the Group's indebtedness and extend the maturity of its debts as shown below:

Refinancing summary (€m)	Pre-transaction 30 September 2025	Refi impact	Post-closing 31 December 2025	Maturity
EUR Senior Unsecured Bonds	375	(375)	–	Jun-28
Polish FRN	–	141	141	Oct-30
Bonds subtotal	**375**	**(234)**	**141**	
Existing Term Loan	250	(250)	–	Apr-26
New 3-year Term Loan	–	235	235	Nov-28
New 5-year Term Loan	–	235	235	Nov-30
Loans subtotal	**250**	**220**	**470**	
Borrowings from credit institutions	**625**	**(14)**	**611**	
Capitalised costs and redemption premium	2	(12)	(10)	
Borrowings	**627**	**(26)**	**601**	
RCF (undrawn)	**390**	**(60)**	**330**	
Memo: Total committed credit facilities (Loans plus RCF)	**640**	**160**	**800**	

Refinancing impact on debt maturity profile pre and post refinancing:



	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Existing	0	250	390	375				
New	0			235		376		330

100% of the Group's debt is denominated in Euros, with exposure to the Polish złoty fully hedged as a result of cross-currency interest rates swaps.

Leverage ratios and liquidity headroom

The Term Loans and Polish Floating Rate Note contain a maximum leverage and a minimum interest cover covenant relative to EBITDA, which are both calculated on a pre-IFRS 16 basis and are assessed half-yearly.

Our pre-IFRS 16 leverage was only 0.3x as at 30 September 2025 (FY24 Restated: 0.5x). This remains well within the debt covenants which are for a maximum leverage of 2.8x (Term Loans) up to 3.5x (Floating Rate Notes).

Pepco Group (€m)	**FY25**	FY24 (Restated)	*YoY (reported FX)*
Net debt	**1,229**	1,679	*(26.8)%*
Leverage: Net debt to EBITDA	**1.4x**	**2.1x**	***(0.7)x***
Net debt (pre-IFRS 16)	**163**	257	*(36.6)%*
Leverage (pre-IFRS 16): Net debt to EBITDA	**0.3x**	**0.5x**	***(0.2)x***
Impact of IFRS 16 on leverage	**1.1x**	1.6x	

Finance costs

Reported net financial expenses decreased by €21m year-on-year to €68m in FY25 from €89m (FY24 Restated). Net finance costs in the year included €10m relating to the refinancing, with a further €12m expense incurred after the year end. The full cash impact of this will be reflected in Q1 FY26. Excluding the impact of the refinancing costs, net financial expense in FY25 would have been €58m, a year-on-year reduction of €31m.

The effective interest rate being charged on borrowings by credit institutions decreased to 6.4% (FY24 Restated: 6.9%), reflecting a fall in the EURIBOR rate. The post year-end refinancing of our bond and term loan, which achieved significantly lower interest rates (3.9% weighted average interest cost for total funded debt), will enhance financial flexibility and improve profit conversion going forward.

The interest cover ratio (pre-IFRS 16) increased to 18.3x from 10.6x in the prior year. There is significant headroom versus the debt covenant for a minimum interest cover of 3.5x on a pre-IFRS 16 basis.

Pepco Group (€m)	**FY25**	FY24 (Restated)	*YoY (reported FX)*
Financial income	**57**	20	*185.0%*
Financial expense	**(126)**	(109)	*15.6%*
Reported net financial expense	**(68)**	**(89)**	***(23.6)%***
Less interest on lease liabilities	**41**	44	*(6.8)%*
FX monetary assets and liabilities revaluation	**(2)**	0	*0.0%*
Net financial expense (pre-IFRS 16)	**(29)**	**(45)**	***(35.6)%***
Interest cover ratio (pre-IFRS 16)	**18.3x**	**10.6x**	***7.7x***
Effective interest rate %	*6.4%*	*6.9%*	*(50) bps*

Credit ratings

Our credit ratings have remained stable and similar to our key peers. At 30 September 2025, the rating agencies rated us as shown below. Post year end, Moody's have upgraded Pepco Group to Ba2.

Agency	Rating @30 Sept 2025
Fitch	BB
Moody's	Ba3
S&P Global	BB-

Hedging and foreign exchange

The Group does not hedge the translation impact of profits generated in non-Euro countries. Currency movements during the period resulted in a negligible impact of FX translation to FY25 Underlying EBITDA. The average and period-end exchange rates relative to the Group were as follows:

	Average rate		Period-end rate	
	FY25	FY24	**FY25**	FY24
EUR/PLN	**4.257**	4.354	**4.270**	4.279
CNY/PLN	**0.534**	0.557	**0.511**	0.545
USD/PLN	**3.849**	4.020	**3.637**	3.822

The Group hedges the transactional FX risk for inventory purchased in Asia, and paid for in US Dollars (USD) and Chinese Yuan (CNY), against Pepco's own operating currencies, in order to reduce the volatility on gross margin. The majority of the Group's FX contracts are accounted for in cash flow hedge relationships. During FY25 there has been general depreciation of USD and CNY against the Polish Zloty (PLN) in particular which is reflected in an increase in the net liability balance sheet position for the Group's derivative financial instruments against FY24.

Shareholder returns

The overriding objective of the Group's capital allocation framework is to enhance shareholder value, including maintaining a strong balance sheet and ensuring the business operates with an ample level of liquidity. Central to this strategy is the generation of robust free cash flow, which the Group aims to achieve through operational improvements, including stronger LFL sales performance, gross margin expansion, and tighter control over operating costs. Additionally, a rigorous focus on net working capital efficiency and optimised cash taxes should further bolster free cash flow.

After investing in its core business and growth initiatives such as store expansion and key platform enhancements across distribution, logistics and IT systems, Pepco Group expects to generate substantial free cash flow and be able to return excess cash to shareholders via dividends and / or share buybacks, subject to the Board's discretion and (as applicable) shareholder approvals.

The Group introduced an inaugural dividend last year, based on a payout ratio of 20% of full-year underlying net profit. Given the focus to enhance capital returns to shareholders, and following a successful refinancing and strengthened balance sheet, the dividend payout ratio is being increased to 25% of full-year underlying net profit.

As a result, the Board has recommended a full-year dividend of 9.6 Euro cents per share for FY25, up 55% on FY24 (6.2 Euro cents), subject to the approval of shareholders at the Annual General Meeting that will be held on 11 March 2026. This is in line with our approach to maintain or increase the dividend over time.

At the Capital Markets Day in March 2025, the Board authorised a share buyback capability of up to €200m to be available for use until 2027. The first €50m tranche was completed in August 2025, with a second €50m tranche commencing after the year end, on 28 October 2025, with around 90% expected to complete by mid-January 2026. The Board will continue to evaluate opportunities for future capital returns to drive shareholder value.

Sustainability and climate impact

In line with the ESG strategy launched in FY24, the Group includes consideration of the environmental and social impact of its operations and investments in its decision-making. We regard this as essential to meeting obligations to our stakeholders, including customers, colleagues, suppliers and society, as well as making financial sense both over the short and longer term through efficiency, minimising waste and reducing risk.

Further information on our sustainability strategy "Where Growth Meets Care" and commitments can be found in pages 29 to 37.

Willem Eelman

CFO of Pepco Group

14 January 2026

Our approach to risk management

Risk management and internal control framework

Risk management is a key driver for performance and an essential part of doing business. Throughout 2025, we have delivered a step change in our risk maturity and an evolution of our approach. This has closely aligned managing risk with strategic planning and decision making and has implemented greater control focus.

We have reviewed and enhanced our Enterprise Risk Management ("ERM") framework, tailoring the COSO ERM model to embed the practices and behaviours needed to create and preserve long-term value and organisational resilience.

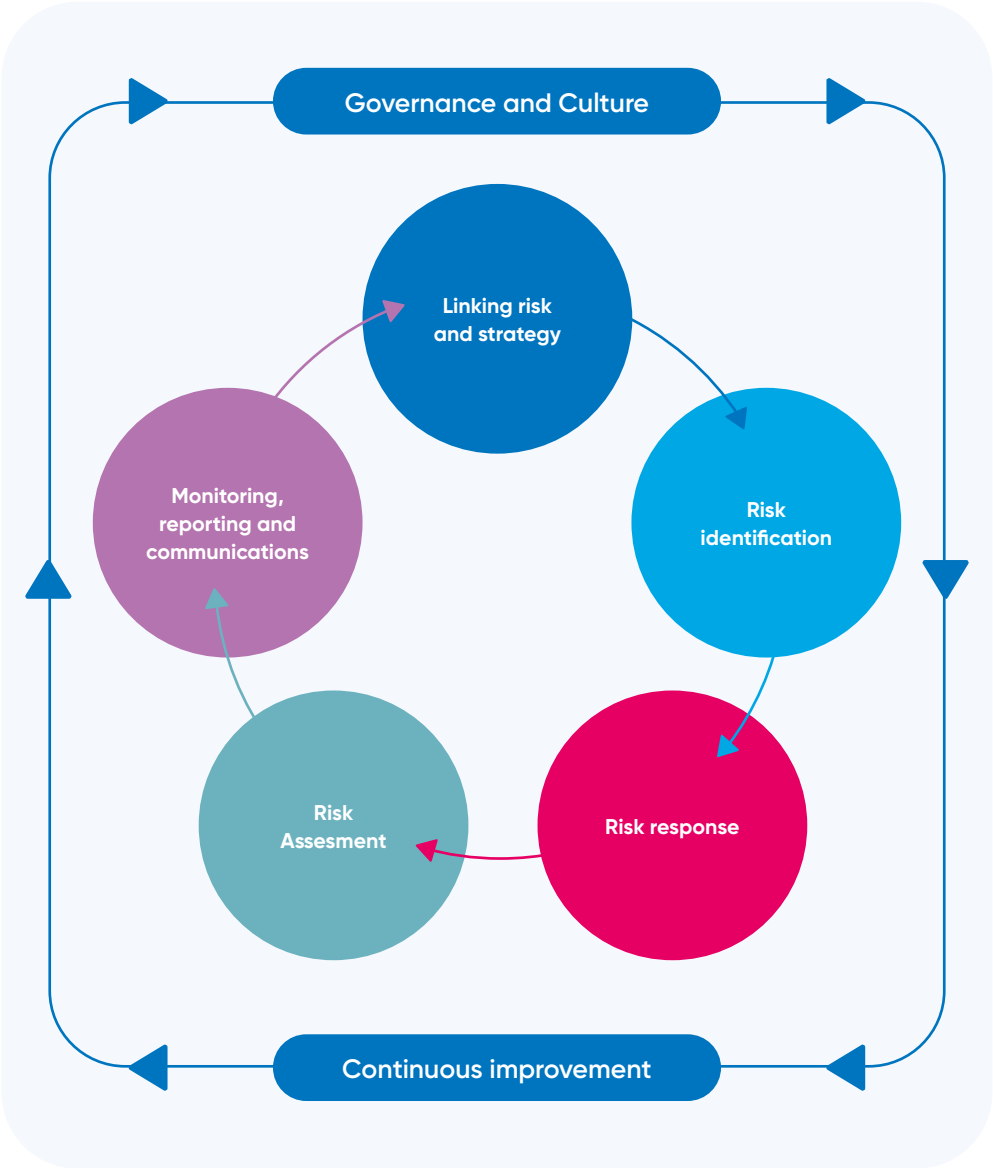
We also recognise the changing corporate governance landscape, including revisions to the Dutch Code effective from FY26, and have integrated these into our continuous improvement programme.

Our framework

Risk management principles and culture

Endorsed by the Board and championed throughout the business, the ERM framework is designed to identify, prioritise and manage, rather than eliminate, risks to the business and to provide reasonable assurance against material misstatement or loss.

Our framework is agile to ensure it can support the business in responding to constant external changes, including market conditions and geopolitical circumstances.



Risk management is a key focus throughout the organisation. Our "bottom-up" identification of risk is integrated with a "top-down" review and challenge process with the Risk team, Management and the Board. These assessments are aggregated together and considered against our risk appetite framework, to compile an overall Group-wide view of risk.

Risk governance

We operate a dynamic risk governance model that ensures the right risk conversations happen at each level of our business. This includes structured risk review as part of business planning, integration of key risks into strategic and operational decision-making forums and regular reporting to the Executive Committee and Audit Committee.

The Risk team is responsible for monitoring progress against our transformation plan, supporting risk mitigation strategies and control development, as well as challenging management on the effectiveness of risk response.

In 2025, we enhanced our management oversight of risk, updating the structure and composition of our Group Risk and Audit Committee. This Committee serves as a central body to coordinate management priorities and actions across risk, compliance, audit and internal control, overseeing progress against our risk transformation plan and preparation for the Board level Audit committee.

Our approach to risk management is fully aligned with our strategy, and each principal risk and uncertainty is considered in the context of how it relates to the achievement of the Group's strategic objectives. The Audit Committee is a subset of the Board and holds responsibility for independent review of the effectiveness of our risk and internal control systems, as well as the quality and accuracy of our financial reporting. The Audit Committee is responsible for the annual review of risk appetite, oversight of principal risks and internal controls, ongoing monitoring of external audit provision and consideration of any findings shared from the auditor's scope of review.

Linking risk and strategy

Risk management is a key input into strategic planning, considering the evolving external context, priority risks, and new and emerging risks. Once strategic plans have been agreed, separate objective assessment of delivery risks is built into the process to fully understand the risk environment we face.

Risk appetite

Risk appetite is the amount of risk we are willing to accept in pursuit of our strategic objectives, setting out guardrails for decision making and business operations. Risk appetite is forward looking and takes into consideration the internal and external environment, regulatory obligations, culture, corporate values and the geographies we operate within.

Our risk appetite is reviewed at least annually or following material business changes and approved by the Board. In 2025, a more granular approach to risk appetite has been developed, describing it at a category level, with clear individual statements to contextualise the target risk environment.



We monitor risk regularly, evaluating our risk position against appetite levels to determine what further actions may be required. Appetite levels are described on a three-point scale: 'Averse' (avoidance of risk is a core objective, and we will always select the lowest risk option), 'Balanced' (we will make trade off decisions, weighing up the impact of the risk vs the potential benefits) or 'Tolerant' (we are willing to take justified risks to achieve the highest possible return).

Our approach to risk appetite continues to evolve, with further developments planned for 2025/26 to formalise and align the structure of underpinning minimum standards, policies and key controls.

Strengthening our framework

The risk environment continues to change around us, requiring constant reflection on and continuous improvement to our approach, culture and connectivity throughout the business. Significant progress was made in FY25 to improve our maturity within this space, with further developments planned to fuel our business performance in the next financial year.

Our ERM roadmap focuses on deeper reviews of internal controls and enhancements to our assurance process to integrate self-assessment evaluations and risk-based control testing with our ongoing internal audit plan. The improvements will drive deeper accountability for key controls, a regular rhythm of insight into control performance and limited assurance for management across all key areas.

Principal risks and uncertainties

The Directors confirm that they have carried out a robust assessment of the principal risks and uncertainties facing the Group, including, emerging risks and those that would threaten its business model and future performance.

Emerging risks and opportunities

- Readiness for sustainability and transparency schemes and reporting e.g. Extended Producer Responsibility (EPR)
- Increasing geopolitical instability and impact on global supply chains and transportation remains a constant factor in planning and decision making in to 2026
- Further intensification of competition from agile, online-only platforms offering ultra-fast fashion
- Expansion into digitally driven sales is reliant upon leveraging consumer personal data, which requires close alignment with data protection teams to enhance privacy protections and GDPR compliance.

Principal risks 2025

The principal and emerging risks are discussed and monitored throughout the year to identify changes to the risk landscape. Risk information flows up through operating companies and specialist risk teams to create a Pepco-wide profile, aligned to strategic, financial, operational and compliance risk categories.

Principal risks are material risks or themes that are common across multiple operating areas or have the potential to significantly impact strategy. Each principal risk has a defined response strategy, endorsed by the Board and Exco, which is regularly monitored and reported on in line with our risk appetite.

Significant progress has been made in understanding risks in depth and developing thorough strategic and operational response plans, as well in internal control improvements. Many of these initiatives are multi-year change programmes designed to embed strong foundations, transform our business and fuel growth opportunities.

Link to strategy

- Simplify and streamline the Group portfolio
- Refocus and digitise Pepco's customer proposition to drive LFL
- Continue to grow our topline through measured expansion in CEE
- Win in Western Europe
- Upgrade our core operating platform

Risk movement

- Increased
- Unchanged
- Decreased
- New Risk

Operations and customer

Risk	Description and key drivers	Mitigation plans
Colleague and customer safety **Link to strategy** **Risk movement**	The safety of our colleagues, customers and third parties is critically important to us and the sustainability of our business. Failure to maintain appropriate organisation and arrangements for safety could result in harm, reputational damage and regulatory action. **Sub-risks / drivers:** • Complexity of multi territory operating and compliance models • High risk business travel • Product safety issues or recalls • Fire safety standards • Safety of store and distribution colleagues	• Health and safety Committee structure and business unit action plans • Health and safety data collected and monitored locally with centrally reported Group stats tracked • Moving to a more integrated model with the introduction of standardised policies and procedures • Aligning Group wide model, with input from local representatives and industry specialists • Targeted, data driven, improvement programmes focusing on key areas of risk and compliance • Continue to identify and respond to regulatory changes and standards

Operations and customer *continued*

Risk	Description and key drivers	Mitigation plans
Product, sourcing and stock		
Link to strategy **Risk movement**	Our ability to meet customer demand is dependent on effective sourcing arrangements and maintaining appropriate stock levels, particularly across our key sales lines. This relies heavily on robust planning processes, flexible partnerships and integrated management across the value chain. **Sub-risks / drivers:** • Supply chain readiness and resiliency • Inventory management • Product data governance • Product lead time management	• Experienced buying and supply chain teams responsible for maintaining an effective and efficient supply chain • Implementation of a more streamlined target operating model across buying, sourcing and supply chain • Strategic supply chain transformation programme to drive efficiency, reduce lead times and enhance resiliency • Consistent, seasonally relevant, levels of stock cover by product category are maintained and regularly reviewed • Shipping product earlier, optimising shipping routes, diversification of carrier base and shipping modes, selectively utilising faster carrier options • Implementation of master data function to refine data completeness, integrity and quality
People and operating model		
Link to strategy **Risk movement**	Embedding our target operating model, ensuring we have the right capabilities in key geographies and driving performance through our culture and behaviours. **Sub-risks / drivers:** • Recruitment and retention of talent • Target operating model • Geographic labour market challenges • Culture and wellbeing • Organisational structure • Reward strategy	• Aligned talent assessment and development approach across Pepco Group and operating businesses • Performance and talent management process and training in place across the business • Employee opinion surveys rolled out Group-wide with key themes aggregated across all functions and operating companies to understand employee sentiment and implement resulting action plans • Reward and retention strategy to attract and retain talent, aligned to Pepco values and ethics • Values based leadership programme to support corporate culture and conduct expectations for all colleagues

Operations and customer *continued*

Risk	Description and key drivers	Mitigation plans
Tech, data and security		
Link to strategy **Risk movement**	Our operations and customer trust rely on the resilience of our technology platforms, protection of data and robust cyber security. Increasingly sophisticated cyber threats, system outages, or weakness in data governance could compromise business continuity, regulatory compliance, or the security of customer and company data. **Sub-risks/ drivers:** • Cyber threats and information security • Disaster recovery and resilience • Data Privacy • Data Governance	• Information security and data protection policies, underpinned by training and awareness programmes, with dedicated cyber security specialists and Data Protection Officers • Security Centre Operations provide 24/7 monitoring and alerting to act on potential threats • Automated simulated phishing campaigns providing colleagues with additional training • Critical IT systems have resiliency with proactive monitoring and alerting of system processing failures • IT systems increasingly moved to the cloud providing further resilience and disaster recovery • There is robust IT change management across the Group with change freeze periods implemented during the key trading months • Replatforming legacy systems • Data Protection resource aligned with project delivery • Cyber security strategy and roadmap • Third Party due diligence and supplier management

Strategy and transformation

Risk	Description and key drivers	Mitigation plans
Business change and transformation		
Link to strategy **Risk movement**	Delivering large-scale transformation is critical to achieving our strategic objectives. The scale and pace of change required relies upon robust planning, colleague engagement and strong execution to deliver and sustain long term benefits. **Sub-risks / drivers:** • Stakeholder and colleague engagement • Change management • Business capacity to support transformation and change agenda	• Transformation programmes are aligned to the Pepco Group business strategy and closely governed by senior management • Dedicated strategy and transformation operating model in place to support focus and track delivery of key programmes and business changes activities • Proactive governance and support model with regular cadence of reviews and forward planning, tracking key milestones, costs, benefits and risk • Colleague and stakeholder communications plans to ensure full and timely engagement
Business disruption		
Link to strategy **Risk movement**	We plan for a range of disruption scenarios to ensure that we are resilient in serving our customer base. Intensification of geopolitical instability, macroeconomic volatility and other disruptive factors continue to be a high-risk area and management focus. **Sub-risks / drivers:** • Business Continuity • Disaster Recovery • Political instability and transition • Third party disruption	• Group wide business continuity standards • Projects established to anticipate change and prepare business for impact of key changes • Improved sanctions monitoring, and sanction screening implemented for suppliers • Group-wide business continuity and disaster recovery programme. • Diversification of product sourcing • Strategic supply chain programme

Strategy and transformation *continued*

Risk	Description and key drivers	Mitigation plans
ESG		
Link to strategy **Risk movement**	Failure to meet our customers' and wider society's expectations in addressing ESG impacts. Balancing the risks we face because of climate change and limiting the impacts our operations have on the environment and communities in which we trade. **Sub-risks / drivers:** • Transformation pressures and rapid growth plans • Adverse external events could increase cost, disrupt our supply chain and operations, and the demand for our product • Consideration of ESG within strategy, business change planning and delivery • Extreme weather and climate change • Inflation and supply chain cost pressures • Supplier resiliency • Strengthening long term, strategic planning and partnerships	• Group-wide Sustainability Strategy, goals and vision (see our ESG section for further details) • Group CFO responsible for setting the Group's ESG Strategic Framework, with overall responsibility for execution • ESG Executive Committee; the purpose of which is to determine, align and review progress and next steps for ESG across Pepco Group. Chaired by the Group CFO, its objectives are to create alignment and drive progress across the Group. The terms of reference and standing agenda of this Committee cover all priority material topics as identified in the recent double materiality assessment • Updates on ESG progress are made for review and approval at the Audit Committee each quarter • The Group business model, including both the vertical integration of our sourcing operations through PGS and the work of our in-house Group sourcing compliance team, provides a high degree of visibility over our supply chain and constructive working relationships with our supply partners
Customer		
Link to strategy **Risk movement**	Our success depends on maintaining strong market share in core categories and keeping pace with evolving customer expectations and routes to market. Failure to anticipate customer needs, respond competitively or adapt our channel strategy could lead to loss of relevance and weakened loyalty. **Sub-risks/ drivers:** • Customer proposition focus • Channel to market opportunities • Price competitiveness • Product quality fails to attract new customers or increase wallet share • Cost of living pressures	• Operating model enhancements to ensure central focus on customer through the end-to-end value chain • Regular customer feedback and consumer insight driving decision making • Product category strategies driven by customer, competitive landscape & scalability/ operational efficiencies • Key focus on driving digitally driven sales • Continued focus on Pepco pricing strategy • Centralised quality team across the end-to-end supply chain

Strategy and transformation *continued*

Risk	Description and key drivers	Mitigation plans
Competition		
Link to strategy **Risk movement**	We operate in highly competitive markets, with increasingly aggressive multi-channel competitors and pure play fast fashion brands. Both online and physical expansion is squeezing the sector as a whole and without strategic intervention could reduce ability to maintain growth levels. **Sub-risks / drivers:** • Aggressive competitor activity • Co-location of competitor brands • Emergence of online, super discount brands	• Brand awareness and customer satisfaction insights gathered regularly • Diversification across multiple markets, fragmenting and limiting the impact of competition • We offer a diverse range of homeware-led GM and clothing, providing our core shoppers, with their regular shopping replenishment needs. • We own and operate a multi-format, Europe-wide variety discount retail business, through local and therefore convenient stores, located across 20 countries • We continue to invest in the development of high-quality, scalable infrastructure, including information technology, automated warehouses and more efficient and resilient multi-point distribution

Finance and treasury

Risk	Description and key drivers	Mitigation plans
Financial controls and performance		
Link to strategy **Risk movement**	Strong financial management is essential to the delivery of our strategy. Robust financial processes and reporting, and consistent performance management is key to ensuring financial targets are met and accuracy of our reporting. **Sub-risks / drivers:** • Insufficient earnings • Interest rate volatility • Access to financing • Cost Control	• Structured planning processes including bottom-up business reviews and performance tracking • Financial controls improvement programme delivering enhanced controls, with regular testing and assurance reporting • Finance target operating model with integrated business partnering

Legal and compliance

Risk	Description and key drivers	Mitigation plans
Compliance and contract **Link to strategy** **Risk movement**	Operating across multiple territories exposes us to complex and evolving legal and regulatory requirements. Failure to comply with these obligations, or to maintain suitable contractual protections, could result in legal claims, financial penalties or operational restrictions. **Sub-risks / drivers:** • Complex, multi-territory compliance model • Large scale supply chain and third-party relationships • Pace and scale of business change requiring legal support • IP and brand protection • Pace and scale of global regulatory change and introduction of mandatory disclosures • New geographies and markets • Compliance with ESG reporting requirements	• Steering Committee in place to focus on regulatory mapping and horizon scanning • In-house legal teams across Group, Pepco and Dealz with dedicated expertise • Law firm panel of external legal expertise in every key practice area across the Group • The Group Code of Conduct was updated in 2024, outlining and enhancing core values, ethics and regulatory requirements • Supplier Code of Ethics and Factory Audit Policy to inform suppliers of core requirements and behaviours expected. • Suite of Group compliance policies covering topics including antibribery and corruption, due diligence, conflicts, sanctions etc. • Group-wide mandatory training programme for core, high-risk regulatory areas • Specific training programmes for senior managers • Group supplier due diligence procedure integrated across procurement processes • Monitoring of registered IP and embedded checks when developing IP/branded products
Fraud, financial crime and CCO **Link to strategy** **Risk movement**	Losses as a result of physical or financial crime, both internally and externally, which result in financial losses, reputational damage and cross functional investigations. **Sub-risks / drivers:** • Fraud and misrepresentation • Anti-bribery and corruption • Corporate Criminal Offences • Retail fraud associated with refunds, mark downs, promotions and gift cards	• Group wide fraud risk assessment mapping exposure to fraud risks across key processes • Suite of Group compliance policies covering topics including anti-bribery and corruption, due diligence, conflicts, sanctions etc. • Group-wide mandatory training programme for core, high-risk regulatory areas • Specific training programmes for senior managers • Whistleblowing reporting line for colleagues and suppliers to report concerns re. non-compliance • Payment processing restrictions defined delegated authority levels and segregation of duties • Group treasury function oversight and approvals • Collaborative working between Finance and Technology to refine security controls

Alignment with sustainability and ESG risks

Our operational and strategic environment is increasingly complex, with many regulatory or reporting requirements mandating specific risk assessments and alignment between frameworks. In response, we maintain a close working relationship between our Risk and ESG teams, aligning on key processes, assessment criteria and reporting.

Within the ERM framework there is a specific ESG category, as well as a mechanism to flag any other risks which may have implications within ESG reporting. This close alignment provides a structured understanding of risks, described in a common language and consistently assessed, enabling management to take decision to protect shareholder value and long term organisational resilience.

Going concern

The FY25 consolidated financial statements have been prepared on a going concern basis.

The Group maintains access to significant committed credit facilities and total available liquidity as of 30 September 2025 exceeded €850m. Since the year end, the Group has further improved its balance sheet and financial strength, supported by the completion of a dual tracked refinancing of banking facilities and a Polish bond issuance in November 2025, as part of a review of external funding to extend the Group's debt maturity profile out to 2032, optimise debt pricing and enhance financial flexibility.

In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's overall financial position, liquidity, cash flow forecasts, and the potential impact of the principal risks and uncertainties outlined on pages 56 - 61. The assessment included a review of forecast cash flows and liquidity headroom under base case, severe but plausible downside scenarios and a reverse stress test, over a period of 24 months from the end of the reporting period to the end of FY27. These scenarios incorporated assumptions relating to increasing geopolitical instability, intensification of competition, changes in consumer demand and supply chain disruptions. Even under these scenarios the Group still retains sufficient headroom and liquidity across the assessment period, and is able to comply with the requirements of its lending covenants.

Based on this review, the Directors are comfortable that the Group has adequate facilities and resources to meet its obligations as they fall due for a period of at least twelve months from the date of approval of the Group's consolidated financial statements.



Governance

Pepco makes me feel secure as a customer. The products are of good quality, and whenever there was an issue, I was informed about the next steps and offered a solution that met my expectations. That's why I keep coming back to their stores and recommend Pepco to my friends and family.

Anna

Pepco customer

Introduction to Governance

Dear Shareholders,

This section of the report outlines the Group's corporate governance structure and addresses key governance matters relevant to the Company during the reporting period. As Independent Non-Executive Chair, I am responsible for leading the Board and ensuring that we have the right structure in place to uphold high standards of corporate governance.

Because governance change, as outlined in our press release of 28 January 2025, was such a fundamental element of the Board's work in FY25, a discussion of governance consumes much of my Chair's Statement, so inevitably there will be some repetition here.

This was my first year as Chair of the Board, and as mentioned in the Chair's Statement, on page 6, it was an honour to be appointed to the role at the FY24 AGM on 12 March 2025, following the decision by Andy Bond not to stand for re-election as Chair. Andy remained on the Board as a Non-Executive Director until 30 June 2025, when he stepped down, making him the fifth Director to leave the Board in FY25, pursuant to the succession plan designed by our Board, to support the upcoming transformational changes the Company required. All of us are grateful to each of these Directors for their truly valuable contributions to the Board and the Group during their time on the Board.

FY25 began a multi-year process of transformation as we divested Poundland from the Group, to focus on our core Pepco brand, followed by the emergence of what we like to refer to as New Pepco. Alongside these governance shifts and the strategic redirection of the business, we have focused intensively on refreshing and improving our compliance function and control environment to enable New Pepco to operate at the highest such standards throughout our business. In particular, our Audit Committee has made an enormous effort to work with both management and our new external auditor to refresh, modernise, systematise and otherwise enhance the Company's control environment. We have achieved this progress while working carefully with the team to preserve the entrepreneurial dynamism that has fuelled Pepco's growth over the years.

Good governance is far more than establishing, improving and monitoring controls. In particular, the nature, content and effectiveness of ongoing collaboration between the board and the management team are essential to the success of a company. For this reason, we focused on these topics over the course of the year, as we looked ahead to the decisive strategic and operational improvements we wanted to accomplish.

We sharpened the focus of our Board meeting agendas to emphasise and explore in detail, the strategic and operational changes and workstreams critical to driving value creation.

Over the past six months, we have been fortunate to add three outstanding senior retail executives to the Board, initially as Observers and with your support, at the upcoming AGM as full Non-Executive Board members. Dirk van den Berghe brings decades of highly relevant European and global retailing experience, through prior senior leadership roles at Walmart (where he headed Walmart Asia and Global Sourcing), Delhaize Group and other retailers. Sander van der Laan has exceptionally deep experience leading and growing multiple large, pan-European retail businesses, including over six years as chief executive of Action. Finally, Nicolò Galante brings significant expertise in retail strategy and operations, customer data and analytics, and business and digital transformation, through his decades as a retailing CEO and a senior partner at McKinsey. The Board warmly welcomes Dirk, Sander and Nicolò, and we all look forward to working closely together to support our leadership team in taking Pepco to the next level of performance.

There is an art to augmenting governance and controls while not impairing entrepreneurial dynamism and the picture at Pepco is becoming increasingly attractive. There is so much going on beneath the surface – new rigour, sharper discipline, improved controls – the cultural and process changes are not always visible, but the results are beginning to show, and there is so much more to come.

Pepco Group has reported strong results for FY25 with revenue growth up 8.7% to €4,523m, underlying EBITDA up 10.3% to €865m and underlying Profit after Tax (IFRS 16) up 20%, to €219m and 247 net new stores opened. My sincere thanks go to my Board colleagues and to everyone at Pepco for their continued hard work and commitment to the success of the Group, for the benefit of our customers, investors and other stakeholders.

Frederick Arnold
Independent Non-Executive Chair

14 January 2026



I believe that governance and controls are the core of a board's function and the effectiveness of ongoing collaboration between the board and the management team is essential to the success of a company.

Frederick Arnold
Independent Non-Executive Chair



Pepco Group N.V. (the Company) is a public limited liability company and was incorporated under the laws of the Netherlands on 14 May 2021 (having been converted from Pepco Group B.V., incorporated under the laws of the Netherlands on 17 February 2021). Its shares are listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie) (WSE).

The Company is registered in the commercial register of the Dutch Chamber of Commerce under number 81928491. The corporate seat of the Company is in Amsterdam and the registered office is 14th Floor, Capital House, 25 Chapel Street, London, NW1 5DH, United Kingdom.

The Company has a one-tier governance structure, under which management and supervisory duties are performed by the Board of Directors of the Company (the Board), comprising both Executive and Non-Executive Directors. The Board is responsible for the direction and oversight of the Company and is accountable for all aspects of the Company's business. The Company's corporate governance structure is based on the Articles of Association, the Board of Directors' Rules of Procedure (Board Rules), and the terms of reference of the Board's Committees, as well as applicable laws and regulations.

The Articles of Association, Board Rules and terms of reference of the Board's Committees can be viewed on the Company's website at www.pepcogroup.eu.

As the Company is incorporated under the laws of the Netherlands and is listed on the Warsaw Stock Exchange, it complies with the Code of Best Practice for GPW Listed Companies 2021 (the Warsaw Code) and also with the Dutch Corporate Governance Code 2022 (the Dutch Code). In March 2025, the Dutch Code was amended and updated and the updated provisions apply to the Company from FY26. In preparation for the amended and updated Dutch Code, the Company has been putting in place enhanced governance processes during FY25, including increased focus on risk management and internal control procedures under its Enterprise Risk Management (ERM) framework. Please refer to the Risk section of this report on pages 54 to 61 for further information.

The full text of the Warsaw Code is available to view at www.gpw.pl/best-practice2021 and the full text of the Dutch Code can be viewed at https://www.mccg.nl/documenten/2022/12/20/dutch-corporate-governance-code-2022. Any divergence from the Dutch and Warsaw Codes is explained in this report in accordance with the "comply or explain" principle. Please see pages 92 to 93 for a summary of any areas of divergence.

The Board

Four Non-Executive Directors*

Our four Non-Executive Directors provide advice and constructive challenge to the Chief Executive Officer and the Executive Committee.

Executive Director

Our Chief Executive Officer is appointed to the Board as an Executive Director, responsible for the day-to-day management of the Group

Board Committees

Audit Committee

Key responsibilities:

- monitoring and reviewing the integrity of the financial statements
- oversight of the Group's internal control and risk management systems and approving the assessment of principal and emerging risks
- oversight of the Group's Internal Audit function including approval of the internal audit charter and annual internal audit plan
- reviewing and monitoring the progress of the Group's ESG strategies, goals and targets

Membership:

- Brendan Connolly (Chair)
- Frederick Arnold
- Sean Mahoney
- Grazyna Piotrowska-Oliwa

Nomination Committee

Key responsibilities:

- regularly reviewing the structure, size and composition (including the skills, experience and diversity) of the Board and its Committees and making recommendations
- leading the process for appointments to the Board and assisting in the selection of certain key employees and succession planning
- undertaking the Board evaluation

Membership:

- Frederick Arnold (Chair)
- Sean Mahoney

Remuneration Committee

Key responsibilities:

- recommending to the Board the Remuneration Policy and the remuneration of the Executive Director(s) and the senior leadership remuneration framework
- advising the Board on the structure and target setting of performance-based incentive plans
- reviewing the design of all share incentive plans and recommending to the Board awards to be granted under such plans

Membership:

- Brendan Connolly (Interim Chair)
- Grazyna Piotrowska-Oliwa

Executive Committee

The Executive Committee, composed of key leaders, directs the Company's strategies, ensuring alignment with objectives and fostering sustainable growth through collective expertise and decisive leadership. The members of the Executive Committee are set out on the Company's website www.pepcogroup.eu under the heading "Leadership Team."

Senior Leadership Team

*The diagram shows the structure of the Board of Directors and its Committees as at the date of publication. During 2025, Dirk van den Berghe, Sander van der Laan and Nicolò Galante were appointed as Board Observers. Subject to shareholder approval at the 2026 AGM, they will become Non-Executive Directors.

Board of Directors

We have a strong, experienced Board, with a diverse and relevant range of professional backgrounds, skills and perspectives. The collective expertise of the Directors, combined with independent thought and constructive debate, enables the Board to make focused and balanced decisions which support the Company's long-term success.



Back row (left to right): Sean Mahoney, Grazyna Piotrowska-Oliwa, Stephan Borchert

Front row (left to right): Brendan Connolly, Frederick Arnold

Board of Directors



Frederick Arnold
Independent Non-Executive Chair

A N

American, Male, 71

Appointed: 6 June 2024
First term expires in 2027

Fred is an experienced senior financial executive who has served on the boards of numerous public and private UK and US companies. He has experience serving as board chair, audit committee chair and the chair of a variety of transactional and other special committees.

Fred has significant financial leadership experience, having led the global finance functions of a series of private equity owned portfolio companies. Fred also accrued 20 years of investment banking experience, primarily at Lehman Brothers and Smith Barney (where he was Managing Director, Head of European Investment Banking). He has extensive experience in acquisitions and divestitures and in global equity and debt capital markets.



Sean Mahoney
Non-Executive Vice Chair

A N

American, Male, 63

Appointed 15 March 2024
First term expires in 2027

Sean has extensive experience serving as a board director for large public and private companies across Europe and the United States including currently at Aptiv plc, Tailored Brands, Lehman Brothers Holdings Inc (post-bankruptcy) and various companies within the IBEX Group. Sean previously served on the board of directors of Howmet Aerospace, Alcoa, Formula One Holdings and iHeartMedia. Prior to his board director roles, Sean worked in investment banking for more than 20 years, primarily at Goldman Sachs & Co, where he was a partner and Head of the Financial Sponsors Group.



Stephan Borchert
Chief Executive Officer

German, Male, 56

Appointed: 1 July 2024
First term expires in 2027

Stephan is an accomplished CEO with a strong track record of leading international companies across various sectors including fashion, beauty, pharmacy and healthcare services. Stephan served from 2018 to 2022 as CEO of Dutch-listed GrandVision until it was acquired by EssilorLuxottica in July 2022, delivering significant value for shareholders. Prior to GrandVision, Stephan was President of Sephora EMEA on the Global Executive Committee, where he again improved profitability and increased revenue, while accelerating the beauty and cosmetics retailer's omnichannel development. He currently holds one non-executive director role at a major pan-European retail company in the beauty sector.



Grazyna Piotrowska-Oliwa
Independent Non-Executive Director

A R

Polish, Female, 56

Appointed: 24 May 2021
Second term expires in 2027

Grazyna has strong experience across government and business both in Poland and CEE. At the start of her career, Grazyna spent four years at the Polish Ministry of the State Treasury, where she led two different divisions. With a proven track record in some of Poland's WIG20 companies, Grazyna brings more than 20 years' experience working at C suite-level for Telekomunikacja Polska and PTK Centertel (now Orange Polska), PZU (on the supervisory board), PKN Orlen, PGNiG, as well as CEO and president of the management board of Virgin Mobile Poland/CEE, following a period advising private companies and private equity funds. Grazyna is co-owner and CEO/Chair of e-commerce platforms Grupa Modne Zakupy and RentPlanet and is a member of the supervisory board of FixMap.



Brendan Connolly
Independent Non-Executive Director

A R

British, Male, 69

Appointed: 24 May 2021
Second term expires in 2027

With extensive executive and non-executive experience, Brendan brings broad operational, commercial and strategic expertise and insights to Pepco. He is a non-executive director at Victrex plc, where he is a member of the audit, nomination and remuneration committees. Brendan previously served as senior independent director and chair of the remuneration committee of Synthomer plc and as an independent director of Applus Services Brendan has more than 35 years' experience in the oil and gas and the testing and inspection industries. He was a senior executive at Intertek Group, having been chief executive officer of Moody International, which was acquired by Intertek in 2011. Brendan was managing director of Atos Origin UK after spending more than 25 years with Schlumberger in senior international roles.

A Audit Committee N Nomination Committee R Remuneration Committee ◯ Chair of Committee

Board Observers[1]



Dirk van den Berghe
Board Observer

Belgian, Male, 62

Appointed as Board Observer: 30 June 2025

Dirk brings deep expertise to the Board through more than 20 years' experience in senior leadership roles at a number of large retail businesses, including as regional CEO of Walmart Asia & Canada; Head of Global Sourcing for Walmart; and CEO roles for key segments of the Delhaize Group prior to its merger with Ahold. Dirk also has significant prior experience as a non-executive board member of listed and private companies, including Flipkart Group in India, JD.com in China, Colruyt in Belgium and The Very Group in the UK. Dirk is currently chair of the remuneration and nomination committees at GoTo Group, chairman of the Advisory Board of Takko Fashion and a member of the supervisory board of IBEX Retail Investment Limited.



Alexander "Sander" van der Laan
Board Observer

Dutch, Male, 57

Appointed as Board Observer: 23 September 2025

Sander has extensive experience in retail operations, strategy and value creation. He has been the chief executive officer of the omnichannel premium beauty retailer DOUGLAS Group since November 2022, where he introduced the customer-focused "Let it Bloom – DOUGLAS 2026" growth strategy and led the group through its initial public offering and listing on the Frankfurt Stock Exchange in March 2024. Previously, Sander served as chief executive officer of Action for six years, a fast-growing pan-European non-food discount retailer, and prior to his leadership role at Action, Sander spent more than 16 years in management positions within the Dutch-listed retail group Ahold Delhaize – including most recently as chief operating officer of Ahold Europe and chief executive officer of Albert Heijn.



Nicolò Galante
Board Observer

Italian, Male, 59

Appointed as Board Observer: 14 November 2025

Nicolò brings deep expertise in retail strategy and operations, customer data and analytics, and business and digital transformation. Nicolò most recently served as CEO of Arcaplanet, an innovative, private-equity-backed omni-channel retailer based in Italy focused on the pet sector. Previously, he served as President of Central Retail Corporation, an Asia-based retailer with over $7bn in annual revenues, and as CEO of Central Department Stores Group. Prior to these two operating roles, Nicolò was a senior partner and a leader of the Global Consumer/Retail and Consumer Digital Excellence practices at McKinsey. Nicolò is a trained nuclear engineer and a former CERN researcher.

1. Board Observers in anticipation of their formal nomination for appointment as Non-Executive Directors at the 2026 AGM.

Corporate governance statement

Board of Directors

The Company has a one-tier governance structure with a single Board, comprising Executive and Non-Executive Directors. The Board provides leadership to the Group and sets and monitors the strategy, to ensure sustainable long-term value creation and that decisions are made in a balanced and effective manner, considering the interests of all the Group's stakeholders. It is responsible for overseeing governance and adopting policies and values that contribute to a positive culture, including monitoring the effectiveness of the system of internal controls within the Group.

The Board considers among other items:

- the implementation and feasibility of the strategy;
- the appropriateness of the Group's business model and the markets in which it operates;
- the opportunities and risks for the Group;
- the Group's operational and financial goals and their impact on its future position in the markets in which it operates;
- compliance with legal and regulatory obligations; and
- in carrying out its business, the Group's impact on the environment, the safety of its customers and employees and the integrity of its culture.

The duties, responsibilities and internal procedures of the Board are addressed in the Articles of Association and the Board Rules.

Roles and responsibilities

The positions of Chair and CEO are distinct, each with their own areas of responsibility conferred by the Board. This distinction is explained below and further details of the roles of the Directors are set out in the Articles of Association and the Board Rules which are available to view on the Company's website. at www.pepcogroup.eu.

The CEO is an Executive Director and is responsible for the day-to-day management of the Group and the implementation of the Group's strategy. As part of the CEO's day-to-day management of the Group, he is a member of and has overall responsibility for the Group's Executive Committee. The Executive Committee is comprised of key leaders from the business and is tasked with driving the Company's strategy, ensuring alignment with objectives and fostering value creation through collective leadership.

The Chair is an Independent Non-Executive Director within the meaning of best practice provision 2.1.8 of the Dutch Code. The Chair is responsible for leading the Board and ensuring that the Board and its Committees function effectively, setting the Board agenda and maintaining high standards of corporate governance. The Chair ensures effective communication by the Board with the Company's shareholders and facilitates communication between members of the Board, as well as between the Board and senior management. The Vice Chair may deputise for the Chair when required and he acts as the point of contact for the Board members regarding the performance of the Chair.

The Non-Executive Directors are responsible for overseeing the work carried out by the CEO and the management team and for the policies put in place by management, with a focus on internal controls, financial and sustainability reporting and governance.

Appointment and composition of the Board

During the reporting period, there were a number of changes to the composition of the Board as part of the implementation of a governance succession plan designed by the Nomination Committee and approved by the Board. On 12 March 2025, Frederick Arnold was appointed Independent Non-Executive Chair of the Board, replacing Andy Bond in the Chair role, and Sean Mahoney was appointed Non-Executive Vice Chair of the Board. María Fernanda Mejía and Neil Galloway resigned from the Board on the same date.

On 31 May 2025, Paul Soldatos stepped down from the Board and on 30 June 2025, Andy Bond and Neil Brown also stepped down from the Board.

Dirk van den Berghe was appointed as a Board Observer with effect from 30 June 2025, Sander van der Laan was appointed as a Board Observer with effect from 23 September 2025 and Nicolò Galante was appointed as a Board Observer with effect from 14 November 2025. The role of 'Board Observer' indicates that Pepco intends to formally nominate Dirk van den Berghe, Sander van der Laan and Nicolò Galante for appointment as Non-Executive Directors at Pepco's upcoming annual general meeting. Until such time, without formally serving as Directors, they are invited to attend Board meetings at which they do not have a vote.

As at the end of the reporting period, the Board comprised four Non-Executive Directors and one Executive Director. Frederick Arnold, Brendan Connolly and Grazyna Piotrowska-Oliwa are considered to be independent in accordance with the best practice provisions of the Dutch and Warsaw Codes. Sean Mahoney is not considered to be independent within the best practice provisions of the applicable Codes, due to his position as a director of the Company's principal shareholder.

Resolutions proposing the formal appointments to the Board of Dirk van den Berghe, Sander van der Laan and Nicolò Galante will be put forward for approval by the shareholders at the 2026 AGM.

Board members are appointed for an initial period of three years and may then be reappointed for two subsequent three-year terms.

All Directors are subject to formal appointment by shareholders at a general meeting and to reappointment after a three-year term in office, following a binding nomination of the Board and in accordance with the Articles of Association of the Company. The general meeting of shareholders may reject a binding nomination of the Board by a resolution passed by two-thirds of the votes cast, representing more than half of the Company's issued share capital.

The general meeting of shareholders can dismiss and suspend members of the Board (other than on the proposal of the Board), upon a majority of two-thirds of the votes cast, representing more than half of the Company's issued share capital. If the proposal is made by the Board, a simple majority of the votes cast is sufficient.

The Chair of the Board and the Board itself are supported by the Company Secretary, who is appointed by the Board and is available to provide advice and assistance to all Board members. The Company Secretary is responsible for ensuring that proper procedures are followed and that the Board acts in accordance with its statutory obligations, as well as its obligations under the Articles of Association of the Company.

Where Board members have external appointments, the Board has satisfied itself that such appointments do not impact on the individual Board member's ability to devote adequate time and sufficient attention to the Company.

Diversity

The Board is committed to cultivating a diverse workforce and a culture of equality and inclusion throughout the Group. This remains an important consideration in succession planning at both Board and senior management level.

The Company's Diversity & Inclusion Policy ("D&I Policy") was approved by the Board on 12 March 2025 and sets out the Company's principles on diversity and inclusion. The policy makes clear the Company's stance: everyone has the right to be treated with dignity and respect and to be included in all activities regardless of their age, gender or gender identity, ethnicity, race or other protected characteristic. We are committed to advancing equal opportunities in the areas of access to employment, career development, progression, promotion and remuneration. Any discrimination is prohibited. The D&I Policy addresses the Company's legal and regulatory requirements to set appropriate and ambitious targets, to achieve a more balanced ratio between men and women. The Company is also subject to Dutch statutory law requirements, which require the Company to set non-binding, appropriate and ambitious gender diversity targets for its Executive Directors, Non-Executive Directors and senior management, and to report on these targets in its Annual Report and to the Dutch Economic Counsel (SER).

We have set a target to strive for a composition of not less than 30% male members and not less than 30% female members of the top three tiers of management (Senior Management) under our D&I Policy. The same targets apply for the Board; we also strive to achieve a composition of not less than 30% male members and not less than 30% female members in respect of the Executive Directors and the Non-Executive Directors. As at the year end, twenty-five members (45%) of Senior Management were female and thirty members were male (55%). There were five Board members, four of whom were male (80%) and one of whom was female (20%). The three Non-Executive Director candidates who will be proposed for election at the 2026 AGM are male. We continue to monitor our progress and to evaluate appropriate measures.

When identifying potential candidates for the Board, the Nomination Committee and the Board consider a diverse range of personal qualities including age, ethnicity, social background and gender (in addition to the required skills, qualifications and experience for the role), to increase the diversity of the Board where practical. The rules and generally accepted principles of non-discrimination of candidates with protected characteristics, are followed in every selection and nomination process.

Induction, training and development

When appointed to the Board, Directors are provided with induction training and information about the Group, including on Directors' duties, the role of the Board, the Board Rules and the matters reserved for the Board's decision, the terms of reference of the Board Committees, and the latest Group financial information. This is supplemented by meetings with the Company's professional advisors and, where appropriate, visits to key locations and meetings with members of the Executive Committee and other senior leaders, to develop the Directors' understanding of the business.

Throughout their period in office, Non-Executive Directors are continually updated on the business, the Group's markets, strategy and other changes affecting the Group and the sector in which it operates, including any changes to the legal and governance environment and the obligations applicable to them as Directors.

Board Committees

The Board operates the following principal committees: the Audit Committee, the Nomination Committee and the Remuneration Committee. The function of these Committees is to provide focused oversight of key risk areas and to provide specialist input in support of the Board's decision-making and the mitigation of risk.

Each Board Committee has in place established terms of reference, which are reviewed annually and which set out the Committee's role and responsibilities, its composition and the process through which it discharges its duties. These terms of reference are available on the Company's website: www.pepcogroup.eu.

At all times during the reporting period, at least half of the members of the Audit Committee (including its Chair) and the Remuneration Committee (including its Interim Chair), were independent within the meaning of the applicable best practice provisions of the Warsaw and Dutch Codes, with due observance to the Dutch Decree on the installation of an Audit Committee.

Board meetings, attendance and decision-making

According to the Board Rules, the Board meets in principle once every two months and at least once each financial quarter. Each Director is entitled to cast one vote. In the event of a tie, the Chair has the casting vote. During FY25, meetings of the Board were held both in person and virtually via Microsoft Teams, as permitted by Article 16.6 of the Articles of Association.

A Director may not participate in deliberations and decisions on matters in respect of which he has a conflict of interest and the other Directors shall resolve the item. If due to this, no resolution can be adopted by the Executive Directors, the Non-Executive Directors shall resolve on the matter. If all the Directors have a conflict of interest, the Board will resolve on the matter as if there were no conflict of interest

When determining how many votes are cast by members of the Board, no account shall be taken of Board members who are not permitted to take part in the discussions or decision-making, due to a conflict of interest.

Decisions of the Board may be taken in writing, provided that all Board members (in respect of whom no conflict exists), have consented in writing.

Board and Committee meetings and attendance

All Directors are expected to attend every Board meeting and every meeting of the Committees of which they are a member, unless there are exceptional circumstances preventing them from participating. Attendance at Board and Committee meetings in FY25 was as follows:

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee
Frederick Arnold (Independent Non-Executive Chair)[1]	19/19	8/8	2/2	3/3
Sean Mahoney (Non-Executive Vice Chair)[2]	18/19	8/8	N/A	3/3
Stephan Borchert	19/19	N/A	N/A	N/A
Brendan Connolly	17/19	8/8	5/5	N/A
Grazyna Piotrowska-Oliwa[3]	17/19	5/5	5/5	N/A
Andy Bond[4]	16/16	N/A	1/2	1/2
Neil Brown[5]	14/16	3/6	2/4	2/2
Neil Galloway[6]	9/10	N/A	N/A	N/A
María Fernanda Mejía[7]	6/10	3/3	N/A	–
Paul Soldatos[8]	11/12	N/A	2/3	–

1. Frederick Arnold was appointed Independent Non-Executive Chair of the Board with effect from 12 March 2025. Until 12 March 2025, he was Chair of the Audit Committee and a member of the Remuneration Committee. Since 12 March 2025 he has served as Chair of the Nomination Committee and a member of the Audit Committee.
2. Sean Mahoney was appointed Non-Executive Vice Chair with effect from 12 March 2025.
3. Until 12 March 2025, Grazyna Piotrowska-Oliwa was a member of the Audit Committee. On 12 March 2025, she was additionally appointed as a member of the Remuneration Committee.
4. Andy Bond was Non-Executive Chair until 12 March 2025, following which he remained a Non-Executive Director until his resignation from the Board with effect from 30 June 2025. Until 12 March 2025, he was a member of the Nomination Committee and from 12 March 2025 until his resignation from the Board, he was a member of the Remuneration Committee.
5. Neil Brown resigned from the Board with effect from 30 June 2025. Until his resignation from the Board, he was a member of the Audit, Remuneration and Nomination Committees. From 12 March 2025 until 30 June 2025, he was Chair of the Remuneration Committee.
6. Neil Galloway resigned from the Board with effect from 12 March 2025.
7. María Fernanda Mejía resigned from the Board with effect from 12 March 2025. Until her resignation from the Board, she was Chair of the Nomination Committee and a member of the Audit Committee.
8. Paul Soldatos resigned from the Board with effect from 31 May 2025. Until his resignation from the Board, he served as a member of the Audit and Nomination Committees.

Areas of focus in FY25

A summary of the Board's key activities during the reporting period is set out below:

Strategy and operational

- Scrutinised operational and business performance in the context of the Company's business plan and long-term strategy, including through a detailed review of the five-pillar strategic framework for New Pepco described in more detail on pages 17 to 27, with a high focus on long-term value creation
- Approved the strategy of the Group's exit from FMCG through the decision to divest Poundland and Dealz from the Group and the subsequent approval of the sale of Poundland to Gordon Brothers in June 2025
- Approved the reformatting of the Pepco Plus stores in Spain and the decision to conduct a strategic review of Pepco Germany

External stakeholder engagement

- Reviewed the agenda for the Capital Markets Day
- Reviewed the content of the Company's external announcements

Financial performance and risk

- Focused sharply on the capital allocation framework and decisions
- Evaluated capital-return strategies, including dividends and share repurchase activities
- Evaluated the debt refinancing strategy and action plans
- Reviewed financial performance and forecasts
- Evaluated and approved the FY25 budget
- Approved the Company's Annual Report and Consolidated Financial Statements for FY24, together with the letter of representation in connection with the FY24 Annual Report
- Reviewed the approach to risk and the ERM framework, taking into account the revisions to the Dutch Code which apply to the Company from FY26

Governance

- Updated the terms of reference of the Committees of the Board
- Approved the appointments of Dirk van den Berghe and Sander van der Laan as Board Observers in accordance with the terms of the Relationship Agreement. Their formal appointments as Non-Executive Directors (together with that of Nicolò Galante) will be subject to a decision of the shareholders at the 2026 AGM
- Approved the updated UK tax strategy
- Approved the updated Board profile as required by the Dutch Code and approved changes to the Board Rules
- Recommended to the shareholders the appointment of EY Accountants B.V. as the Company's external auditor for FY25
- Approved the Agenda and Convocation Notice for the 2025 AGM
- Approved changes to key corporate policies, including internal Delegation of Authority and the Insider Trading Policy
- Approved the renewal of the Directors' and Officers' insurance policy

Remuneration

In line with the Remuneration Policy of the Company, the remuneration of the Chief Executive Officer is determined by the Non-Executive members of the Board, upon the recommendation of the Remuneration Committee. The Non-Executive Directors appointed via the Relationship Agreement (being Sean Mahoney and following their envisaged appointments at the 2026 AGM, Dirk van den Berghe and Sander van der Laan), do not or will not, receive remuneration from the Company or any of its direct or indirect subsidiaries. The Remuneration Committee recommends to the Board the remuneration of the Non-Executive Directors including the Chair of the Board, taking into account the Remuneration Policy. The Remuneration Committee members are not involved in any decisions relating to their own remuneration.

At the AGM held in March 2025, shareholders approved the Non-Executive Director Equity Plan (NED Equity Plan), which grants awards over shares to Non-Executive Directors who are not appointed via the Relationship Agreement. The Remuneration Policy can be found on the Company's website and the elements of the remuneration of Board members are set out in the Remuneration report on pages 86 to 91.

Conflicts of interest

The Articles of Association and the Board Rules prescribe how conflicts of interest between the Company and Board members must be managed. Transactions between the Company and a Board member who has a conflict of interest must be entered into on arm's length terms. A Board member who has a conflict of interest cannot participate in deliberations and decision-making relating to the subject matter of the conflict of interest.

In FY25, payments totalling £24,207 (including VAT) were made to Woodcliffe Associates Limited, a company that Andy Bond, who was a member of the Board until 30 June 2025, had a related party interest in.

Any decision to enter into a transaction under which a member of the Board has a conflict of interest that is of material significance to the Company and/or the relevant Board member, requires the approval of the Board.

There were no material transactions which gave rise to conflicts of interest with any Board members reported during the reporting period. Reference is made to note 24 (Related party transactions) of the consolidated financial statements for a description of any related party transactions.

Risk management activities of the Board

The Board has overall responsibility for ensuring that the Group maintains a strong system of internal controls. The Board is supported by the Audit Committee in discharging this responsibility.

The Group's system of internal controls is designed to identify, manage and evaluate the risk of failing to achieve business objectives. It can therefore provide reasonable but not absolute assurance against material misstatement, loss or failure to meet objectives of the business, due to the inherent limitations of any such system.

Internal audit activities are consolidated into one independent Group Internal Audit function, to provide assurance over key risks in all operating companies. A Group risk management framework is in place and updates to risk registers are presented to the Board.

In FY25, the Board reviewed and approved an enhanced ERM framework, applicable throughout the business, and conducted a regular sequence of Board engagement in risk management through the Audit Committee. Key engagement activities throughout the period included:

- Annual fraud and financial crime risk assessment (November 2024)
- Board risk workshop to provide oversight, challenge and approval of the Group's risk profile and risk appetite (May 2025)
- Strategic risk review and principal risk oversight (September 2025).

The Board is satisfied that the key risks to the business and relevant mitigating actions are acceptable for a business of the type, size and complexity of that operated by the Group. In addition, in recognition of the continuing evolution of the risk management and internal controls environment and in preparation for compliance with the updated Dutch Code which applies from FY26, the Company has been putting in place enhanced governance processes.

The key elements of the Group's system of internal controls are as follows:

- Financial reporting: Monthly management accounts are provided to members of the Board. Reporting includes an analysis of actual versus budgeted performance and overviews of reasons for any significant differences in outcomes. The annual budget is reviewed and approved by the Board. The Group reports half yearly.
- Risk management: An ERM framework has been created and is continuously updated and monitored. Each risk identified is allocated an owner and the actions required are set out.
- Monitoring of controls: The Audit Committee receives regular reports from the external auditor and internal audit team. There are formal policies and procedures in place to ensure the integrity and accuracy of the accounting records of the Group and to safeguard the Group's assets.
- Staff policies: There are formal policies and processes in place within the Group, supported by third-party technology in relation to anti-bribery and corruption and anti-slavery, as well as whistleblowing policies and independent reporting mechanisms, to facilitate the reporting of any suspected wrongdoing or malpractice.

Information on the key risks and uncertainties of the Group is set out on pages 56 to 61

General meetings

The Articles of Association require that an AGM be held in the Netherlands within six months of the end of the financial year. Additional general meetings may be convened at other times as deemed necessary by the Board. The Company's 2025 AGM was held on 12 March 2025.

Shareholders were invited to attend the AGM in person, and the AGM was broadcast via the Company's website. The right to vote at the AGM could be exercised by an electronic voting proxy with voting instructions to a civil law notary, or by submitting the voting instructions by means of a proxy form via the Company's website. Shareholders were entitled to submit questions in relation to the agenda items prior to the AGM.

The 2026 AGM will be held on 11 March 2026. The following topics are currently expected to be addressed at the 2026 AGM:

- advisory vote in respect of the Remuneration report;
- discussion of the Annual Report;
- discussion and adoption of the annual accounts;
- (if put on the agenda) discharge of the Board members from liability;
- (if put on the agenda) designation of the Board as competent to issue shares;
- (if put on the agenda) approval of the payment of a final dividend;
- (if put on the agenda) appointment of the external auditor; and
- (if put on the agenda) authorisation of the Board to permit the Company to acquire its own shares.

It is also expected that the AGM agenda will include the approval of the appointments to the Board of Dirk van den Berghe, Sander van der Laan and Nicolò Galante.

Convocation

Each general meeting is convened by publication of a notice on the Company's website at least 42 days prior to the date of the general meeting. Shareholders are entitled to propose to the Board, items for inclusion in the agenda of the general meeting, provided that alone or jointly, they hold at least 3% of the issued and outstanding share capital of the Company. Proposals for agenda items must be submitted at least 60 days prior to the date of the meeting. A request from a shareholder for an item to be included on the agenda of a general meeting must be explained in writing. The principles of reasonableness and fairness may permit the Board to refuse such request.

Voting rights

The authorised share capital of the Company is €17,250,000.00 and is divided into 1,725,000,000 shares with a nominal value of €0.01 each. The total nominal value of the issued share capital of the Company is €5,774,519.35 divided into 577,451,935 shares. The shares are listed on the Warsaw Stock Exchange.

All shares carry equal rights and are freely transferable.

With the exception of treasury shares, which do not carry voting rights, each share in the issued and outstanding share capital of the Company, confers the right to cast one vote at a general meeting. As at 30 September 2025, 9,382,732 shares were held in treasury.

Shareholders who hold shares on a statutory record date (i.e. the 28th day prior to the general meeting) are entitled to attend and vote at the general meeting.

Shareholders may exercise their rights if they are shareholders of the Company on the record date and they or their proxy have notified the Company of their intention to attend the general meeting either in writing or by any electronic means that can be reproduced on paper, ultimately at a date set for that purpose by the Board. Such date may not be earlier than the seventh day prior to the general meeting.

Adoption of resolutions

Subject to certain exceptions provided by Dutch law or the Articles of Association, resolutions of the general meeting are adopted by a simple majority of the votes cast at the meeting.

Shareholder votes can be cast either in writing or electronically.

Amendment of the Articles of Association

The Articles of Association can be amended by resolution of the general meeting. A resolution to amend the Articles of Association can only be adopted at the proposal of the Board.

A resolution to partially amend the Articles of Association was passed at the 2025 AGM. These amendments included (i) allowing newly issued shares to be paid up from distributable reserves, (ii) updating the Company's statutory indemnification clause for Directors, and (iii) clerical changes in the unofficial English translation only.

Appointment and dismissal of Directors

Appointment and/or dismissal and/or suspension of the members of the Board is the prerogative power of the general meeting of the shareholders. The Executive Director(s) may also, at any time, be suspended by the Board. Pursuant to the Articles of Association, the number of Directors shall be determined by the Board. Following a binding nomination by the Board, with due observance of the provisions under the Articles of Association, the Directors are appointed at the general meeting. When selecting and nominating candidates for the Board, the D&I Policy is taken into consideration.

Substantial shareholdings

Pursuant to the Financial Supervision Act (Wet op het financieel toezicht) and the Dutch Decree on Disclosure of Major Holdings and Capital Interests in Issuing Institutions, the Company has been notified of the following substantial shareholdings in the Company as at 30 September 2025:

	Shares	Percentage
Ibex Retail Investments (Europe) Limited	415,594,616	71.97
Directors[1]	591,149	0.1
Pepco Group Employee Benefit Trust[2]	336,317	0.06
Shares held in treasury	9,382,732	1.62
Other shareholders	151,547,121	26.24
Total	577,451,935	100.00

1. Shareholdings of current Directors.
2. Shares are held on trust for the benefit of current and former employees and the trust operates for the fulfilment of share plans, as described in the Remuneration report.

As shown in the table above, at 30 September 2025, 71.97% of the Company's issued share capital was owned by Ibex Retail Investments (Europe) Limited and ultimately owned by IBEX Topco B.V. (ITBV). As far as the Company is aware, no other shareholder owned 3% or more of the issued shares or voting rights in the general meeting.

0.1% of the Company's shares, in aggregate, were owned by the Directors and 0.06% were held by the Pepco Group Employee Benefit Trust for the benefit of current and former employees.

At the time of the Company's initial listing on the WSE, the Company entered into a relationship agreement (the Relationship Agreement) with a predecessor of ITBV "Predecessor) and certain of its affiliate enterprises to regulate the relationship between the Company and its majority shareholder. Following the implementation of the reorganisation of the Predecessor group, the rights were transferred to ITBV, resulting in an amended and restated

Relationship Agreement between ITBV and certain of its affiliate enterprises (the ITBV Affiliates) on the one hand and the Company on the other. The Relationship Agreement was further amended and restated on 24 March 2025. Best Practice Provision 2.7.5 of the Dutch Code was observed when entering into the amended and restated Relationship Agreement.

The Relationship Agreement provides that:

- for so long as the ITBV Affiliates hold, in aggregate, more than 30% of the voting rights of the Company, the ITBV Affiliates shall jointly be entitled to nominate three Non-Executive Directors to the Board. The Non-Executive Directors appointed pursuant to the Relationship Agreement shall jointly be entitled to nominate (i) the Director to be appointed as Chair of the Board, and (ii) the Director to be appointed as Chair of the Remuneration Committee;
- for so long as the ITBV Affiliates hold, in aggregate, less than 30% but more than 20% of the voting rights of the Company, the ITBV Affiliates shall jointly be entitled to nominate two Non-Executive Directors to the Board;
- for so long as the ITBV Affiliates hold, in aggregate, less than 20% but more than 10% of the voting rights of the Company, the ITBV Affiliates shall jointly be entitled to nominate one Non-Executive Director to the Board;
- if the ITBV Affiliates hold, in aggregate, less than 10% of the voting rights of the Company, they will no longer be entitled to nominate any members of the Board;
- subject to compliance with applicable laws and regulations, including the Market Abuse Regulation, the Company will (i) provide certain information to the ITBV Affiliates to enable the ITBV group of companies to fulfil its regulatory and legal obligations and to facilitate the preparation of the accounts of the ITBV Affiliates and connected enterprises, for so long as such provision is reasonably required by generally applicable accounting principles and (ii) provide reasonable assistance and access to the Company's management in connection with any planned disposal of shares in the Company, that are held by the ITBV Affiliates;
- transactions and arrangements between the ITBV group of companies and the Group will be conducted on an arm's length basis and on normal commercial terms; and
- no member of the ITBV group of companies will propose or procure the proposal of any shareholder resolution which would prevent the Company from complying with its legal, statutory or regulatory obligations.

Issuance of shares, acquisitions of own shares, disapplication of pre-emption rights and transfers of shares

The Articles of Association of the Company (Articles) provide that the general meeting is authorised to issue shares (or delegate that authority to the Board). Any delegation to the Board to issue shares must specify (i) the maximum number of shares that can be issued under the delegation and (ii) the duration of the delegation, which shall not be for more than five years. The duration of the delegation may be extended from time to time for periods not exceeding five years.

A resolution by the general meeting to issue shares or to delegate such authority to the Board can only be taken at the proposal of the Board.

The Articles permit the general meeting to restrict or exclude the pre-emption rights of shareholders at the proposal of the Board. A resolution to exclude shareholders' pre-emption rights requires a majority vote of at least two-thirds of votes cast if less than half of the Company's issued and outstanding share capital is present at the general meeting.

Under the Articles, the Company may acquire its own shares if the general meeting authorises the Board to do so. An authorisation for the Board to acquire shares in the Company is limited to 18 months. Such authorisation was obtained at the 2025 AGM and will be requested at the 2026 AGM.

On 6 March 2025, the Company announced the Board's authorisation of a share buyback capability of up to €200m to be available during FY25-FY27, which allows the Board to consider from time to time the potential acquisition by the Company of its own shares in accordance with the relevant authorisation granted at the AGM.

On 10 July 2025, the Company announced the initiation of a tranche of the share buyback programme of up to €50m, pursuant to which the Company purchased a total of 9,382,732 of its own shares over the period from 17 July to 22 August 2025.

Following the reporting period, the Company announced on 28 October 2025 the initiation of a second tranche of the share buyback programme of up to €50m, pursuant to which the Company may acquire a maximum of 7,502,127 shares (as calculated based on the share price at announcement). This second tranche will end no later than 16 January 2026.

On 22 December 2025, 250,000 treasury shares were transferred from treasury to the Pepco Group Employee Benefit Trust to enable the Company to fulfil its obligations under its share plans

No authorisation of the general meeting is required for the Company to acquire its own shares for the purpose of transferring such shares to employees of the Group under an applicable share plan.

There are no restrictions on the transferability of the shares either under the Articles or under Dutch law.

Lock-up arrangements

In the period prior to the Company's admission to listing on the WSE (Admission), one-off fees were paid to certain current and former Directors, including Brendan Connolly, María Fernanda Mejía, Grazyna Piotrowska-Oliwa and Pierre Bouchut, in respect of work undertaken by them in relation to and in preparation for their roles as Board members. The fees were used by these individuals to subscribe for shares in the Company on Admission (at the Admission offer price).

Shares acquired by these individuals on Admission must be held until the first anniversary of the date on which the relevant Director ceases to be a Director of the Company. Pierre Bouchut resigned from the Board on 14 March 2024 and the shares he purchased on Admission were released from their lock-up provisions on 14 March 2025. María Fernanda Mejía resigned from the Board on 12 March 2025 and the shares she purchased on Admission will be released from their lock-up provisions on 12 March 2026.

Audit Committee report

Dear Shareholders,

On behalf of the Audit Committee, I am pleased to present the Committee's report outlining our responsibilities and main activities during the year ended 30 September 2025.

This marks my first report since being appointed Chair of the Audit Committee on 12 March 2025 following Frederick Arnold's appointment as Chair of the Board at the 2025 AGM. I am very pleased that Frederick continues to be a valued member of the Audit Committee and thank him for his tenure as Chair of the Committee. On behalf of the Audit Committee, I would also like to express our gratitude to María Fernanda Mejía and Neil Brown, who stepped down as Non-Executive members of the Board in March and June 2025, respectively, for their service as members of the Audit Committee during the year.

Taking on the role of Chair of the Committee during a period of significant transformation for the business, which has included the divestment of Poundland, managing Dealz Poland to optimise value in the medium term, the removal of the FMCG offer from the Pepco brand, whilst transitioning to a new external auditor, has had its challenges and increased the workload significantly. I would therefore like to thank my fellow Committee members and the wider finance, internal audit and risk teams for their support and collaboration throughout this transition.

The Committee plays a vital role in supporting the Board's oversight of financial integrity, risk management, internal controls, and audit quality. This year, we paid particular attention to the evolving regulatory landscape, including the Financial Reporting Council's (FRC) 2025 guidance on going concern and liquidity risk disclosures given Pepco Group N.V. provides parental letters of support to its UK-registered subsidiaries. In line with this, we encouraged management to adopt a broader, longer-term approach to evaluating risks and uncertainties facing the business, including inflationary pressures, shifts in consumer demand and supply chain resilience. We reviewed the assumptions underpinning the going concern assessment and ensured that disclosures were clear, proportionate and reflective of the specific dynamics of our retail operations across multiple European markets.

A key development this year was the appointment of a new external auditor for the Group for the 2025 financial year (FY25). We proactively engaged with the incoming audit team from EY Accountants B.V. (EY) to support their understanding of our operations and risk profile. The Committee oversaw the transition and onboarding process, to ensure continuity, audit quality and alignment with our business model and geographic footprint. I would like to thank EY for their professionalism and contribution since they were appointed auditor and we are confident that their fresh perspective will enhance the robustness of our assurance processes.

I would also like to thank my fellow Committee members for their diligence and engagement during FY25. The past year has been transformational for the business, as we reset our strategy to simplify the Group to focus on our core Pepco brand across its key markets in CEE and Western Europe. As we move into FY26 and begin the next chapter of our journey, the Audit Committee remains committed to constructive challenge, robust governance and ensuring our oversight continues to evolve in step with stakeholder expectations and regulatory developments across Europe.

Brendan Connolly
Audit Committee Chair

14 January 2026



Upholding governance and oversight in a year of transformation.

Brendan Connolly
Audit Committee Chair

Committee membership and meetings

The Audit Committee concluded the year with four members. The Committee must have at least one member with recent and relevant financial experience, and the Committee as a whole shall have competence relevant to the sector. The Board is satisfied that all Committee members have the required experience to enable the Committee to fulfil its duties. Audit Committee member biographies and attendance at meetings during the year are set out on pages 68, 69 and 72. Three members of the Audit Committee are considered to be Independent Non-Executive Directors within the meaning of the Dutch and Warsaw Codes (myself, Frederick Arnold and Grazyna Piotrowska-Oliwa). Sean Mahoney is not considered to be independent due to his position as a director of the Company's principal shareholder.

At the invitation of the Chair of the Committee, the Group CFO, the Group Head of Internal Audit and members of the EY team are invited to attend Audit Committee meetings. The Company Secretary acts as secretary to the Committee.

Other regular attendees include the Group CEO, the CFO of Pepco, and the Group Financial Controller. In addition, the Group Treasurer, Group Chief Information Officer, Group Chief Legal Officer, Head of Group Reporting, Head of Sustainability, and Head of Tax are invited to attend all or part of any meetings and are available to meet on a one-to-one basis as and when required to support the Audit Committee in fulfilling its role.

At the conclusion of each meeting, the lead audit partner from EY and the Group Head of Internal Audit are each separately given the opportunity to discuss matters with the Committee without management being present. Similar private sessions are regularly held with the Group CFO, the Group Financial Controller and the Head of Financial Reporting, among others.

The Audit Committee has a schedule of regular, structured meetings throughout the year, but meets as often as is required for its proper functioning and to respond to matters requiring oversight as they arise. The timing of meetings is agreed in advance and set to accommodate a regular cadence of matters and key dates in the financial calendar and, on behalf of the Board, to provide oversight of the Group's risk management and internal control processes. In addition to the regular formal meeting schedule, the Committee Chair, and to a lesser extent the other Committee members, maintain a dialogue with key individuals involved in the Group's governance, including consulting with the external audit lead partner, and senior management on an ad hoc basis.

Details of attendance of all Board and Committee meetings by Directors are set out on page 72.

Role of the Audit Committee

The formal role of the Committee, as delegated by the Board, is set out in written terms of reference, which are reviewed annually by the Committee and are available on our website.

The Committee's responsibilities include, but are not limited to, the following matters:

- financial and sustainability reporting and compliance with relevant accounting standards and other legal and regulatory requirements;
- reviewing the Group's accounting policies and, in particular, reviewing and challenging any changes to them; any major accounting issues of a subjective nature are discussed by the Committee;
- reviewing the Group's half-yearly and annual financial statements (including clarity and completeness of disclosure) and any quarterly trading updates;
- providing oversight of the Group's internal control and risk management systems and considering reports on their effectiveness from the Group CFO, Group Financial Controller and Group Head of Internal Audit;
- assisting the Board with the development and execution of the risk management strategy, risk policies and current risk exposures, including maintenance of the Group's risk register; significant risk issues are referred to the Board of Directors for consideration;
- reviewing ESG strategies, reporting, goals and targets, monitoring progress and advising the Board as appropriate;
- monitoring the scope of work, quality, effectiveness and independence of the external auditor and recommending to the Board their appointment, reappointment and fees; and
- reviewing the engagement of the external auditor to ensure that the provision of non-audit services by the external audit firm is in accordance with the Group's policy which seeks to ensure that their independence is not impaired.

Key judgements and financial reporting matters

Financial statements

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Dutch Civil Code, and the audit of the Group's financial statements is performed by EY.

Prior to their publication, the Committee reviews the interim results announcement and interim financial statements, the Annual Report and associated results announcement, together with the independent auditor's report, and the quarterly trading updates.

In particular, in FY25, the Audit Committee considered the following in relation to the financial statements:

- the accounting principles, policies and practices adopted and the adequacy of related disclosures in the reports;
- the significant accounting issues, estimates and judgements of management in relation to financial reporting;
- whether any significant adjustments were required as a result of the audit;
- the uncertainties related to IFRS 16 and other balances in Poundland due to the sale of the business on 12 June 2025 and loss of direct access and control over Poundland management, the finance team or operational processes, which therefore impacts the split of the loss on discontinued operations between FY24 and FY25, but not the total shareholders' equity as of 30 September 2025;
- the recognition and valuation of any subsequent retained interest on completion of the Poundland restructuring plan;
- the classification of Pepco Austria as a discontinued operation in the prior period;

- the accounting implications of the restructuring of Pepco Germany and filing for insolvency proceedings in July 2025;
- the restatement of prior year balances, in particular in relation to the impairment assessment of goodwill recognised on the purchase of Poundland, lease accounting in accordance with IFRS 16, the application of IAS 36 to retail store impairment testing, and the calculation of dilapidation provisions;
- the classification and presentation of Exceptional Costs;
- compliance with statutory tax obligations;
- whether the information set out in the Annual Report and the financial statements is fair, balanced, comprehensive, clear, and understandable and covers both positive and negative aspects of performance; and
- whether the use of Alternative Performance Measures (APMs) obscures IFRS Accounting Standards measures.

Going concern

The Committee assessed and confirmed the appropriateness of adopting the going concern basis of accounting in preparing the Annual Report. The Committee considered the FRC's guidance issued in February 2025 including the encouragement for Directors to take a broader view, over the longer term, of the risks and uncertainties in order to help investors better understand the Group's solvency and liquidity risks.

The Committee assessed the Group's overall financial position, liquidity and covenant compliance under a base case, severe, but plausible, downside scenarios and a reverse stress test. The assessment reflected the Group's available credit facilities, reflecting the impact of the debt-refinancing strategy initiated in September 2025 to reduce the Group's average interest rate and extend debt maturities.

True and fair view

At the request of the Board, the Committee considered whether the financial statements and the elements of the Annual Report that are relevant to the financial statements, as a whole, are fair, balanced and understandable and whether they provide the necessary information to shareholders to assess the Group's position, performance, business model and strategy.

To form its opinion, the Committee reviewed the financial statements set out in the Annual Report and interim results, together with management and the external auditor's assessment of items included in the financial statements and the prominence given to them. The Committee, and subsequently the Board, is satisfied that, taken as a whole, the Annual Report and Consolidated Financial Statements is fair, balanced, and understandable.

External auditor

EY were appointed as the Group's independent auditor for the financial year ending 30 September 2025 at the 2025 AGM. The partner responsible for the Group audit opinion is Jean-Louis Geutjes.

As this was an initial audit for EY, as part of the transition process they have engaged in comprehensive onboarding discussions with management and the Board.

Audit of the annual accounts

EY are engaged to express an opinion on the FY25 consolidated and separate financial statements of Pepco Group N.V. EY have also performed a limited assurance engagement on the sustainability statement included in this Annual Report.

The Committee met with the external auditor during the year and reviewed, discussed and challenged their proposed FY25 audit plan, including the materiality applied, EY's scope, and their assessment of the financial reporting risk profile of the Group. The audit plan was approved by the Committee in May 2025.

The Committee discussed the views and conclusions of EY regarding audit and accounting matters, together with management's treatment of significant transactions and areas of judgement during the year. The Committee considered these and is satisfied with the treatment and disclosures in the financial statements.

The Committee continually assesses the ongoing effectiveness and quality of the independent auditor and the audit process, which includes discussing details of the audit process with our senior financial team, the auditor, and a variety of staff throughout the organisation. We seek and encourage feedback from the members of the Committee and stakeholders at all levels across the Group on our auditor's objectivity, appropriate mindset and professional scepticism.

Independence and objectivity

The Committee is responsible for the annual assessment of the external auditor's independence, taking into account the Group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats including the provision of any non-audit services. In order to ensure the independence and objectivity of the financial auditor is safeguarded, the Group applies a Pre-Approval Policy that defines the types of non-audit services that the financial auditor may provide and the principles to be applied by management.

Auditor independence is maintained by reviewing EY's confirmation of their independence and their internal policies, global systems and processes designed to safeguard independence, objectivity and integrity, and monitoring the nature and value of non-audit services performed.

Audit fees and non-audit services

EY fees in the financial year ended 30 September 2025 for audit, audit-related (including limited assurance on the sustainability statement) and other services are set out in note 5 to the consolidated financial statements.

The Group's policy prevents the external auditor from providing any services designated as prohibited within the Dutch and Warsaw Codes and requires Committee approval of their provision of any other services regardless of their magnitude. The default position of the Group is that the independent auditor will not be engaged for any non-audit services other than those specifically pre-approved by the Audit Committee.

Any non-audit services will be subject to tender processes, with the allocation of work made on the basis of competence, cost effectiveness, regulatory requirements, potential conflicts of interest, and knowledge of the Group's business.

Non-audit fees paid to EY as a percentage of audit fees totalled 8.8% in FY25.

Risk management and internal controls assurance

Risk management systems

The Board is responsible for overseeing the Group's approach to risk and ensuring that a sound system of internal control is maintained. There are inherent limitations in any system of internal control and while no framework can entirely remove risk or provide absolute assurance against misstatement, loss, or failure, the Board is committed to ensuring that risk management remains effective, proportionate, and aligned with the Group's long-term strategy. The Board delegates oversight of risk to the Audit Committee.

This year, the Audit Committee has overseen a strengthening of the Group's ERM framework. These developments represent a more strategic and forward-looking approach to risk across the organisation. In particular, the Group has:

- reset its understanding of the Group's overall risk profile, with a sharper focus on emerging risks and strategic interdependencies;
- redefined the risk appetite framework to ensure it supports decision-making and investment priorities;
- initiated priority programmes to strengthen the risk culture and address areas of heightened risk exposure, such as the fraud improvement programme and the risk appetite framework; and
- taken into account the growing importance of ESG, climate and regulatory change, with close working relationships between the Risk Management and ESG teams.

A description of the key risks is set out on pages 56 to 61.

These enhancements provide the foundation for sustainable growth and resilience. The changes enable the Group to take a more forward-looking perspective on risk, to help anticipate challenges and make informed decisions in pursuit of the Group's strategic objectives.

The Group's risk register has been updated to reflect this evolved approach, with a sharper focus on potential impacts, mitigation actions, and accountability. While no system can guarantee elimination of the risk of failure to meet the objectives of the business, the Board has carried out an assessment of the principal risks facing the Group, including those that could threaten delivery of our business model, performance, solvency or liquidity.

Looking ahead, the Board is confident that the strengthened ERM framework will enable the Group to respond with agility to an evolving external environment, balance risk with opportunity, and support the creation of long-term value for shareholders and other stakeholders. Plans are already in place to facilitate required reporting enhancements to comply with revised corporate governance requirements for our FY26 Annual Report.

Internal control framework

During the year, the Board has not been advised by the Committee of, nor has it identified itself, any failings, fraud or weaknesses in internal control which it considers material in the context of the financial statements.

The Committee has overseen the delivery of a Group-wide programme to enhance the control environment across Pepco. This has focused on strengthening financial and general IT controls, embedding greater consistency across business units, and introducing structured control testing and monitoring processes, thereby providing consistent reporting to both management and the Audit Committee.

As a result, the Group now benefits from improved visibility of control completion and effectiveness for areas in scope for the 2025 controls programme. This provides management with better information to support decision-making and ensures that the Audit Committee can maintain effective oversight of control performance and remediation activity where required. This model will now be further rolled out, through a risk-based approach, using a combination of self-assessment and additional testing. The Group's Internal Control assurance strategy for FY26 and beyond has been developed to respond to areas of highest risk, as well as meet regulatory and corporate governance requirements. The key inputs included preparation for complying with the new requirements regarding the enhanced risk statement under the Dutch Code, the principal risks and uncertainties assessment and risk appetite framework that was approved by the Committee in May 2025.

The Audit Committee continues to promote and support the ongoing strengthening of controls throughout the Group. It is satisfied that the Group has a well-defined organisational structure with clear lines of responsibility, supported by a comprehensive financial reporting system and an independent Internal Audit function that reports directly to the Committee. These developments ensure that the Group's control environment is both resilient and capable of supporting sustainable growth. As noted in the Financial review on page 42, as part of setting up efficient infrastructure and a solid platform to support future growth, the Group has been upgrading core financial systems and internal control processes, which included implementing new lease management software to ensure compliance with IFRS 16 reporting requirements, as well as performing a deep dive on the balance sheet for each operating company to ensure compliance with the Group accounting policy manual. As a result, a number of restatements to the financial statements for FY24 were identified, which primarily relate to correcting errors in accounting for leases under IFRS 16 (as identified by the new tool), the revised approach to the allocation of central costs in the impairment review of store assets and establishing dilapidations provisions for restoration or dismantling obligations. These are set out in note 26 to the consolidated financial statements (Restatement note).

Regulation

As a large multinational retail business, the Group operates in a dynamic and complex regulatory environment spanning areas such as anti-bribery and corruption, the importation of goods, data protection, health and safety and wider sustainability and ESG-related requirements. The Board recognises that compliance with these regulatory requirements is essential for safeguarding the Group's reputation, maintaining trust with stakeholders and facilitating the delivery of sustainable growth. The enhancement of our ERM Framework in FY25 is designed to enable the Group to anticipate, monitor and respond to evolving regulatory risks more effectively. This is underpinned by the ongoing strengthening of our internal controls and the implementation of regular compliance training to ensure Group Compliance Policies are embedded throughout the business. For further details, see pages 54 and 55 of the Risk management section and pages 149 to 151 of the Sustainability Statement (Governance).

Policies and compliance

The Group continues to invest in embedding policies into day-to-day operations, increasing awareness and training across the business, and enhancing monitoring processes. These steps have already improved consistency, visibility, and accountability in compliance practices across the Group.

On an annual basis, the Committee reviews the Group's Treasury Policy (covering risk management, treasury governance and internal controls, systems and practices) and Tax Strategy, and receives reports to confirm compliance with the policies.

The Group has policies and processes in place for whistleblowing and work continues on embedding the independently facilitated whistleblowing hotline Group-wide, to ensure employees can raise concerns confidentially and without fear of retaliation.

During the year, management has demonstrated their commitment to maintaining a strong focus on compliance through the rollout of the redefined Group Code of Ethics, supported by engaging communications and a refreshed suite of Group Compliance Policies, which includes anti-bribery and corruption. An agreed set of priority compliance topics has been established to provide clarity and focus across all operating companies.

Looking ahead, the Group will continue to build maturity in its compliance capability, ensuring readiness for evolving regulatory requirements and supporting the Board's commitment to responsible and sustainable business conduct.

Internal audit

The Internal Audit function operates under a Charter that defines the purpose, authority and responsibility of the function within the organisation and establishes its independence and authority. The Charter and governance structure of the Internal Audit function are reviewed annually and no changes have been proposed this year. To ensure the independence of the function and that it remains objective in its evaluations, the Group Head of Internal Audit reports functionally directly to the Audit Committee Chair and organisationally to the Group CFO.

The internal audit plan is risk-based and approved annually by the Audit Committee. It covers a combination of processes, functions and specific risks. The Committee received regular reports on the progress of the internal audit plan execution, findings, management's responses to the findings, and progress reporting on outstanding agreed audit actions. The Committee oversees in detail the design and ownership of processes to resolve outstanding issues or actions.

During the year, the Committee or Committee Chair met frequently with the Group Head of Internal Audit without management present.

Internal audit effectiveness

The Committee assesses the performance and effectiveness of the Internal Audit function during the year through the approval of the internal audit plan, periodic reports on its work to the Committee and the private sessions between the Committee and the Group Head of Internal Audit. The Committee concluded that the Internal Audit function has been effective.

In addition, the Internal Audit function conducted a self-assessment of its operations and reported the results to the Committee. The assessment confirmed that the function is effective in fulfilling its core responsibilities, with continued focus on delivering improvements during the year in areas such as data analytics, use of audit software and improved quality assurance frameworks.

Sustainability and environmental, social and governance (ESG)

The sustainability strategy is set at Group level and pulls together the sustainability plans and actions of our operating companies. Within the business, sustainability actions and initiatives are directed and prioritised by a management-led ESG Committee, which is chaired by the Group CFO and meets monthly to review progress. The ESG Committee is a management committee responsible for operational implementation of sustainability initiatives, whilst the Audit Committee provides Board-level oversight and governance. The Audit Committee reviews sustainability strategies, goals and targets, and monitors progress on a quarterly basis, advising the Board as appropriate.

We continue to monitor that the Group is compliant with ESG regulatory reporting requirements today and in the future and keep ourselves updated on the changing regulatory requirements in this area. This year we reported our first Sustainability Statement in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), as noted on page 97. A quarterly ESG report is provided to the Audit Committee providing an update on the sustainability strategy and goals.

For further information on the Group's sustainability strategy, please see our report on pages 96 to 159

Nomination Committee report

Dear Shareholders,

This is my first report as Chair of the Nomination Committee, following my appointment to the role in March 2025, when María Fernanda Mejía stepped down from the Board at the 2025 AGM. On behalf of the Nomination Committee, I would like to extend our appreciation to María Fernanda for her valuable contributions and commitment, both to the Committee and to the Group as a whole, throughout her nearly four years of service on the Board.

FY25 saw the departure of four other Directors from the Board, three of whom, in addition to Maria Fernanda, had been a part of the Group since it began its journey as a public company in 2021. We all appreciate and thank Paul Soldatos, Andy Bond and Neil Brown for their dedication to the Board and for the insights they provided, including designing the Board succession plan we effected in FY25. Finally, our CFO and Board member Neil Galloway left the Company in FY25, and thanks go to him for all the efforts he made as Pepco prepared to move toward the transformation you have read about in the Strategic report.

As described in the Introduction to Governance on page 64 of this Annual Report, FY25 was a year marked by evolutionary change across the Group and consequently this Committee has been extremely busy with Board and Committee membership changes and advising our CEO on the Group's new senior leadership team appointments. The diligence and commitment of all Committee members during this transformative year are deeply appreciated, and all of us look forward to continuing our work in FY26.

Key areas of focus in FY25

The Committee's primary focus in FY25 was to review the size, structure and composition of the Board and propose the necessary changes as described more fully in the Chair's Statement on pages 6 to 7 and Introduction to Governance on pages 64 to 65. The result of this intense work, was the addition of three new proposed Non-Executive Directors (subject to approval at our upcoming AGM) who shift our balance of skills and experiences. We also oversaw succession planning and talent strategy and we advised and made recommendations to the Board on the D&I Policy and the updates to the Nomination Committee terms of reference. We also conducted in FY25 a very thoughtful Board self-evaluation process, the findings of which were discussed with the members of this Committee and the full Board and indeed many of the suggestions emanating therefrom, have already begun to be implemented.

Board changes

In light of the critical importance the Board put on refreshing both the way the Board worked with management, and the composition of the Board itself, the Chair's Statement on pages 6 to 7 and the Introduction to Governance on pages 64 to 65 both give great prominence to those activities. Those reports review the thinking behind these changes, the processes undertaken and the results themselves so I refer you to those sections and will not repeat them here.

Talent and succession planning

Senior leadership

An important part of our journey in the creation of New Pepco in FY25, was supporting our new CEO, Stephen Borchert, in the recruitment and selection process for new members of the Group's senior leadership team as part of the realisation of management's "Talent and Succession Strategy", which the Committee reviewed in FY24. We wanted to ensure that we had a highly capable and experienced leadership team to lead the Group through the transformational journey ahead.



The Board itself is now largely where we believe we need to be, with fabulous new talent and robust onboarding exercises.

Frederick Arnold

Nomination Committee Chair

Nomination Committee key responsibilities

The Committee's main duties are:

- to lead the process for Board appointments including selection criteria and appointment procedures;
- to review the structure, size and composition of the Board;
- to make recommendations to the Board on the profile of the Board;
- to make recommendations to the Board on the D&I Policy;
- to manage succession planning for the Board and senior Executives of the Company; and
- to review the Board evaluation process and results.

The Committee held three scheduled meetings during the year and a number of additional meetings in relation to Board recruitment. More detail on the role and duties of the Committee can be found in the terms of reference for the Committee, which are published on the Company's website.

Using management's and the Board's personal networks, augmented by the assistance of an external search firm, we identified and interviewed a multitude of suitable candidates for numerous key executive positions. Throughout this process we took into account both the D&I Policy and our commitment to finding candidates with best-in-class expertise to fulfil the relevant role, before we would recommend her or him to the Board for hiring approval.

The Committee recognises the importance of a continued focus by both management and the Board, on enhancing the bench strength of the senior leadership team and effectively managing the available resources within the Group, to ensure and support the development of a diverse pipeline of talent.

The search process concluded with the successful recruitment of highly qualified individuals in the following roles:

- Group CFO
- Pepco CFO
- Chief Human Resources Officer
- Chief Information Officer
- COO Western Europe

The members of our Leadership Team are set out in full on the Company's website www.pepcogroup.eu

Board evaluation

One of the roles of the Committee is to oversee the Board evaluation process, which for FY25 was a self-evaluation led by me as Chair of both the Board and the Nomination Committee. The key areas of focus for the self-evaluation were: the culture and focus of the Board as a whole and of the Directors individually; the mechanics and tone of Board/management engagement; content and utility of materials and reports prepared for Board discussion; meeting cadence, time commitment and workload of Non-Executive Directors; and the composition and structure of the Board and its Committees.

This evaluation was conducted through in-depth, one-on-one interviews between the Chair and each of the Directors. The Vice Chair conducted the review of the Chair. The findings from the interviews were then reported at the next following Board meeting. Key areas identified for adjustment included, among others:

- The nature, style and frequency of Board/management interactions;
- Board meeting length, frequency, content and location;
- The timing and types of Board-only interactions;
- Committee processes and content and how they intertwine with full Board processes and content;
- Delegation of Authority cascades to enhance Board processes; and
- Skillset augmentation at Board level.

The Committee will review and track progress on actions arising from this evaluation during FY26.

Profile of the Board

The Board regularly reviews its size and composition, taking into account the nature of the business and its relevant activities. The combined work experience, areas of expertise, background and independence of the Board members, enables the Board to carry out its duties and responsibilities effectively, for the benefit of the Company and its stakeholders.

Brendan Connolly, Grazyna Piotrowska-Oliwa and I are all independent and as such, the Board complies with the independence requirements of the Dutch and Warsaw Codes. The appointment to the Board of Sean Mahoney and, following their anticipated formal appointment at the 2026 AGM, Dirk van den Berghe and Sander van der Laan, as the nominees of our major shareholder, comply with the terms of the Relationship Agreement. The addition of Nicolò Galante as a Board Observer in November 2025 (also subject to the same formal approval at the 2026 AGM) brings a fourth Independent Non-Executive Director to the Group.

Diversity and inclusion

The Company has a D&I Policy which underscores our commitment to promoting equality, diversity and inclusion at both the Board level and within the senior leadership team. A diverse and inclusive workplace continues to be a priority for the Board and the Committee. Please see page 71 of the Corporate governance section and the Sustainability Statement, on pages 98 to 159, for more information. Our D&I Policy can be found on our website www.pepcogroup.eu.

Committee composition and organisation

On 12 March 2025, María Fernanda Mejía stepped down as Chair of the Committee and as a Director. I was appointed by the Board as the new Chair of the Committee in connection with my appointment as Chair of the Board.

Our Committee comprises two Non-Executive Directors, myself and Sean Mahoney. I am considered independent within the meaning of the Dutch and Warsaw Codes. Sean is not considered to be independent due to his position as a director of the Company's majority shareholder. The Company Secretary acts as secretary to the Committee.

The Nomination Committee terms of reference state that it is anticipated that the Nomination Committee will comprise three members. While the Committee currently has two members, I am satisfied that it is able to fulfil its obligations effectively and that a third member will be added during FY26.

The Committee has a strategic work plan and meets at least three times a year and otherwise as required. Committee meetings are scheduled in advance. The quorum for the transaction of business by the Committee is two members. The Committee makes recommendations to the Board on any area within its remit that it deems appropriate.

With these technicalities aside, allow me to mention that given the intensity of our work in FY25, including the need to add new talent to the Board following the resignations of five Directors, the Committee met informally in excess of 50 times during the year.

The Board itself is now largely where we believe we need to be, with fabulous new talent and robust onboarding exercises (including site visits) underway. Of course, Board composition is always an ongoing area of discussion at the Committee but our key areas of focus for FY26 will naturally shift somewhat. While needs are constantly changing, and we are a very agile and quickly reactive Board, I anticipate that the Committee will focus on the following priorities in the forthcoming year:

- refreshing processes relating to the review of management talent and succession strategy;
- reassessing our approach to shareholder engagement;
- optimising Board effectiveness by carefully designing Committee membership assignments;
- further enhancing Board effectiveness by crafting with our CEO specific areas of engagement by particular Board members in the operations and strategic direction of the Company; and
- all required matters including annual review and approval of the Board profile, Nomination Committee terms of reference and the Directors' retirement schedule.

Frederick Arnold

Nomination Committee Chair

14 January 2026

Remuneration Committee report

Dear Shareholders

I would like to thank you for your continued support in FY25, during which time we have further aligned the remuneration and business strategy in what was a busy year, with multiple structural and organisational changes. To that end, we amended our Remuneration Policy, with the introduction of the NED Equity Plan and amendments to our existing Share Matching Plan (SMP) at the 2025 AGM, which received a 94.1% vote in favour and was designed to further align with our strategy. We have continued to operate within this policy during FY25 and as a Dutch company listed on the WSE we have dual reporting requirements, which we have chosen to supplement with additional information. The Remuneration report on pages 83 to 91 will be presented for an advisory vote at our next AGM in March 2026.

Introduction

The Remuneration Committee's purpose is to develop a reward package for Executive Directors and senior leadership, that supports the Company's vision and strategy, and to ensure that rewards are performance based, encourage sustainable long-term value creation and take into account the remuneration of the wider workforce. More detail on the role and duties of the Committee can be found in the terms of reference on the Company's website.

Committee composition

The Committee currently comprises two members Grazyna Piotrowska-Oliwa and me. Neil Brown and Paul Soldatos stood down as Directors during the year. Grazyna Piotrowska-Oliwa and I qualify as Independent Non-Executive Directors within the meaning of the Dutch and Warsaw Codes. The Company Secretary acts as secretary to the Committee and other individuals, including senior executives and external professional advisors to the Committee, may be invited to attend when appropriate and necessary. No individual is present when their own remuneration is discussed.

The Remuneration Committee meets at least three times each year and is responsible for making recommendations to the Board on the remuneration of members of the Board and selected senior executives. This year, the Remuneration Committee met eight times.

The Committee is also responsible for reporting to the Board on the implementation of the Remuneration Policy in each fiscal year, in the context of achievement of the Company's long-term strategy and objectives. It seeks approval for all decisions made by the Remuneration Committee.

Responsibilities

As a reminder, the main duties of the Remuneration Committee are as follows:

- to recommend to the Board the Remuneration Policy of the Company and to review it on an ongoing basis;
- to advise on and recommend to the Board the remuneration framework for the Executive Directors and selected senior executives and to advise the AGM on the remuneration of the Non-Executive Directors;
- to recommend to the Board the remuneration of the Non-Executive Directors in accordance with the Remuneration Policy;
- to advise on the targets and the structure of target setting for performance-based incentive plans of the Company, including monitoring performance against targets;
- to review all share incentive plans for approval by the Board and shareholders; and
- to prepare the Remuneration report.



The role of the Committee is to support the Board in developing and implementing the remuneration policy, ensuring alignment with shareholders and Company strategy.

Brendan Connolly

Remuneration Committee Chair

Committee activities in FY25

During the reporting period, the Committee focused on the areas as set out below:

- reviewed remuneration for the Executive Directors and selected senior executives;
- reviewed and approved remuneration outcomes for the FY24 STIP and Value Creation Plan (VCP);
- reviewed the fee level for the Chair;
- reviewed and approved treatment of share awards for leavers;
- reviewed and approved salary levels for the Executive Directors and selected senior executives;
- reviewed and approved the introduction of the Share Matching Plan along with performance measures and targets in relation to the awards for selected senior executives;
- reviewed and approved the FY25 STIP measures, weightings and targets;
- reviewed and approved appropriate measures, weightings and targets for the Group LTIP for the FY25 award;
- considered the workforce remuneration approach and policies;
- considered the Executive Remuneration market update provided by the Committee's advisors;
- reviewed and approved the Committee's terms of reference to ensure alignment with the Dutch and Warsaw Codes;
- reviewed Executive Directors' shareholdings against shareholding requirements;
- reviewed the AGM shareholder and proxy voting agency feedback;
- considered the alignment of Executive pay with market; and
- reviewed and approved the Remuneration report.

Board changes

Executive Directors

As previously announced, Neil Galloway, Chief Financial Officer, stepped down from the Board on 12 March 2025 and was succeeded as Chief Financial Officer by Willem Eelman, who is not a member of the Board.

Non-Executive Directors

Maria Fernanda Meija stepped down from the Board on 12 March 2025, whilst Andy Bond stepped down from the Board on 30 June 2025, having previously stepped down from his role as Chair on 12 March 2025. Neil Brown and Paul Soldatos stepped down from the Board on 30 June 2025 and 31 May 2025 respectively. Frederick Arnold succeeded Andy Bond as Chair on 12 March 2025.

Neil Galloway and Andy Bond's leaving arrangements are fully in line with our Remuneration Policy and are set out on pages 86 and 87.

Remuneration outcomes in FY25

Performance has been strong in 2025 in the core business post the divestment of Poundland, achieving high growth levels of EBITDA and leading to a 81.8% STIP (Short Term Incentive Plan or bonus plan) achievement. This strong performance has also been reflected in the Company's improved share price.

Stephan Borchert's remuneration arrangements have remained unchanged during FY25, with no salary increase and his pension allowance remaining at 13% of base salary.

Willem Eelman, although not a Director, is remunerated in line with the Directors' Remuneration Policy. His salary is set at £446,667, with a pension allowance of 13% of base salary. Willem was eligible for a maximum bonus of 150% of salary and participation in the Share Matching Plan (SMP), allowing him to invest up to 70% of his annual salary in shares in the Company.

The STIP target for Stephan Borchert and Neil Galloway consisted of achieving a financial goal of €545.9m at target for the Group's underlying EBITDA delivery on an IAS 17 basis, representing 80% of the annual bonus opportunity, with the remaining 20% based on achieving strategic goals. The strategic goals comprised a focus on the implementation roadmaps for Group and Western European expansion strategies, putting in place organisational changes and achieving ESG ethical compliance targets: specifically, 100% of factories audited for ethical compliance in line with our ethical sourcing KPIs. These were achieved.

STIP

Following an assessment by the Committee of Stephan Borchert's and Neil Galloway's personal contributions and the financial outcome achieved during the year, they have been awarded cash bonuses of £1,104,300 and £337,479 respectively. The bonus for Neil Galloway has been calculated on a time pro-rata basis for the part-year. Further details of performance against financial and strategic criteria can be found on page 87.

For FY26, the STIP will provide a normal maximum bonus opportunity for the CEO of 150% of salary and the bonus opportunity will continue to be divided into 80% for underlying Group EBITDA on an IAS 17 basis and 20% for strategic goals. This financial performance metric is directly aligned with senior management's bonus plan. Due to the sensitive commercial nature of these targets these will be published in the FY26 Annual Report.

Additionally, for FY26 only, we have allocated an additional bonus for 14 key individuals including the CEO, for a more stretching level of Group EBITDA performance above the normal maximum in the STIP. This bonus will only be paid if the maximum target for EBITDA growth is exceeded, otherwise it will lapse. For the CEO, the incremental amount will equate to a maximum of 15% of his base salary at maximum performance. The Board is of the view that this is appropriate for FY26 only, as it will incentivise the delivery of performance in excess of the normal stretch EBITDA target set for FY26, in a critical year for building on the transformation of the business.

Long Term Incentive Plans

The Company operates both a Performance Share Plan (PSP) and a Share Matching Plan (SMP). Both have been designed to incentivise management to deliver the business strategy and to create strong alignment with shareholders' interests.

PSP

The PSP awarded in 2025 consists of the following targets: underlying earnings per share growth (45%), return on invested capital on an IFRS 16 basis (45%) and ESG targets of a 10% reduction in Scope 1 and 2 GHG emissions and 100% coverage for factory audits for ethical compliance in line with our ethical sourcing KPIs.

The FY26 PSP consists of the same financial measures, with adjusted and more challenging targets for ESG.

No awards under the PSP will vest in 2025 as the first PSP was awarded in 2024 and will not vest until the end of FY26.

SMP

For the CEO, SMP awards require an individual investment of up to two times salary in Pepco Group shares with the Company providing an award of matching shares up to 11.5 times the investment dependent upon the achievement of share price growth targets that range between PLN 20 and PLN 48 per share. Matching shares received under the plan will not be released until the end of FY29. Further details can be found on page 88.

Recognising his 200% of base salary investment in the Company's shares, a conditional award was granted under the SMP to Stephan Borchert in FY25. The maximum number of shares that can be released to him under this conditional Share Matching Plan award based on share price targets measured following the announcement of the financial results for FY25, FY26, FY27, FY28 and FY29 is a total of 6,253,677 shares. As a result of his participation in the SMP, Stephan does not participate in the PSP.

The SMP outcome for 2025 will be reported at the end of 2026 as the measurement period does not coincide with the reporting period.

The legacy Value Creation Plan awarded to the remaining participant (Andy Bond) lapsed in accordance with the Plan rules without delivering any value.

NED Equity Plan

Following the approval of the NED Equity Plan by shareholders at the 2025 AGM, the first awards were granted in FY25 to Frederick Arnold, Grazyna Piotrowska-Oliwa and myself. The awards will normally vest on each of the first, second and third Annual General Meetings of the Company following the date of grant. There are no performance conditions applicable to the awards granted. Further details can be found on pages 88 and 89. As per our terms of reference the beneficiaries of these awards did not participate in the discussion and approval of this plan or the awards granted under it.

Chair and Non-Executive Director fees

Non-Executive Director fees remained unchanged during FY25 excluding the Chair fee which reduced from £400,000 to £250,000 (inclusive of all Committee fees) upon the appointment of Frederick Arnold. The fees for all Non-Executive Directors will remain unchanged in FY26 with fees for the roles as follows: Non-Executive Director base fee (£78,000), Committee membership fee (£7,000), Audit Chair fee (£28,000), Remuneration Committee Chair fee (£23,000), Nomination Committee Chair fee (£18,000).

Alignment to Group strategy

To ensure alignment with Group strategy, achieving profitable growth in a sustainable manner that is reflected in the share price, we have centred the targets around these themes in the various long-term and short-term incentive plans.

Conclusion

The Committee has satisfied itself that the remuneration outcomes for FY25 are appropriate and that the Remuneration Policy has operated as intended.

I would like to thank the Committee for its work, debate and input during the year.

Brendan Connolly

Remuneration Committee Chair

14 January 2026

Directors' Remuneration report

The following section provides details of how Board members were remunerated during the financial year to 30 September 2025.

The Remuneration Committee members, activities and meetings during the year are set out on pages 83 and 84 along with the Committee's purpose, roles and responsibilities, and are thereby included in this part of the report by reference.

The Remuneration Committee took scenario analyses into account when initially setting the Remuneration Policy and continues to take them into account when operating the Remuneration Policy. Payout opportunities in different scenarios were conducted when setting remuneration. None of the Directors received any remuneration from entities within the Group other than as disclosed in this report. The Remuneration Committee did not deviate from the Remuneration Policy in the year.

No concerns or issues were raised with respect to the advisory vote of the AGM approving the 2024 Remuneration report.

Advisors

Korn Ferry is a signatory to the UK Remuneration Consultants Group Code of Conduct (the Code of Conduct) and was appointed by the Remuneration Committee in 2021 having submitted a proposal which demonstrated its skills and experience in executive remuneration both in the UK and across Europe. Korn Ferry provides advice to the Committee on matters relating to executive remuneration.

The Committee was satisfied that the advice provided by Korn Ferry remains objective and independent, having noted its commitment to the Code of Conduct.

Single total figure of remuneration table

The following table sets out the total remuneration for the Executive Directors and Non-Executive Directors for the year ended 30 September 2025 converted to Euros.

	Salary/Fees[4]		Benefits[4]		Pension[3]		Bonus[4]		LTIP		Other		Total remuneration		Total fixed remuneration		Total variable remuneration	
	FY25	FY24	**FY25**	FY24	**FY25**	FY24	**FY25**	FY24	**FY25**	FY24	**FY25**	FY24	**FY25**	FY24	**FY25**	FY24	**FY25**	FY24
	€	€	**€**	€	**€**	€	**€**	€	**€**	€	**€**	€	**€**	€	**€**	€	**€**	€
Executive Directors																		
Stephan Borchert [1,4,9]	**1,064,340**	263,111	**380,410**	83,656	**138,364**	34,204	**1,305,945**	258,901	**-**	-	**-**	643,915	**2,889,059**	1,283,787	**1,583,114**	380,971	**1,305,945**	902,816
Neil Galloway[10]	**327,007**	701,628	**16,580**	27,082	**42,511**	91,212	**399,103**	721,975	**1,302,138**	-	**368,426**	-	**2,455,764**	1,541,897	**386,098**	819,922	**2,069,666**	721,975
Non-Executive Directors																		
Frederick Arnold[11]	**223,023**	55,058	**-**		**-**	-	**-**	-	**-**	-	**-**	-	**223,023**	55,058	**223,023**	55,058	**-**	-
Brendan Connolly[12]	**134,340**	113,284	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**134,340**	113,284	**134,340**	113,284	**-**	-
Grazyna Piotrowska-Oliwa[13]	**105,106**	86,534	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**105,106**	86,534	**105,106**	86,534	**-**	-
Andy Bond[2,. 8, 10]	**242,894**	976,432	**3,382**	4,852	**-**	-	**-**	960,809	**-**	2,881,008	**182,120**		**428,396**	4,823,101	**246,276**	981,284	**182,120**	3,841,817
María Fernanda Mejía[10]	**54,501**	104,075	**-**	-	**-**	-	**-**	-	**-**	-	**60,904**	-	**115,405**	104,075	**54,501**	104,075	**60,904**	-
Neil Brown[7, 14]	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Paul Soldatos[7]	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Sean Mahoney[7]	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

1. Stephan Borchert was appointed as CEO with effect from 1 July 2024. His remuneration in the table for FY24 is pro-rated for the proportion of the year in which he performed the role.
2. Andy Bond became Executive Chair on 12 September 2023, returning to his role as Non-Executive Chair on 1 October 2024. He stepped down as Non-Executive Chair on 12 March 2025 and from the Board on 30 June 2025. Andy's fees for FY24 are therefore reflective of the salary he received as Executive Chair of £835,000 p.a. and his fees for FY25 are reflective of the fees he received as Non-Executive Chair of £400,000 p.a. and his fees as a Board and Committee member of £92,000 p.a.
3. Andy Bond did not receive a separate pension payment within his role of Executive Chair. Stephan Borchert's pension is in the form of a cash equivalent payment. Neil Galloway's pension is split, part contribution to a pension scheme, and part cash equivalent payment.
4. Salary/fees, benefits and bonus are all short-term employee benefits. FY25 benefits for Stephan Borchert includes a housing allowance and relocation benefits.
5. The Company has not revised or clawed back the remuneration of any Directors in the year.
6. No loans, advances or guarantees have been provided to any Director.
7. Neil Brown, Paul Soldatos and Sean Mahoney did not receive payment from the Company in FY24 or FY25. Paul Soldatos and Neil Brown stepped down from the Board on 31 May 2025 and 30 June 2025 respectively.
8. "LTIP" in respect of Andy Bond relates to 600,000 unexercised share options vested under the Chair Award in FY24 at a closing share price of PLN 20.52.
9. FY24 "Other" remuneration for Stephan Borchert includes a single payment in relation to a forfeited bonus from a previous role prior to joining the Company.
10. FY25 "Other" remuneration for Neil Galloway includes £266,377 pay in lieu of notice and £45,162 holiday pay reflecting the required six months' notice. For Andy Bond, FY25 "Other" includes £154,000 pay in lieu of notice reflecting the required six months' notice from his role as Non-Executive Chair of the Board and similarly for María Fernanda Mejía a payment of £51,500 pay in lieu of notice reflecting the required six months' notice from her Board role.
11. Frederick Arnold became Chair on 12 March 2025.
12. Brendan Connolly became Chair of the Audit Committee on 12 March 2025 but remained a member of the Remuneration Committee and on 30 June he became Interim Chair of the Remuneration Committee.
13. Grazyna Piotrowska-Oliwa became a member of the Audit Committee on 12 March 2025.
14. Neil Brown became Remuneration Committee Chair on 12 March 2025 and stepped down from the Board on 30 June 2025.

FY25 annual bonus performance against targets

When considering the STIP outcome for Stephan Borchert and Neil Galloway, the Committee uses a scorecard of measures that reflect the Group's business strategy, and which align with the interests of our stakeholders. In FY25, the STIP outcome (as adjusted for items that the Committee determined were of a sufficiently exceptional nature and not factored into the threshold to stretch target range that was set) was measured against Group EBITDA (80% of the total outcome) as well as other strategic measures and ESG criteria (20% of the total outcome). Performance has been strong in 2025 in the core business (Pepco), post divestment of Poundland, with the Group achieving 101% of the target financial goal of €546m for EBITDA delivery on an IAS 17 basis (at which three quarters of the 80% is earned) , leading to a bonus outcome of 61.8% out of the 80% attributable to this metric.

The strategic goals comprised a focus on the implementation of roadmaps for Group and Western European expansion strategies, putting in place organisational changes and achieving ESG ethical compliance targets. The Committee assessed that the performance against these strategic measures some of which included quantitative targets had been fully met and so warranted a bonus outcome of 20%.

Combining the financial and strategic results gives a total bonus outcome of 81.8% for Stephan Borchert and Neil Galloway, with Neil Galloway's STIP outcome being time pro-rated to reflect the time spent in role. The Committee has determined that the resulting payment of £1,104,300 to Stephan Borchert and £337,479 for Neil Galloway appropriately reflects the financial and strategic performance delivered.

Directors' share option plans in Pepco Group

The table below details outstanding share awards previously granted to the Executive Directors.

	Scheme	Award date	Exercise price	Share price used (PLN)	Share awards held at 30 September 2024	Awarded during the year	Vested during the year	Share awards lapsed during the year	**Share awards held at 30 September 2025**	Total share value at award (EUR)	Vesting date	Exercise period
Stephan Borchert	SMP[1]	04/04/2025	Nil	16.5711		6,253,677			**6,253,677**	24,439,381	See notes	30/09/2029
Neil Galloway	Buy Out[2]	12/10/2023	Nil	30.00	156,888		156,888			1,109,978	See notes	01/04/2026
	VCP transfer[3]	30/09/2023	Nil	22.42	181,600		166,467	15,133		960,185	See notes	30/09/2025
	NCOs[4]	22/12/2023	Nil	25.42	322,714			167,246	**155,468**	1,934,625	See notes	30/09/2026
	NCOs	24/12/2024	Nil	16.32	-	481,627		410,373	**71,254**	1,853,678	See notes	30/09/2027
Andy Bond	VCP[5]	14/02/2022	Nil	46.35	2,389,162			2,389,162		26,115,525	See notes	02/03/2032
	Special Award[6]	11/04/2024	Nil	20.52	800,000			800,000		3,871,424	See notes	On vesting

1. The SMP award granted to Stephan Borchert shown in the table is the number of matching shares he will receive if certain share price goals are met by the end of FY29. The matching shares will not release until the end of FY29.
2. Following appointment, in acknowledgement of the forfeited short-term incentives from Neil Galloway's past employment, Neil was granted nil-cost options equivalent to 150% of his annual base salary. This award vested in full when Neil stepped down from the Board in March 2025.
3. The VCP opportunity granted to Neil Galloway was exchanged for RSUs as detailed in this table alongside participation in the Group LTIP. The time pro-rated award vested when Neil stepped down from the Board in March 2025. The remaining shares lapsed.
4. Neil Galloway was awarded 322,714 share awards in relation to nil cost options which vest in FY26 as long as certain performance conditions are met. 167,246 shares lapsed upon him ceasing to be an employee on 29 July 2025 with the remainder vesting on the normal vesting date.
5. The VCP award of nil-cost options granted to Andy Bond has lapsed in full in accordance with the plan rules.
6. The "Chair Award" granted to Andy Bond in April 2024 has lapsed in full after failing to meet its performance conditions.

The table below details outstanding share awards previously granted to the Non-Executive Directors.

	Scheme	Award date	Exercise price	Share price used (PLN)	Share awards held at 30 September 2024	Awarded during the year	Vested during the year	Share awards lapsed during the year	**Share awards held at 30 September 2025**	Total share value at award (EUR)
Frederick Arnold	NED Equity	04/04/2025	Nil	16.2045	-	170,088			**170,088**	650,000
Brendan Connolly	NED Equity	04/04/2025	Nil	16.2045	-	157,004			**157,004**	600,000
Grazyna Piotrowska-Oliwa	NED Equity	04/04/2025	Nil	16.2045	-	130,837			**130,837**	500,000

1. The NED Equity awards granted to Frederick and Brendan are in the form of restricted stock units whilst the award to Grazyna Piotrowska-Oliwa is in the form of a nil cost option.
2. The awards will normally vest in equal thirds on each of the first, second and third Annual General Meetings of the Company following the date of grant. There are no performance conditions applicable to the awards granted.

Awards granted during the financial year to 30 September 2025

Stephan Borchert – SMP award

Under the SMP, approved on 6 June 2024, Stephan purchased shares to the value of 200% of his salary in April 2025 using a share price of PLN 16.5711 to calculate the value of his investment. The Company will provide an award of matching shares of up to 11.5 times the investment over the five-year period, dependent upon the achievement of share price growth targets ranging between PLN 20 and PLN 48 per share. Matching shares received under the plan will not be released until the end of FY29.

Date of grant	Number of invested shares	Vesting date	Performance conditions
4 April 2025	543,798	30 September 2029	As outlined above

Neil Galloway – LTIP awards

Under the LTIP, approved at the 2022 AGM, Neil was granted an award of shares of 250% of his salary in December 2024 using a share price of PLN 16.32 to calculate the number of shares. The award has performance conditions over the three years to vesting of the award at the end of FY27 of underlying EPS (45%) and ROIC (45%) and ESG targets of a 10% reduction in Scope 1 and 2 emissions and 100% coverage for factory audits.

Date of grant	Number of share options	Vesting date	Performance conditions
24 December 2024	481,627	30 September 2027	As outlined above

Frederick Arnold – NED Equity awards

Under the NED Equity Plan, approved at the 2025 AGM, Frederick was granted a restricted stock award of shares of €650,000 in April 2025 using a share price of PLN 16.2045 to calculate the number of shares. The awards have no performance conditions, and will normally vest in equal thirds on each of the first, second and third Annual General Meetings of the Company following the date of grant.

Date of grant	Number of share options	Vesting date	Performance conditions
4 April 2025	170,088	As outlined above	N/A

Brendan Connolly – NED Equity awards

Under the NED Equity Plan, approved at the 2025 AGM, Brendan was granted a restricted stock award of shares of €600,000 in April 2025 using a share price of PLN 16.2045 to calculate the number of shares. The awards have no performance conditions, and will normally vest in equal thirds on each of the first, second and third Annual General Meetings of the Company following the date of grant.

Date of grant	Number of share options	Vesting date	Performance conditions
4 April 2025	157,004	As outlined above	N/A

Grazyna Piotrowska-Oliwa – NED Equity awards

Under the NED Equity Plan, approved at the 2025 AGM, Grazyna was granted a restricted stock award of shares of €500,000 in April 2025 using a share price of PLN 16.2045 to calculate the number of shares. The awards have no performance conditions, and will normally vest in equal thirds on each of the first, second and third Annual General Meetings of the Company following the date of grant.

Date of grant	Number of share options	Vesting date	Performance conditions
4 April 2025	130,837	As outlined above	N/A

Statement of Directors' shareholding and share interest

Under the share ownership guidelines set out in the Remuneration Policy, the CEO and CFO are encouraged to build and maintain a shareholding equivalent to at least 300% and 200% of their base salaries respectively. Shares are valued using the Company's closing middle market share price on 29 September 2025 of PLN 25.895, the PLN/EUR exchange rate of 0.2350 and the GBP/EUR exchange rate of 1.1826.

The following table shows how the CEO complies with the shareholding guidelines and the share awards granted to Non-Executive Directors by Pepco Group NV under the NED Equity Plan as at 30 September 2025:

	Shares held at 30 September 2025	Shares held by connected persons	Unexercised and/or unvested and subject to service and performance requirement	Shareholding requirement	Current shareholding % of salary	Requirement met
Executive Directors						
Stephan Borchert[1]	**543,798**		6,253,677	300% of salary	311%	Yes
Non-Executive Directors						
Frederick Arnold			170,088			
Brendan Connolly			157,004			
Grazyna Piotrowska-Oliwa			130,837			

1. Stephan Borchert was appointed to the Board on 1 July 2024. The shareholdings in the table represent his holdings that he has purchased, where these shares count towards the Investment Shares within the Share Matching Plan. The unexercised shares represent the maximum number of shares that can be released to him under this conditional Share Matching Plan award based on share price targets measured following the announcement of the financial results for FY25, FY26, FY27, FY28 and FY29.

Directors' and employees' remuneration table

The information below is in respect of the financial year ended 30 September 2025 against the prior year comparison.

	Total remuneration 2025 €	Total remuneration 2024 €
Executive Directors		
Stephan Borchert	**2,889,059**	1,283,787
Non-Executive Directors		
Frederick Arnold (Chair)	**223,023**	55,058
Brendan Connolly (Committee Chair)	**134,340**	113,284
Grazyna Piotrowska-Oliwa (NED)	**105,106**	86,534
Andy Bond (Previously Chair, resigned June 2025)	**428,396**	4,823,101
María Fernanda Mejía (previously Committee Chair, resigned March 2025)	**115,405**	104,075
Neil Brown (NED, resigned June 2025)	**-**	-
Paul Soldatos (NED, resigned June 2025)	**-**	-
Sean Mahoney	**-**	-

Change in Director and employee remuneration

The following table outlines the percentage change from one year to the next for Director and employee remuneration, reported in line with the regulations.

Executive pay ratio

The Dutch Code requires the executive pay ratio and the trend to be disclosed in the annual Remuneration report. The basis of the pay ratio comparison uses the Dutch methodology of average employee remuneration.

The chart below summarises the five-year history of total remuneration for the Executive Directors, being the CEO and CFO, alongside the average remuneration per FTE (excluding Executive Directors). Also shown is the remuneration ratio of the CEO versus the average employee remuneration.

Note, whilst the table has been shown in Euros to reflect the reporting currency of the Group, the Executive Directors were paid in GBP. In FY25, Neil Galloway received a salary of £618,000 per annum, and Stephan Borchert received a salary of £900,000 per annum.

	FY21 €	FY22 €	FY23 €	FY24 €	**FY25 €**
CEO [1,4,5,6] total remuneration (A)	801,970	1,103,330	4,079,370	4,823,101	**2,889,059**
YoY %	37%	38%	270%	18%	**(40%)**
CFO [1,3] total remuneration	964,442	710,005	1,087,566	1,541,896	**2,455,764**
YoY %	38%	(26%)	53%	42%	**59%**
Average employee (FTE) total remuneration costs[2] (B)	20,640	21,309	21,395	22,817	**24,235**
YoY %	15%	3%	0%	7%	**6%**
Ratio (A) versus ratio (B)	39:1	52:1	191:1	211:1	**119:1**

1. Remuneration of CEO and CFO reflects the total remuneration by year including base salary, taxable benefits, Company pension contributions, STIPs and LTIPs (where received). The GBP amounts have been converted to Euros based on foreign exchange rates used for consolidating the Group's results.
2. Average employee remuneration is based on total employee costs across the Group divided by average number of employees on a "full time equivalent" basis by year.
3. The CFO prior to Neil Galloway retired with effect from May 2022 so the 2022 figure reflects the pre-retirement remuneration. The next CFO (Neil Galloway) joined the Group on 1 April 2023 and left in July 2025. Therefore the 2023 and 2025 figures reflect a partial year only.
4. The former CEO (Trevor Masters) was appointed to the role in May 2022; therefore, the 2022 figure reflects an aggregated figure for the retired CEO (Andy Bond) up to his retirement in March 2022 and the former CEO from his appointment in May 2022.
5. Andy Bond's remuneration in his role as Executive Chair has been included in the CEO line for FY24. No amounts have been included in the CEO line for Stephan Borchert in FY24.
6. Remuneration for Trevor Masters includes unexercised share options and excludes severance payments.
7. Remuneration for Neil Galloway for FY25 includes pay in lieu of notice and holiday pay as required under his contract of employment.

Relative importance of spend on pay

The table below shows the Company's expenditure on employee pay compared to distributions to shareholders between 1 October 2024 and 30 September 2025.

	FY25 €m	FY24 €m
Distributions to shareholders	85.6	-
Total employee pay	900.2	863.9

Distributions to shareholders includes €49.9m of share buybacks in FY25 whilst total employee pay includes Poundland.

Implementation of Policy from 1 October 2025 to 30 September 2026

Policy element	Stephan Borchert (CEO)
Base salary	£900,000
Benefits	Pension of 13% of base salary, private medical insurance, life assurance, income protection, car and housing allowance
Annual bonus (payable in cash following completion of the annual audit)	Maximum entitlement of £1,350,000 (150% of salary). Additionally, for FY26 a maximum of a further 15% of salary will be payable if the maximum target for EBITDA is exceeded.
LTIP Grant of performance share awards with a three-year performance period and additional two-year holding period (see below)	Not eligible to participate
Share Match Plan Investment in shares in the Company. In return the Company awards matching shares	One-time award of matching shares
Malus and clawback	Provisions apply
Shareholding requirement (whilst employed)	300% of salary

SMP performance conditions

In FY25 the CEO received a one-time award under the SMP. The SMP allows the investment of up to two times salary where the Company then provides an award of matching shares up to 11.5 times the investment dependent upon the achievement of share price growth targets that range between PLN 20 and PLN 48.

No further awards will be made to the CEO under this plan in FY26.

Directors' Remuneration Policy

The Remuneration Policy is available on our website. It was amended following shareholder approval at the March 2025 AGM and has not changed since then. The changes approved were to:

- provide a right for Non-Executive Directors to participate in the NED Equity Plan; and
- amend the Pepco Group N.V. Share Matching Plan.

The Remuneration Policy permits deviation from the Policy in the event that it is required for the long-term interests and stability of the Company or for its profitability. There has been no deviation from the Remuneration Policy (or the malus and clawback provisions contained within it) to report for the period to 30 September 2025.

The proportion of fixed and variable remuneration

To support the Policy's objectives to deliver long-term sustainable success of the Company, the remuneration package of our CEO includes a mix of fixed and variable remuneration. The proportion for FY25 is approximately 31% fixed pay and 69% variable remuneration on a target basis.

Brendan Connolly
Remuneration Committee Chair
On behalf of the Board

Divergence from the Dutch and Warsaw Codes

As the Company is incorporated under the laws of the Netherlands and listed on the WSE, the Company applies the Code of Best Practice for GPW Listed Companies 2021 (the Warsaw Code) and complies with the Dutch Corporate Governance Code 2022 (the Dutch Code). Both of these Codes operate on a "comply or explain" basis, meaning companies must either comply with the provisions of these Codes or explain any divergence from them in this report. In March 2025, the Dutch Code was amended and updated. The provisions of the updated Dutch Code apply to the Company from FY26 and the Company has been putting in place enhanced governance processes during the year, in preparation. In particular we have increased our focus on risk management and internal control procedures under our ERM framework. Please refer to the risk section of this report on pages 54 to 61 for further information.

As the principles set out in the Warsaw Code are similar to those of the Dutch Code, the Company complies with the majority of the principles and best practice provisions of the Dutch Code.

The Company currently does not apply the following provisions of the Dutch Code:

2.1.7 Independence of the Non-Executive Directors	The Company operates a one-tier Board which complies with principle 2.1.7(i). The Board consists of one Non-Independent Non-Executive Director, three Independent Non-Executive Directors, and one Executive Director. With regard to principle 2.1.7(iii), one Non-Executive Director is appointed to the Board pursuant to arrangements between the Company's majority shareholder (which holds more than 10% of the shares of the Company) and certain of its creditors. This arrangement was entered into before the Company listed on the WSE. The conditions of appointment of the shareholder-nominated Non-Executive Directors are set out in a Relationship Agreement between the Company and certain affiliates of the Company's majority shareholder. A summary of the key terms of the Relationship Agreement is available on the Company's website.
2.1.9 Independence of the Chairman of the Board	Andy Bond was formerly CEO and Executive Director of the Company. Therefore, until his resignation as Executive Chair on 12 March 2025, Andy Bond was a Non-Independent Chair of the Board. Following the appointment of Frederick Arnold at the 2025 AGM as an Independent Non-Executive Chair, the Company is in compliance with provision 2.1.9.
2.2.2 Appointment and reappointment periods – Non-Executive Directors	Members of the Board are appointed for a period of three years and may then be reappointed twice for three-year periods. These appointment arrangements are permitted under the Warsaw Code to which the Company is subject and nine year terms for Non-Executive Directors are common in the United Kingdom. For these reasons, the status of compliance with 2.2.2 is not expected to change.
2.2.4 Succession	The Company's Articles of Association and the Relationship Agreement set out the maximum term of appointment of the members of the Board. The term of appointment for the shareholder-appointed Non-Executive Directors is determined by the Relationship Agreement. The Independent Non-Executive Directors have all been appointed for a term of three years, capable of extension for a further two three-year terms. A retirement schedule is in place and has been published on the Company's website.
2.5.2 Code of Conduct	The Company does not currently have a single Group-wide code of conduct. Most of the subject matter which is traditionally included in a code of conduct is included in the Group-wide Compliance Manual, which applies to employees across the Group. This Compliance Manual is published on the Group's internal intranet but is not published on the Group's website.
2.5.4 Accountability regarding culture	The Company reports on its culture in accordance with principle 2.5.4 paragraphs (i) and (ii) of the Dutch Code. However, in a divergence from principle 2.5.4 paragraph (iii) of the Dutch Code, the Company does not currently report on the effectiveness of, and compliance with, its code of conduct as the Company does not currently have a single Group-wide code of conduct. Most of the subject matter which is traditionally included in a code of conduct is included in the Group-wide Compliance Manual.

3.3.2 Remuneration of Non-Executive Directors	One-off fees were paid to Brendan Connolly, María Fernanda Mejía, Grazyna Piotrowska-Oliwa and Pierre Bouchut, in respect of work undertaken by them in relation to, and in preparation for, their roles as Board members, in the period prior to the Company's listing on the WSE. These fees were used by them, to subscribe for shares in the Company on admission to the WSE (at the Admission offer price). The shares acquired by these Board members on Admission must be held by them until the first anniversary of the date on which each of them ceases to be a Director of the Company. In addition, under the NED Equity Incentive Plan, which forms part of the Remuneration Policy, the Non-Executive Directors (excluding any Non-Executive Directors appointed pursuant to the Relationship Agreement) are eligible to receive a one-time equity grant. The Chair of the Board and the Chair of the Audit Committee are eligible to participate in further equity grants. Equity award arrangements for Board members are increasingly common in Europe and the United Kingdom and are permitted under the Warsaw Code, to which the Company is subject. The Board has determined, (and shareholders have approved the proposal), that the NED Equity Incentive Plan reflects the Board's high standards and expectations for engagement, availability, and value-add from the Non-Executive Directors and was adopted to increase alignment and incentives tied to multi-year shareholder outcomes.
5.1.3 – Independence of the Chair of the Board of Directors	Andy Bond was formerly the CEO and an Executive Director of the Company. Therefore, until his resignation as Executive Chair on 12 March 2025, Andy Bond was a non-independent Chair of the Board. Following the appointment of Frederick Arnold at the 2025 AGM as an Independent Non-Executive Chair, the Company was in compliance with provision 5.1.3.

The Company currently does not apply the following provisions of the Warsaw Code:

1.5 Disclose amounts expensed by the group in support of culture, sports, charities, media, social organisations, trade unions, etc.	Any such expenses have been reported internally, disclosure and reporting on the assessment as to the rationality of such expenditures will continue to be considered in the new fiscal year.
2.1 and 2.2 Gender diversity of corporate bodies	The Group's D&I Policy sets a goal of 30% female representation on the Board, but this has not yet been achieved. The D&I Policy does not set a target date for achieving this ratio, which is not compliant with the Warsaw Code but is consistent with the past practice of the Group.
2.11.5 The supervisory board prepares a report to the AGM once per year to include an assessment of the rationality of expenses referred to in principle 1.5	Any such expenses have been reported internally; disclosure and reporting on the assessment as to the rationality of such expenditure will continue to be considered in the new fiscal year.
3.4 Basis of remuneration for those responsible for risk, compliance and internal audit	Risk and compliance are managed by the Chief Legal Officer and the Head of Internal Audit. The remuneration of these individuals is primarily dependent on the performance of delegated tasks. However, consistent with all employees of the Company, a proportion of these individuals' respective annual bonuses is dependent on the Company achieving specific financial targets for the relevant financial year. The financial targets for the Company's annual bonus scheme are set by the Company's Remuneration Committee.
3.5 Persons responsible for risk/compliance management report directly to the president or other member of the management board	The Head of Internal Audit reports to the CFO, who is not a member of the Board. However, the Risk/Compliance function and the Head of Internal Audit also report to the Chair of the Audit Committee.
3.6 Head of internal audit reports to the president of the board (i.e the CEO)	The Head of Internal Audit reports to the Chair of the Audit Committee in addition to reporting to the CFO.

Directors' report

The Board presents its report, together with the audited consolidated financial statements, for the year ended 30 September 2025.

Indemnity provisions

The Company indemnifies all Directors within its Articles of Association.

In addition, the Company holds: (i) Directors' and Officers' liability insurance, which provides cover for liabilities incurred by Directors in the performance of their duties or powers; and (ii) Public Offering of Securities Insurance, to ring-fence any exposure arising from the Initial Public Offering in May 2021.

No payments were made as a result of the indemnity or by the insurer during the reporting period.

Conflicts of interest

Group-wide processes are in place to review potential conflicts of interest held by senior management, including the Board.

Conflicts are routinely raised at Board meetings and recorded as appropriate.

Audit information

The Board confirms that: (i) to its knowledge there is no relevant audit information of which the auditors are unaware; and (ii) the Board has taken all reasonable steps to ascertain any relevant audit information and ensure that the auditors are aware of such information.

Information contained in the Strategic report

The Strategic report on pages 1 to 62 contains certain information required to be included within this Directors' report. This relates to employee matters, future developments, sustainability and progress against the CSRD, risk management and how the Board considers the views of stakeholders. The Sustainability report on pages 96 to 159 forms part of this Directors' Report in accordance with Article 2:391 of the Dutch Civil Code and the Corporate Sustainability Reporting Directive.

To the extent that the reports contain forward-looking statements, these are made by the Board in good faith, based on the information available at the time of the Annual Report.

Financial instruments

Details of the Group's objectives and policies on financial risk management and of the financial instruments currently in use are set out in note 17 to the consolidated financial statements which form part of this report.

Employees

Diversity and inclusivity

The Company is fully committed to the elimination of unlawful and unfair discrimination and values the difference that a diverse workforce brings to the Company. The Company has policies applicable to all colleagues in furtherance of these commitments and will continue to focus on developing these in FY26.

Disabled people

The Group seeks to ensure that disabled people, whether applying for a vacancy or already in employment, receive equal opportunities in respect of job vacancies that they are able to fulfil. They are not discriminated against on the grounds of their disability and are given full and fair consideration of applications, continuing training while employed, and equal opportunity for career development and promotion. Where an existing colleague suffers a disability, it is our policy to retain them in the workforce where that is practicable.

Ethical conduct

The Board is committed to ensuring that all employees, customers and suppliers act in an ethical manner. The Group has policies in place relating to, among other matters, anti-bribery and corruption, anti-money laundering, insider trading, child labour, human rights and sanctions.

See further detail on pages 96 to 159.

Going concern

The Board is satisfied that the Group will be able to operate within the levels of its facilities and resources for the foreseeable future and deems it appropriate to adopt the going concern basis in preparing the financial statements. This is outlined in more detail in the Going concern statement on page 62.

Additional information

Political donations

No political donations were made and no political expenditure was incurred during the year (FY24: €Nil). The Company has an established policy of not making donations to any political party.

Dividends

The Board has recommended a full year dividend of 9.6 Euro cents per share subject to the approval of shareholders at the 2026 AGM.

Significant post-balance sheet events

In November 2025 the Group completed a significant refinancing. For full details please refer to the Finance Review page 51.

Under the Company's share buyback programme, a second €50m tranche was commenced on 28 October 2025, with around 90% expected to complete by mid-January 2026.

Articles of Association

The Company's Articles of Association may only be amended by a resolution passed at a general meeting of the shareholders.

Rules of Procedure

The Rules of Procedure provide for an internal division of tasks, procedures and decision-making of the Board. In performing their duties, the Directors shall comply with these rules.

Research and development

The Group designs products for sale in stores and has arrangements with suppliers for the development of goods. The Group has also invested in the use of more sustainable products and packaging (see the Sustainability Statement on pages 96 to 159 for further details]).

Change of control

The Senior Facilities Agreement provides that if the Company is delisted or otherwise removed from the WSE, or all or substantially all of the assets of the Group are sold in a single transaction or a series of transactions, the Company is required to notify the finance agent. Following a negotiation period, the lenders have a right to cancel their commitments upon giving 30 days' notice.

Board of Directors' statement

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Board of Directors hereby represents, to the best of its knowledge, that the statutory financial statements of the Company, and its consolidated subsidiaries for the year ended 30 September 2025 are prepared in accordance with the applicable accounting standards and that they give a true and fair view of the assets, liabilities, financial position, and results of the Company and its consolidated subsidiaries, and that the report of the Board of Directors for the year ended 30 September 2025 gives a true and fair view of the position of the Company and its consolidated subsidiaries as at 30 September 2025 and of the development and the performance of the Company and its consolidated subsidiaries during the year ended 30 September 2025, including a description of the key risks that the Company is confronted with.

The Board confirms that:

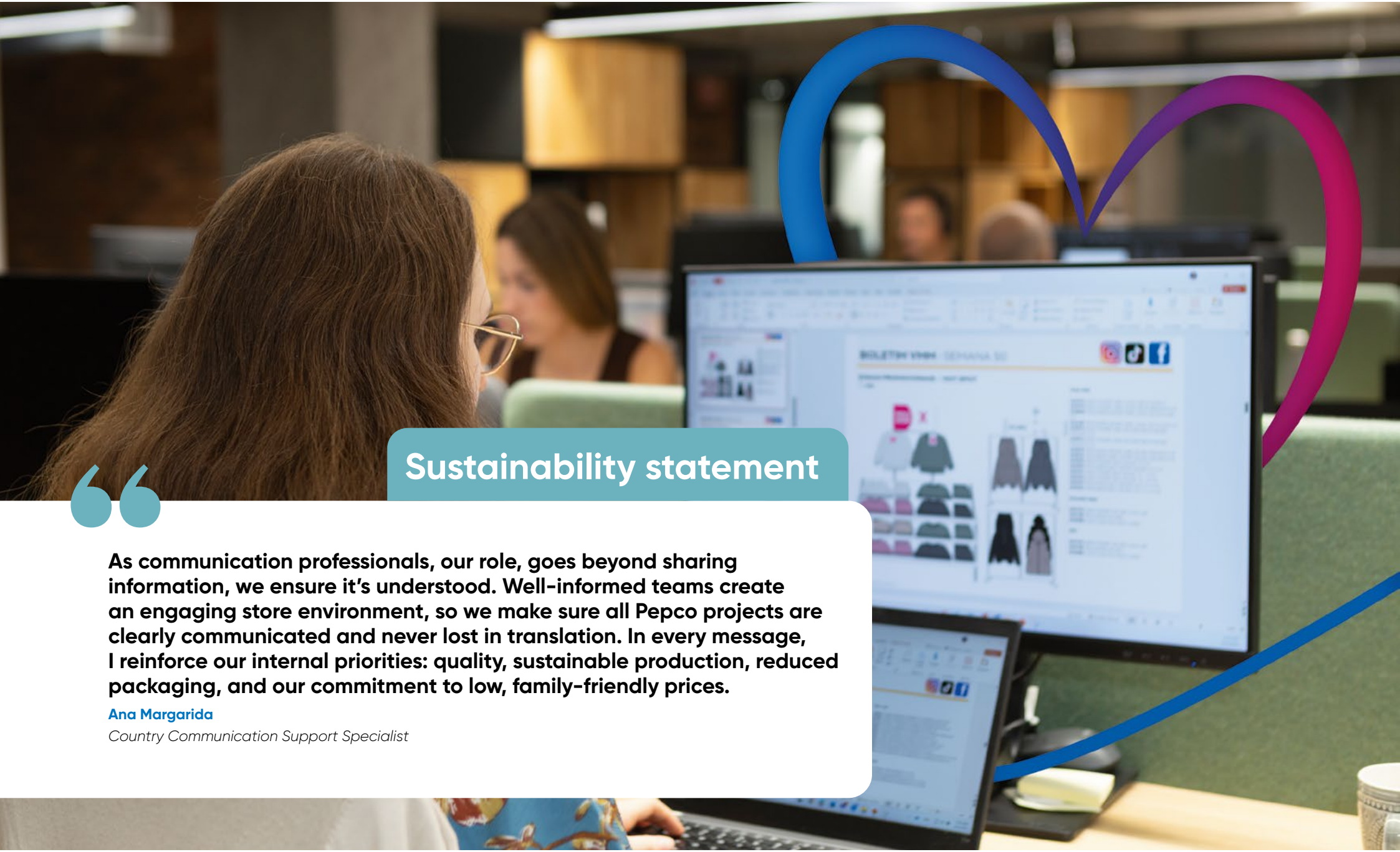
i. the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
iv. the report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of the report.

Stephan Borchert
Chief Executive Officer

14 January 2026

Frederick Arnold
Independent Non-Executive Chair

14 January 2026



Sustainability statement

As communication professionals, our role, goes beyond sharing information, we ensure it's understood. Well-informed teams create an engaging store environment, so we make sure all Pepco projects are clearly communicated and never lost in translation. In every message, I reinforce our internal priorities: quality, sustainable production, reduced packaging, and our commitment to low, family-friendly prices.

Ana Margarida

Country Communication Support Specialist

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Welcome to the Pepco Group's Sustainability Statement for 2025. This is our first year of reporting of ESG progress against the EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). As such, our report is structured based on the topical standards of the ESRS. Each section takes its starting point in the impacts, risks and opportunities material to our business. We then detail the key policies, actions and targets that address these topics.

This year the Group completed its first ESRS-aligned double materiality assessment, which identified topics with the greatest relevance to the Group and its stakeholders. The Sustainability Statement was compiled on the basis of the double materiality assessment and includes the following topical standards: ESRS E1 Climate change, ESRS S1 Own workforce, ESRS S2 Workers in the value chain and ESRS G1 Business conduct. The statement also includes the mandatory disclosures required under the ESRS 2 General disclosures standard.



Disclosure requirements index

General disclosures

IRO-2

The following index lists all the ESRS disclosure requirements in ESRS 2 and the four topical standards that are material to the Pepco Group and have guided the preparation of our Sustainability Statement. The index can be used to navigate to information relating to a specific disclosure requirement within the Sustainability Statement, and also shows where we have utilised incorporation by reference for disclosure requirements that are dealt with outside the Sustainability Statement and consequently sit in the Governance section of this report or in the Remuneration Report which forms part of the Pepco Group FY25 Annual Report.

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Key:

○ Sustainability Statement ○ Governance section of Management Report ○ Remuneration Report ○ Incorporation by reference

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Standard		Section	Page
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Key:

○ Sustainability Statement ○ Governance section of Management Report ○ Remuneration Report ○ Incorporation by reference

General disclosures

General basis for the preparation of the Sustainability Statement

BP-1, BP-2

Scope of consolidation, coverage of value chain and other basis of preparation information

Although the CSRD has not been transposed and implemented in Dutch law on the date of this Annual Report, the Pepco Group has prepared the accompanying statement in accordance with the ESRS adopted by the European Commission. The Sustainability Statement also meets the specifications adopted pursuant to Article 8 (4) of the Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council.

The statement has been prepared in consolidated form. The information, data, indicators and assertions contained in the statement refer to the same reporting entity referred to in the financial statements, i.e. the entire Pepco Group, unless stated otherwise. The phrases "Pepco Group", "the Group" and "the Company" mean the parent company, Pepco Group N.V. together with its subsidiaries subject to consolidation. The scope of consolidation in the statement corresponds to the consolidated financial statements for the period from 1 October 2024 to 30 September 2025 and covers the same companies (see 224).

The Group completed the sale of Poundland on 12 June 2025. Unless otherwise stated, FY25 metrics include Poundland data up to the disposal date. Data was collected for the nine months ended 30 June 2025 and then adjusted on a pro-rata basis to exclude the period from 12 to 30 June 2025[1]. This ensures that Poundland is reflected in Group reporting only up to its final full day of operations within the Pepco Group (11 June 2025). Baseline values and targets are expected to be revised to exclude the Poundland operating unit in FY26.

The statement includes information on material impacts, risks and opportunities and takes into account the Group's direct and indirect business relationships across its value chain, i.e. both own operations as well as upstream and downstream value chain.

The Pepco Group has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation. The Group also did not use the exemption from disclosure of subsidiaries provided for in articles 10a (3) and 29a (3) of Directive 2013/34/EU.

Throughout the Sustainability Statement we refer to several Company policies. The key contents of the policy and its scope or any exclusions are provided in the relevant sections. Unless otherwise stated, the Group's Legal and Compliance team manages the development, review and renewal of corporate business conduct and responsible sourcing policies, the Group's ESG team manages the development, review and renewal of the environmental policy and the Group's HR team manages the development, review and renewal of employee-related policies. The Board is responsible for approving Group policies and has overall accountability for their implementation. Any third-party standards or initiatives that are respected through implementation of the policy are disclosed as relevant. Comments from key stakeholder groups are included as part of policy development, review and renewal.

In the Sustainability Statement, unless otherwise stated, the Group uses definitions of time horizons in accordance with ESRS 1: a short-term horizon covering a period of 1 to 12 months; a medium-term horizon meaning a period from 1 to 5 years; and a long-term perspective – a timeframe of more than 5 years.

Limited assurance procedures were performed by EY Accountants B.V. For further details we refer to the assurance report Limited assurance report of the independent auditor on the sustainability statement on page 220. The metrics within the Group's Sustainability Statement have not been subject to separate external verification.

The Group has omitted the following information for the first year of preparation of its Sustainability Statement in accordance with Appendix C of ESRS 1 which sets phase-in provisions for the disclosure requirements:

- ESRS 2 SBM-1 paragraph 40(b) breakdown of total revenue by significant ESRS sector and 40 (c) list of additional ESRS sectors
- Material impacts, risks and opportunities and their interaction with strategy and business model: ESRS 2 SBM-3 paragraph 48 (e) (anticipated financial effects)
- Anticipated financial effects from material physical and transition risks and potential climate-related opportunities: ESRS E1 (E1-9)
- Policy information and metrics related to characteristics of non-employees in the undertaking's own workforce: ESRS S1 (S1-7)
- Metrics related to social protection: ESRS S1 (S1-11)
- Metrics related to training and skills development: ESRS (S1-13)
- Metrics related to health and safety: ESRS S1 (S1-14) (reporting on non-employees, cases of work-related ill health and numbers of days lost to injuries, accidents, fatalities and work-related ill-health)
- Metrics related to work-life balance: ESRS S1 (S1-15)

The statement uses incorporation by reference through a reference to the Governance Report of the Group. Additionally, references to various sections of the statement containing related information are included throughout the document.

1. Nine months of data to end of 30 June 2025 was divided by 273 and multiplied by 254 to adjust for the reporting period.

Sources of estimation and uncertainty

Metrics are prepared in accordance with the definitions as set out in the ESRS, unless stated otherwise. Any Pepco Group-specific definitions are included where applicable.

In E1, measurement uncertainty is primarily related to conversions applied to harmonise the input data used in Scope 1, 2 and Scope 3 GHG emissions. In addition, due to the timing of data availability, E1 energy consumption and emissions have been prepared using ten months of actual input data and two months of estimated data.

S1-16 metrics have been prepared using 11 months of actual input data and one month of estimated data, with the exception of head office employees in the UK and sourcing employees in India and Bangladesh where actual data is reported for 12 months. Further adjustments have been made in relation to employees on long-term absence for over three months and mid-year starters. For further details please refer to section S1-16. In S1-14, the number and rate of recordable work-related accidents for employees has been estimated based on data for employees in Poland for the first nine months of the year (in the final three months of the year data is based on country by country reporting rather than estimated based on Poland). For further details please refer to section S1-14.

Value chain estimates are mostly prevalent in Scope 3 GHG emissions. Where we have not been able to directly measure metrics, we have estimated them using internal and external data from a variety of sources. Some value chain metrics disclosed under ESRS E1, especially Scope 3 GHG emissions, are based on indirect sources, including secondary emission factors, supplier invoices and spend-based models. We are continuously working to increase the use of high-quality primary data and improve transparency and accuracy across the value chain.

Where applicable, we have further disclosed the source of uncertainty and the key assumptions, approximations and judgements made to arrive at that estimate in the relevant section of the report.

Comparative information

This year is the first year the Group has presented its Sustainability Statement in accordance with ESRS standards and therefore the Group reports no changes in the preparation or presentation method or errors of previous periods. For the first year of reporting, the ESRS does not require comparative information and therefore no comparatives have been presented in this report.

Governance

GOV-1, GOV-2

Oversight of sustainability matters

As a Group, we are committed to responsible business conduct, strong corporate governance, sustainability and transparency, aligning performance with our long-term goals. We have established governance frameworks aimed at ensuring the effective operation of our Board, protecting stakeholder interests, maintaining business resilience and building trust.

The Company is organised in a one-tier Board structure, under which managing and supervisory duties are performed by the Board of Directors of the Company (the Board). The Board is responsible for the direction and oversight of the Company and is accountable for all aspects of the Company's business. The Company's corporate governance structure is based on the Articles of Association, the Board of Directors Rules of Procedure (Board Rules), and the terms of reference of the Board's Committees, as well as applicable laws and regulations.

We have a strong, experienced Board, with a diverse range of professional backgrounds, skills and perspectives. As at year end, the Board comprised a total of five Directors-one Executive Director and four Non-Executive Directors, three of whom are considered independent (60%) within the meaning of the Dutch Corporate Governance Code and the Code of Best Practices for WSE Listed Companies, and one of whom is not considered independent within the meaning of the applicable Codes. As at year end, the percentage of female Board members is 20%, while the percentage of male board members is 80%, resulting in a gender diversity ratio of 1:4. When considering nominations of new Board members, account is taken of the following diversity aspects: nationality, work background, gender, age, and qualifications (including education and expertise).

During the financial year, there were several changes to the composition of the Board, which are detailed in the Appointment and composition of the Board sub-section of the Corporate governance statement of the Annual Report on page 70. These changes had the primary effect of creating a smaller, agile Board while retaining the relevant skills and expertise needed to oversee the management of the business. Consequently, there were no new Board appointments formalised in the year-ended 30 September 2025 and no significant changes to the overall mix of relevant skills and expertise.

The Board takes overall accountability of business conduct within the Group, with day-to-day oversight from the management team. The Board and Audit Committee receive regular feedback from management related to business performance and risks, including with respect to sustainability. The Internal Audit and Risk teams report directly to the Audit Committee to ensure independence.

While there are no formal employee representatives appointed to the Board, regular Executive Committee meetings provide an opportunity to discuss feedback and escalate to the Board as required. The Group's Chief Human Resources Officer (CHRO) attends Executive Committee meetings to represent and discuss core employee issues.

Further detail regarding the Board identity, composition and individual experience as at 30 September 2025 is covered in our Corporate governance statement detailed on page 71. This includes the relevant skills and expertise to oversee business matters and how they relate to Pepco Group's impacts, risks and opportunities. We recognise that there is room for increased sustainability expertise on our Board and will continue to look for opportunities to strengthen that skillset within our Board, including through "deep-dives" with relevant members of the Pepco Executive Committee and the Head of ESG.

The accountability for governing Pepco Group's material sustainability impacts, risks and opportunities reflects the Group's overarching governance structure. While the Board takes overall accountability for Group sustainability governance, responsibility for the management of material sustainability impacts, risks and opportunities is delegated to the CFO. The Group's sustainability strategy, activities and progress are reported quarterly to the Audit Committee, which is responsible for making recommendations and seeking approval from the Board as appropriate.

The Pepco Executive Committee is responsible for monitoring the integration of sustainability activities with business objectives. It also approves the direction and scope of ESG activities, supervising progress in the implementation of the sustainability strategy and managing and monitoring targets on an ongoing basis.

Role of supervisory bodies

The Board receives additional contribution on sustainability matters from the following Board sub-committees:

- The Audit Committee's terms of reference include responsibility for non-financial disclosures in our Annual Report which encompasses disclosures under the ESRS and review of any internal and external assurance activities obtained over the disclosures. In the reporting period the Audit Committee also reviewed sustainability-related impacts, risks and opportunities as part of their review of the double materiality assessment.
- The Remuneration Committee supports the delivery of the sustainability strategy through the alignment of executive remuneration schemes to the sustainability strategy and goals and targets.
- The Nomination Committee is responsible for ensuring that the composition of the Board includes sufficient skills and experience, including as needed to effectively deliver on the sustainability agenda. The terms of reference require the Nomination Committee to ensure the Board has the appropriate diversity with respect to expertise, experience and competencies.

Role of management in addressing IROs

Our refreshed sustainability strategy "Where Growth Meets Care" aligns with our overall value creation plan and corporate strategic framework. It comprises three pillars: People, Value Chain and Customers. In FY25, the Group conducted an updated and ESRS-aligned double materiality assessment (DMA) which identified our material impacts, risks and opportunities (IROs). The ESG Executive Committee members were engaged in the DMA process as executive stakeholders. Material topic and IRO outcomes were reviewed and approved by the ESG Executive Committee as well as the Audit Committee. Broad alignment between the pillars of our sustainability strategy and our material topics reinforces the strategic direction we have set.

To support accountability and performance across the Group's sustainability strategy, responsibility for each strategic pillar and goal is allocated at the executive level. Implementation is managed at an operational level, with cross-functional collaboration to monitor progress and address key risks. Governance structures are in place to ensure that material issues are escalated appropriately.

The Group Head of ESG leads the Group's ESG team, which comprises three sustainability professionals and a Head of ESG Reporting. They work closely with the relevant business unit leadership and functional teams to embed sustainability impacts, risks and opportunities into their strategies, and to ensure progress against actions and targets is monitored. The ESG team supports decision-making by providing regular updates on sustainability progress and emerging risks to relevant governance bodies. Our supply chain and procurement functions are also critical to supporting the delivery of our sustainability strategy through collaboration with our suppliers and other value chain partners, as well as managing key supply chain related risks.

Our Board and Executives bring a diverse set of skills and experiences including in areas related to ESG matters. An explanation of the process for appointing Directors to the Board and considerations when selecting new members of senior leadership can be found in the Nomination Committee report on page 81. Collectively our Executive Leadership team possesses a strong understanding of retail operations, environmental and carbon reduction initiatives, business conduct, HR and responsible supply chain matters. The Board and Executive Leadership team are supported by subject matter experts in each of these areas through our ESG team, our Internal Audit and Sourcing function and Compliance and Legal teams.

Material risks identified through the DMA process have been incorporated into the Group's ESG risk category within the Group Enterprise Risk Management framework to ensure a cohesive approach to the management of impacts, risks and opportunities, and alignment between frameworks. Regular ESG team and business owner meetings are focused on reviewing key risks and areas for development with respect to sustainability, and provide a forum for business leaders to discuss these issues and identify where further expertise is required.

The ESG Executive Committee receives a monthly update from the Head of ESG on material ESG impacts, risks and opportunities, the implementation of due diligence and the performance and effectiveness of policies, activities, metrics and targets, as well as considering trade-offs associated with those impacts, risks and opportunities. The ESG Committee takes this into account when overseeing strategy, key transactions and investment decisions and risk management, which embeds a comprehensive approach to sustainability and responsible management. Compromises in relation to our impacts, risks, and opportunities are only accepted if there are no breaches of the law and, at the same time, all relevant codes and sustainability targets are complied with.

In addition, the Audit Committee receives a quarterly update on our ESG strategy, reporting and activities. In FY25 these updates have focused on the double materiality assessment analysis including reviewing all material IROs identified and preparation of due diligence processes for CSRD reporting. The double materiality analysis review included an explanation of the process undertaken and the material impacts, risks and opportunities identified. The Audit Committee also receives regular updates regarding the Group's supplier factory audit programme (described in more detail in S2: Workers in the value chain section on page 145).

Integration of sustainability-related performance in incentive schemes

GOV-3

Executive pay is linked to sustainability performance through STIP and LTIP schemes (see page 84). The STIP is an annual bonus arrangement designed to align the interests of Executive Directors to those of the Company and deliver reward only where performance warrants it. In FY25 the bonus payable to any Executive Director will be a maximum of 150% of base salary and is paid entirely in case following the determination of the performance conditions being met.

As detailed in our Directors' Remuneration Policy (which is reviewed and approved by shareholders every three years) bonus payouts are determined on the satisfaction of a range of key financial and strategic/personal objectives which are set annually by the Remuneration Committee. No more than 20% of the overall bonus opportunity will be payable by reference to performance against strategic and personal targets. Key financial measures include any combination of EBITDA, return on investment and other corporate financial measures, whilst strategic objectives include ESG measures such as ethical sourcing KPIs. In FY25, 80% of the maximum payout is conditional upon the delivery of the Group's EBITDA target and 20% is conditional upon strategic KPIs. Specifically, 4% of the CEO and CFO bonus will be measured against the 100% completion of factory audits against our annual supplier factory audit plan. For further details of this metric please refer to the Targets and metric sub-section of the S2: Workers in the value chain section on page 145.

GOV-4

Statement on due diligence

The Group's approach to responsible business embeds human rights and environmental matters into our due diligence processes. The mechanisms to identify, mitigate and account for how we address actual and potential negative environmental and human rights impacts are detailed throughout our Sustainability Statement. The table below provides a mapping of the core elements of our due diligence approach.

Core elements of due diligence	Paragraphs in Sustainability Statement
Embedding due diligence in our governance, strategy and business model	• ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • ESRS 2 GOV-3: Integration of sustainability-related performance incentive schemes • ESRS 2 SMB-3 Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders	• ESRS GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • ESRS 2 SBM-2: Interests and views of stakeholders • ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities • Topical ESRS: Reflecting the different stages and purposes of stakeholder engagement throughout the due diligence process
Identifying and assessing adverse impacts	• ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities • ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
Taking actions to address those adverse impacts	• Topical ESRS: Reflecting the range of actions through which impacts are addressed
Tracking the effectiveness of these efforts and communicating the results	• Topical ESRS regarding metrics and targets

GOV-5

Risk management and internal controls for ESG reporting

The Group's Enterprise Risk Management (ERM) framework has been designed to consistently identify, assess, manage and monitor material risks, including those in relation to sustainability reporting. It defines our approach to governance and integrated decision-making, as well as our target risk culture and the corresponding roles, responsibilities and behaviours expected across the organisation. The ERM framework risk assessment criteria was consistently applied through the DMA process to ensure alignment and act as a bridge between the two processes. Through the risk and DMA process, we have identified a number of material risks, across strategic, operational, compliance, financial and data governance categories. The overarching framework helps us to ensure we have a consistent approach and integrity in our reporting across risk and ESG.

We evaluate the effectiveness of our framework through an annual maturity assessment. Separate evaluation of individual risk areas, including sustainability reporting, is conducted through our developing internal controls programme and independent audits. Enhancements to our framework are in progress, strengthening our approach and aligning with Dutch Corporate Governance revisions, developing and rolling out a business-wide risk and control self-assessment approach, with annual certification at executive level. This is designed to provide management with an understanding of the certainty we have in relation to the effectiveness of our control environment.

Sustainability risks are highlighted through several channels, including regular risk workshops conducted at multiple levels across the organisation and including a range of operational colleagues, senior management and executive leaders, horizon scanning for new and emerging risks, tapping into external sources, data points and benchmarking, strategic review and Internal Audit findings. Mitigation of these risks include our ESG Governance and Executive Committee reporting processes and implementation of our ESG strategic framework and Board-approved goals. We have strengthened our sustainability reporting by extending internal control practices used in financial reporting to our ESG data processes, including applying clear data governance and calculation methodologies.

The Group CFO oversees our Sustainability Statement as a whole and is responsible for the integrity of ESG data and information. The Group CFO is supported by the Head of ESG in assessing and managing risk in relation to sustainability reporting. A Topic Owner from the ESG Executive Committee has been established for each of the four ESRS topics we are reporting on, with sub-owners for the narrative and metrics elements of each topical standard also assigned. Metrics owners are responsible for developing and documenting the basis of preparation for metrics, which includes any definitions, assumptions and estimations. Narrative owners are responsible for the collection and preparation of narrative disclosures. Narrative and metrics are signed off by the respective owner and subject to review by the Topical Owner. The Audit Committee oversees the reporting of ESRS information and reviews the processes and controls that are the basis for its preparation. Limited assurance procedures are performed by EY.

Strategy, business model and value chain

SBM-1

Our strategy and business model

Pepco Group is a leading variety discount retailer, specialising in clothing and general merchandise through our Pepco brand, which has over 4,000 stores across 18 countries in Central, Eastern and Western Europe. Pepco sells apparel for the whole family, as well as household goods and toys. Pepco Group also owns Dealz, a small FMCG-led business in Poland.

The Pepco Group's mission is to offer the lowest prices and the best value to families on a budget. Our vision is to build Europe's leading variety discount retailer and our purpose is to help customers live better lives.

We employ over 31,500 employees[1], generating €4.5bn of sales[2]. As a large, global retailer, we recognise the importance of sustainable business practices as part of long-term value creation. Our stakeholders increasingly expect responsibility, transparency, and trust from the brands and products they choose.

Following a strategic review, at our Capital Markets Day in March 2025, Pepco Group set out a new five-pillar strategic framework to drive the business into its next phase of growth. This sharpened framework is designed to focus and modernise our business and ensure we operate with the discipline needed to generate sustainable, long-term and profitable growth. Our refined business strategy defines how Pepco will grow through operational efficiency, network expansion, and portfolio simplification – while embedding care, responsibility, and future-readiness at the core of our journey.

Our values – Care for colleagues, Give our best, Love our customers – remain the foundation of this transformation. They define who we are. Our sustainability strategy, Where Growth Meets Care, turns our values into action, making growth and care interdependent: care ensures our growth is sustainable, and growth expands our ability to care. It comprises three pillars: People, Value Chain and Customers. The material topics identified through our DMA are broadly aligned with these three pillars although we recognise business conduct topics are not explicitly embedded. These topics are managed through our corporate governance programmes as detailed in the G1: Business conduct section.

Value chain

Our value chain comprises the activities required to design, manufacture, source and sell our products. Our own operations focus on our retail estate of over 4,000 stores across 18 countries where we sell our products. Our store network is supported by our vertically integrated sourcing model which provides direct product sourcing, product development and technical services. Key warehousing infrastructure and transport and logistics operations enable the movement of products from our suppliers into our stores.

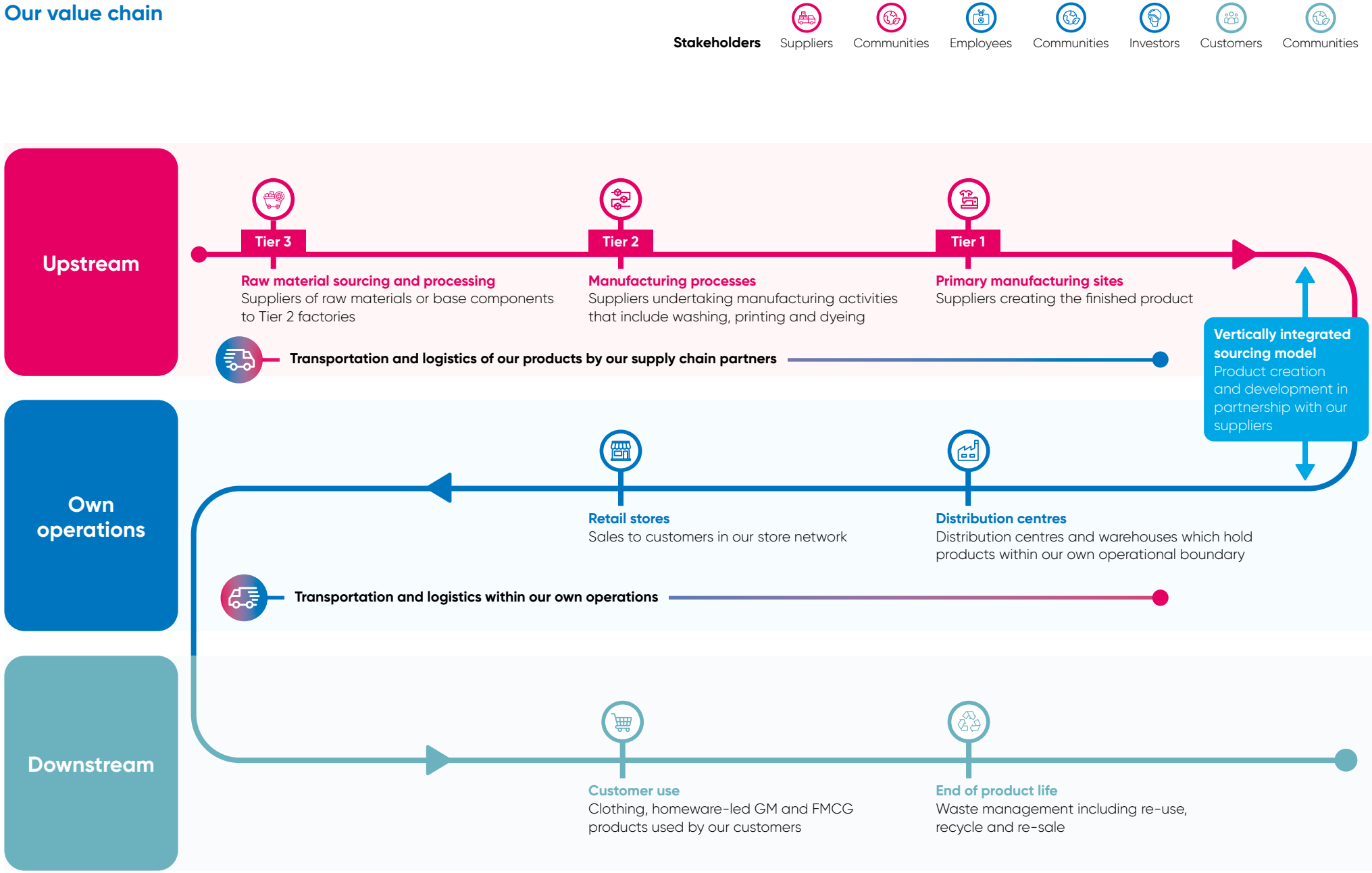
Our upstream value chain includes the processing, production and transportation of materials and input goods such as cotton and wool required to produce our goods. Like most clothing retailers, we do not own factories, but instead we work through our vertically integrated sourcing model to partner with independent manufacturers to produce the goods we sell through a supply network of vendors and factories.

Our downstream value chain includes the use, reuse, resale, recycling and disposal of our products.

Pepco's business model relies on key inputs including products sourced from a diverse supplier base, resources such as energy, water and fuel used across logistics, warehousing, retail stores and offices, and effective governance and workforce capabilities. These inputs are supported by internal systems and infrastructure that ensure operational efficiency and responsible decision-making, guided by the Group's policies and sustainability ambitions. This generates outputs including product sales, emissions, packaging and product waste. These outputs lead to outcomes that vary by stakeholder: customers benefit from product quality and service satisfaction, fostering loyalty and trust; investors gain from financial results, resilience, and ESG risk management supporting long-term value; and society and the environment experience impacts related to energy, emissions and supply chain responsibility.

1. Headcount at year-end for Pepco Group excluding Poundland as set-out in S1: Own workforce. For headcount by geographical area, see S1: Own Workforce disclosures (page 128).
2. For segmented revenue information, see Financial Statements (page 45). As the Pepco Group operates in the retail sector and all revenue relates to retail operations, no further breakdown is provided.

Our value chain



SBM-2

Interests and views of stakeholders

We identify five groups of key stakeholders: our customers, our colleagues, our suppliers, our shareholders and the environment & communities. We engage with each of these groups through a range of stakeholder engagement activities – see table below.

Stakeholder feedback is reflected in the Group's operations and strategy on an ongoing basis through different engagement routes – for example customer listening circles, employee feedback surveys, supplier training conferences and investor meetings.

We also engaged with stakeholder groups through our DMA process to identify and manage our material impacts, risks and opportunities in relation to ESG matters. The results of our DMA, including stakeholder engagement, were presented to our ESG Executive Committee as part of our review and governance processes.

Stakeholder group	Stakeholder interests and purpose of engagement	How we engage	Impact or outcome of engagement
Customers	Customer engagement enables us to make informed decisions and tailor our product offerings to match evolving customer preferences. Through our Where Growth Meets Care sustainability strategy we aim to offer access to more responsible product choices at an affordable price.	Customer surveys and focus groups; materiality assessments.	Customer research and market analysis is incorporated into our buying and marketing strategies on an ongoing basis.
Employees	Our 31,500+ employees are the heart of Pepco's success. Their diversity of backgrounds and perspectives helps us understand and serve millions of customers every day. That is why we aim to create a workplace where everyone feels valued, included, and empowered to thrive – enabling strong customer experiences, stable teams, and sustainable business performance.	Employee surveys and feedback; materiality assessments.	The results of our employment survey are reflected in our people strategy and employee management practices.
Suppliers	Pepco's operational success depends on a resilient and responsible supply chain and operations. Our end-to-end value chain focuses on transparency and responsible sourcing practices to support business continuity while managing environmental and social impact.	Supplier engagement; training and information days; audit programmes; materiality assessments.	Our supplier engagement model is based on a partnership approach where we work with our suppliers to design and produce quality products at an affordable price for our customers.
Shareholders	Our ambition, strategy and execution generate substantial shareholder value. With high margins, strong cash conversion and a robust balance sheet, we can invest to drive future growth through store expansion in new and existing markets and strategic initiatives that enhance our share of customer spend, while also returning surplus cash through annual dividends, share buybacks and special dividends, as appropriate.	Investor presentations, meetings and conferences which provide an opportunity for discussion and feedback; materiality assessments.	We regularly engage with existing and potential investors, for example hosting a Capital Markets Day in March 2025 and presenting our refined business strategy update, including our sustainability strategy. The insights and expectations of our shareholders help shape our responsible business practices and inform value-driven decision-making.
Environment and communities	As a large multinational retailer, we recognise our responsibility to manage our impacts on the environment and create products for customers that are responsibly sourced. Pepco is committed to supporting the communities in which we operate. Our core customers are families on a budget and we work to ensure that every child, especially those that are most vulnerable, has what they need to thrive through initiatives such as back-to-school vouchers or free school supply packs.	Engagement with environmental and community focused NGOs and through our Corporate Social Responsibility teams; materiality assessments.	Our environmental and social engagement covers a range of activities including through our memberships, association and accreditations with both international and local programmes including Better Cotton Initiative and the Responsible Business Forum Poland.

Our material impacts, risks and opportunities

SBM-3

A summary of our material IROs is set-out below. The detailed ESRS-aligned analysis of the resilience of our strategy and business model to these IROs has not yet been carried out. In the reporting year, these risks and opportunities did not lead to any changes to our overall strategy or business model. They also did not result in any material financial effects on our financial position, performance or cash flows.

Material topic	Impacts, risks and opportunities	Description	Where in the value chain?	Time horizon	Key policies	Key actions	Targets
E1: Climate change							
Climate change	Actual negative impact	Negative impact from GHG emissions in our operations and our value chain on the environment.	⦿▲▼	S M L	• Environment Policy • Supplier Code of Ethics (environmental considerations)	FY25 focus: • Energy efficiency initiatives within our own operations • Switching to renewable energy within our own operations Future focus areas: • Green logistics and transportation • Product-related carbon impacts • Supply chain emissions	• Reduce Scope 1 & 2 GHG emissions by 50% by 2030* • Reduce Scope 3 GHG emissions by 25% by 2035* * Against FY24 baseline year
	Physical risk	Changing climate and the impact of extreme weather events damaging or disrupting the Group's operations or those of its supply chain, leading to increased financial costs.	⦿▲	M L			
	Transition risk	Climate change, resource scarcity and sourcing complexity leading to increased operational costs.	⦿▲	M L			
Energy	Transition risk	Energy price fluctuations as a result of climate change and geopolitical uncertainty.	⦿▲	S M L	• No specific policy aligned to IRO		

Time horizon S Short-term M Medium-term L Long-term **Value chain** ▲ Upstream ⦿ Own operations ▼ Downstream

Material topic	Impacts, risks and opportunities	Description	Where in the value chain?	Time horizon	Key policies	Key actions	Targets
S1: Own workforce							
Health and safety	Potential negative impact	Work-related health and safety incidents can lead to injury, disability and mortality.	⦿	S M L	Health and Safety Policy	FY25 focus: • Launch of Health and Safety Policy Future focus areas: • Strengthen Health and Safety through expanded guidance, audits, unified reporting, and employee feedback to build a safer, more resilient workplace	N/A[1]
Working time	Risk	Unpredictable working patterns risk undermining wellbeing, causing absenteeism and turnover, and reducing ability to attract and retain retail talent.	⦿	S M L	N/A	Future focus areas: • Developing Pepco Group Working Time Policy • Continued roll-out of electronic time tracking with clock-in/out functions • Local monitoring and management oversight	N/A[1]
Secure employment	Risk	Overreliance on temporary contracts risks lower engagement and productivity and higher turnover costs.	⦿	S M L	N/A	Future focus areas: • Develop Group Secure Employment Policy	N/A[1]
Adequate wages	Risk	Insufficient pay may reduce Pepco Group's ability to attract and retain talent, while ensuring adequate wages support workforce stability and mitigate operational risk.	⦿	S M L	Global Pay Guidelines	FY25 focus: • Consistent use of external benchmarking and stable annual salary review processes • Launch of Global Pay Guidelines Future focus areas: • Developing indicators related to adequate wages	N/A[1]

1. Although we do not currently set targets for most S1 topics we intend to review this in the future. Please see S1 section for more details.

Time horizon (S) Short-term (M) Medium-term (L) Long-term **Value chain** ▲ Upstream ⦿ Own operations ▼ Downstream

Material topic	Impacts, risks and opportunities	Description	Where in the value chain?	Time horizon	Key policies	Key actions	Targets
S1: Own workforce							
Gender equality	Risk	Reduced talent attraction and retention due to insufficient gender diversity and unequal opportunities for progression and pay amongst the Group's female employees.	⦿	S M L	Global Pay Guidelines	FY25 focus: • Launch of Global Pay Guidelines Future focus areas: • Launch mentorship programme, integrate DEI policy Group-wide	40% women in senior positions by 2030
Measures against violence and harassment	Risk	Operational disruption, increased attrition and potential litigation due to violence or harassment in the workplace resulting in employee harm and distress.	⦿	S M L	Difficult Case Procedure	FY25 focus: • Centralised case tracking via Safecall, and updated Difficult Case Procedure for Pepco. • Poundland entity-specific colleague safety programme Future focus areas: • Training for colleagues on violence and harassment prevention	N/A[1]
Forced and child labour	Potential negative impact Risk	Forced and child labour breaches fundamental human rights and undermines people's wellbeing, creating a material impact. Such incidents also expose the Company to significant risks, including reputational damage, investor divestment, regulatory penalties, and litigation.	⦿	S M L	Human Rights Policy	FY25 focus: • Localised right-to-work verification procedures • Group-wide rollout of whistleblowing and grievance mechanisms Future focus areas: • Use of HR systems and payroll providers to verify age and legal working status	N/A[1]

1. Although we do not currently set targets for most S1 topics we intend to review this in the future. Please see S1 section for more details.

Time horizon (S) Short-term (M) Medium-term (L) Long-term **Value chain** ▲ Upstream ⦿ Own operations ▼ Downstream

Material topic	Impacts, risks and opportunities	Description	Where in the value chain?	Time horizon	Key policies	Key actions	Targets
S2: Workers in the value chain							
Child and forced labour	Potential negative impact	Incidents of forced and child labour violate human rights and wellbeing.	▲	S M L	• Supplier Code of Ethics • Child Labour Policy • Factory Audit Policy	• Supplier screening, risk assessment and onboarding • Factory audits • Supplier training programmes	• 100% of Pepco own-brand products sourced through our PGS sourcing arm are made in Category 1-3 factories • 100% of factories are audited against our annual supplier factory audit plan
	Risk	Pepco Group's exposure to this through the value chain may result in significant reputational damage, fines and litigation.					
Measures against violence and harassment	Potential negative impact	Workplace violence and harassment in supplier and factory settings violates human rights and wellbeing.	▲	S M L			
	Risk	Incidents in the value chain could pose risks including reputational damage, investor divestment, fines and litigation.					
Health and safety	Potential negative impact	Health and safety incidents result in value chain worker injury, particularly where significant volumes of goods are stored or heavy machinery is operated.	▲	S M L			

Time horizon (S) Short-term (M) Medium-term (L) Long-term **Value chain** ▲ Upstream ● Own operations ▼ Downstream

Material topic	Impacts, risks and opportunities	Description	Where in the value chain?	Time horizon	Key policies	Key actions	Targets
G1: Business conduct							
Corruption and bribery	Risk	Fines, litigation and reputational damage due to inadequate due diligence and anti-bribery controls, leading to exposure to unethical practices that may also affect product quality and cost.	⦿	S M L	• Anti-bribery Policy • Whistleblowing Policy • Code of Ethics • Supplier Code of Ethics • Conflict of Interest Policy • Gifts and Hospitality Policy	• Anti-bribery and corruption risk mapping exercises • Anti-bribery and corruption and whistleblowing training programmes	N/A[1]
Protection of whistleblowers	Risk	Increased litigation, reputational damage, and reduced employee morale due to inadequate whistleblower protection or channels, allowing ethical or legal breaches to go unreported and harming whistleblower wellbeing	⦿ ▲	S M L			
Management of relationship with suppliers	Risk	Fines, litigation and reputational damage due to inadequate due diligence and management practices, leading to exposure to ethical breaches such as unclear supplier ownership.	⦿ ▲	S M L			

1. Due to the nature of material topics the Group has not set targets in relation to G1: Business Conduct topics

Time horizon S Short-term M Medium-term L Long-term **Value chain** ▲ Upstream ⦿ Own operations ▼ Downstream

Conducting our double materiality assessment

IRO-1, IRO-2

In order to identify and prioritise sustainability matters along our value chain, in FY25 we completed our first ESRS-aligned double materiality assessment (DMA). In completing this assessment we built on our previous materiality approach, enhancing our stakeholder analysis and aligning to ESRS requirements.

The DMA takes both impact and financial materiality into account:

- Impact materiality: the impact of the Pepco Group outwards on society and the environment
- Financial materiality: the sustainability-related risks or opportunities that could reasonably be expected to affect the Company's financial performance, cash flows or enterprise value

Due diligence is an on-going practice that responds to and may trigger changes in the Company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The DMA process requires the Company to make key judgements and use thresholds. Therefore, the Sustainability Statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder group may consider important in its own particular assessment.

Description of the processes to identify and assess material impacts, risks and opportunities

Our DMA comprised four stages:

1. Identification

- **Value chain mapping and landscape review** – A review of activities across the Pepco Group value chain, considering upstream, downstream and own operations across all retail brands and geographies.
- **Identification and scoping of relevant impacts, risks and opportunities** – Using the outputs from the value chain mapping and landscape review, as well as peer review, input from key stakeholders and existing corporate risk assessments, impacts, risks and opportunities were identified and scoped.
- **Stakeholder engagement** – Internal and external stakeholders from across the value chain were consulted on the relevant topics. Stakeholders provided coverage and insight across Pepco Group retail brands, geographies and specific operations within the Company, as well as across the value chain. Where engagement with a specific type of stakeholder was not possible this year, we conducted proxy research and used outputs from previous stakeholder engagement. We used existing engagement to provide insight for consumers, suppliers, value chain workers and affected communities as we were unable to carry out new engagement in the time frame required. We recognise that such proxy research has limitations and intend to extend our direct engagement with these stakeholder groups in the future.

  Stakeholder engagement also considered the dependency of Pepco Group's business on human, natural and social resources at appropriate prices and quality. Considerations on the subject were specifically included across stakeholder engagement insights conversations, and informed identification and scoring of impacts, risks and opportunities.

  We plan to keep an open dialogue with stakeholders engaged throughout the process to continue to incorporate their views and expectations. The insights gained from the DMA will continue to inform our internal processes and approach to ESG.

2. Assessment and prioritisation

- **Assessment** – Our assessment included consideration of both impact and financial materiality. The impact assessment considered both positive and negative impacts as well as actual and potential impacts, over three timeframes (short-, medium-, and long-term). Impact materiality was assessed against the criteria of scale, extent, irreversibility (assessed for negative impacts) and likelihood (assessed for potential impacts) against a rating scale of 1 to 5, while financial materiality was assessed against the criteria of financial magnitude on a rating scale of 1 to 5, aligning to our internal corporate risk framework, and probability.
- In line with ESRS guidance, for human rights topics scoring "severity" takes precedence over "likelihood". For this reason, when considering a score for impacts related to human rights, "likelihood" scores were not considered when calculating the average score.
- **Materiality thresholds** – Thresholds for impact materiality and financial materiality were set independently by a group of key stakeholders and reviewed by the ESG Executive Committee. Topics scoring above either threshold were defined as material and mapped to the relevant topical ESRS standard.

3. Validation

A summary of the analysis and key outputs were reviewed and validated by the ESG Executive Committee and other key internal stakeholders including finance, risk and sustainability representatives.

4. Monitoring and reporting

The DMA process and outcomes were reviewed by the Audit Committee during the reporting period. The material impacts, risks and opportunities identified through the process and corresponding material topics will be monitored through the ESG Executive Committee at least once a year, with a full reassessment of the DMA every three years, in line with ESRS guidance. The policies, actions and targets associated with the material topics identified and our monitoring process to assess effectiveness of strategies are explained further in each of the topical sections of the Sustainability Statements. The material topics identified in the process have also been aligned with the ESG risk category within our ERM framework and will be incorporated into our risk assurance framework as it is rolled out in FY26.

No entity-specific material topics were identified as part of the DMA. However, two entity-specific metrics were mapped to a material IRO related to ESRS S2 (Workers in the value chain).

Environment

E1: Climate change

MATERIAL TOPICS:

- Climate change
- Energy

KEY POLICIES:

- Environment Policy
- Supplier Code of Ethics (environmental considerations)

KEY TARGETS:

- Reduce Scope 1 & 2 carbon emissions by 50% by 2030 *
- Reduce Scope 3 carbon emissions by 25% by 2035 *

* Against FY24 baseline year

KEY ACTIONS:

FY25 focus:

- Energy efficiency initiatives within our own operations
- Switching to renewable energy within our own operations

Future focus areas:

- Green logistics and transportation
- Product-related carbon impacts
- Supply chain emissions

Material impacts, risks and opportunities

SBM-3

Climate change negatively affects the health and safety of people worldwide, with over half of the global population living in vulnerable areas. Increasing extreme weather events and record temperatures underline the urgent need for action on climate change, therefore we are committed to reducing emissions both within our own operations and throughout our value chain, addressing this collaboratively with our various stakeholder groups.

The Group's end-to-end value chain activities – up and downstream of our business – have impacts on climate change. Through our DMA, we identified impacts and/or risks relating to climate change mitigation, adaptation, and energy. For further details please refer to section IRO 1 of ESRS 2, "Conducting our double materiality assessment". Our activities generate greenhouse gas (GHG) emissions through our operations, products and packaging. The main Scope 1 and 2 sources of emissions within our value chain are electricity in our stores and distribution centres as well as the fuels used in the transportation of goods. Indirect or Scope 3 emissions are principally generated by the raw materials and manufacturing of the products we source and sell, and to a lesser extent the inbound and outbound transport of those products.

Transition plan for climate change mitigation

E1-1

To take action on climate change, we have developed targets to reduce Scope 1 and 2 carbon emissions by 50% by 2030 and Scope 3 carbon emissions by 25% by 2035. Both goals are absolute targets with an FY24 baseline year[1].

We also have a long-term ambition to achieve net zero across all scopes by 2050. We have not yet adopted a complete climate transition plan that meets all the elements required by the ESRS. We continue to develop such a plan and aim to agree and finalise the actions required in the coming years. When this climate transition plan work is complete we intend to formalise our net zero 2050 ambition into a target.

Although we do not currently utilise carbon credits or removals, we may evaluate their use in the future to support achievement of our 2050 net zero ambition, limited to neutralising residual emissions once all feasible reduction measures have been implemented.

Our intention is to ensure alignment with the limiting of global warming to 1.5°C in line with the Paris Agreement through using the Science-Based Targets initiative (SBTi) assessment process, but we have not yet completed this work. Pepco Group is not excluded from EU Paris-aligned Benchmarks.

IRO-1

The process of assessing our climate-related impacts, risks and opportunities started with our FY25 DMA and GHG inventory covering Scope 1, 2 and 3 emissions. Compilation of the inventory has enabled us to understand where we impact climate change directly and indirectly, and at which stage of the value chain. In addition to an overview of the sources and types of emissions, we also break down the data by brands and markets. Analysis of the GHG inventory provides a starting point for understanding our key challenges and identifying the levers of our decarbonisation plan.

As we have not yet completed an ESRS-aligned climate transition plan, resilience plan or scenario analysis, we are not yet able to quantify climate-related physical or transition risks or the levers within our decarbonisation plan (see Actions section on page 115).

1. The calculation method for targets aligns with how GHG emissions are reported under E1-6.

Topic	Impact or risk	Description	Where in the value chain?	Time horizon
Climate change	Actual negative impact	Negative impact from GHG emissions in our operations and our value chain on the environment.	Own operations, Value chain (Upstream & Downstream)	Short, Medium, Long-term
	Physical risk	Changing climate and the impact of extreme weather events damaging or disrupting the Group's operations or those of its supply chain, leading to increased financial costs.	Own operations, Value chain (Upstream)	Medium, Long-term
	Transition risk	Climate change, resource scarcity and sourcing complexity leading to increased operational costs.	Own operations, Value chain (Upstream)	Medium, Long-term
Energy	Transition risk	Energy price fluctuations as a result of climate change and geopolitical uncertainty.	Own operations, Value chain (Upstream)	Short, Medium, Long-term

Climate action as part of our business strategy

SBM-3

Our sustainability strategy "Where Growth Meets Care" has been embedded in our overall value creation plan, with our decarbonisation plan a key part of our "Value chain" pillar, including levers and actions (as detailed below). These have been discussed and approved by the ESG Executive Committee, although a resilience analysis is still to be completed.

Responsibility for progress towards decarbonisation goals lies with the Group CFO, with performance updates reported to Pepco Group's Executive Committee and Board at least annually to ensure ongoing integration of our transition plans into financial oversight and decision-making.

Policies

E1-2

We address our material climate-related impacts, risks, and opportunities through an overarching Environment Policy, which is further supported by environmental considerations for our suppliers within our Supplier Code of Ethics. These policies were developed prior to our DMA assessment. While the energy-related IRO from our DMA is not explicitly referred to in the Environment Policy, our approach to decarbonisation, and energy efficiency as a component of that, is integrated into our strategic planning processes through the decarbonisation levers and actions described below.

Environment Policy: The objective of our Environment Policy is to outline our approach to reducing our carbon footprint, sustainable resource use and environmental compliance. The detailed implementation work is managed through our sustainability strategy, for example, switching to renewable energy sources for Scope 1 and 2 GHG emissions. The way we manage and track our progress is described under each topic's targets, actions and metrics. The policy applies to all Directors, officers and employees of Pepco Group, as well as any person or company acting on behalf of the Group, whether as an associate, contractor, consultant, agent or otherwise. The policy commits us to adhering to applicable laws and regulations. The Group CFO oversees the Group's sustainability strategy and the implementation of the policy, both of which were approved at Board level, and is responsible for strategy execution, supported by senior management in the operating companies and the Group's Head of ESG.

Supplier Code of Ethics (Environmental considerations): Our Supplier Code of Ethics addresses environmental concerns as they relate to our upstream supply chain, specifically the management of environmental issues, Scope 3 carbon emissions, water and waste. It applies to all suppliers and details the minimum requirements we expect them to adhere to regarding these topics, based on both regulatory requirements and our own commitment to reduce environmental impacts. The Supplier Code of Ethics also states that suppliers must proactively work to understand and reduce their direct and indirect carbon footprint throughout their supply chains. The Group General Counsel is the most senior executive responsible for developing the Supplier Code of Ethics.

These policies will be periodically reviewed and updated, as necessary, to ensure that they remain an effective tool for the business.

Actions

E1-3

As part of our net zero ambition, we have developed a decarbonisation plan, including a series of levers and associated actions to mitigate and address our climate change and energy impacts and risks. We do not currently have a climate transition plan and have not yet completed a scenario analysis to quantify each lever's impact, but intend to progress with this work in the coming years. We monitor progress against our decarbonisation plan and emission reduction targets through regular reporting and monitoring of our emissions. As we develop our climate transition plan, scenario analysis and quantification of each lever's impact, we will also continue to develop our approach to monitoring of our progress against our targets.

Decarbonisation plan

Lever	Details	Actions
Energy efficiency	Focusing on energy efficiency has short, medium and long-term benefits in managing both climate change and energy related impacts and risks. Our first priority is reducing energy consumption in our own operations throughout our stores, distribution centres and offices (both owned and leased in each case). Using energy more efficiently addresses both negative climate change impacts and energy price fluctuation risks. Our investments in energy efficiency measures include the installation of more energy-efficient refrigerator unit doors, the continued roll-out of LED lighting in stores, distribution centres and offices, upgrades to more efficient air conditioning and heating units throughout our operations and investments in building management systems which include smart meters and other energy management tools and technologies.	FY25 actions focused on: • Installation of energy-efficient doors on in-store refrigerator units in our Dealz stores. • The continued roll-out of in-store LED lighting and air conditioning equipment upgrades in Pepco.
Renewable power	In addition to improving our energy efficiency, we are increasing our purchase of renewable power across our operations through Power Purchase Agreements (PPAs) with energy providers. Where renewable power is not directly available to us in markets, we use Renewable Energy Guarantees of Origin (GOs) to support transition to renewable power generation. Increasing our purchase of renewable power addresses our climate change impacts in the short, medium and long-term through using lower carbon-emitting forms of energy and supporting national infrastructure to further move away from fossil fuels. Long-term energy supply contracts such as PPAs mitigate the risk from short-term energy price shocks. Where possible in the future, we plan to install on-site renewable energy projects such as solar panels on distribution centre roofs. As many of our stores, offices and distribution centres are leased, we will also engage with our various landlords and adapt contracts and agreements with regard to the use of renewable power.	FY25 actions focused on: • Developing a renewable energy sourcing strategy, covering all of our European markets. Several of our markets already procure renewable energy including Poland, Spain and Germany. For our operations in Poland, we have invested in GOs and a renewable energy Power Purchase Agreement (PPA) for Pepco. The PPA has also been extended to cover Dealz stores and the Dealz distribution centre in Poland.
Green logistics and transport	This lever covers both Scope 1 mobile combustion and Scope 3 business travel and upstream and downstream logistics. We plan to transition our company car fleet to lower carbon-emitting fuels and collaborate with third-party logistics providers to optimise logistics routes and transition to lower-carbon fuels, both improving efficiency and minimising emissions. Within our own operations, we aim to reduce business travel and increase fuel efficiency wherever possible.	Our future actions: • We intend to set specific targets and action plans for Scope 1 mobile combustion and Scope 3 upstream transportation to reduce carbon emissions from both logistics and employee transport.
Product-related carbon impacts	We recognise a significant portion of our carbon footprint is associated with Scope 3 Category 1: Purchased goods and services (81% of all Scope 3 emissions). Our decarbonisation plan in this area requires collaboration with our supply chain partners and covers both the materials and packaging of our products as well as the manufacturing processes.	Our future actions: • We intend to analyse the specific carbon footprints of our key products, setting more specific reduction plans for them • We plan to reduce the amount of packaging associated with our own label products and to increase the recycled content of our packaging
Supply chain emissions	Extending into our upstream value chain, we intend to further engage with our suppliers on transitioning to lower carbon products and processes.	Our future actions: • We intend to develop more specific action plans to monitor and report progress in Scope 3 decarbonisation.

Current and future allocated resources

Each of the FY25 actions identified above (investments in renewable energy and energy efficiency measures) has been implemented using budgets within individual business units. These investments are not specifically segmented in our accounting and are reported based on the general rules for financial reporting. We intend to develop our approach to tracking investments in our decarbonisation plan in a more segmented manner in the future.

Targets

E1-4

To address and mitigate our climate impact, operations across all of our markets including stores, distribution centres and offices are working towards our 2030 target to reduce carbon emissions from our operations (Scope 1 and 2) by 50%, from a FY24 baseline. For Scope 3 (value chain emissions) our target is to reduce absolute emissions by 25% by 2035 from a FY24 baseline. These targets were approved by both the ESG Executive Committee and the Board.

These climate-related targets are included in our Environment Policy and form part of our business strategy through our sustainability focus areas. The targets were developed with senior leaders and key functional groups within the business.

These targets have not yet been assessed by the SBTi for alignment to limiting global temperature rises to 1.5 degrees Celsius.

We have established the following FY24 baselines against which to measure future progress:

	Unit	FY24 baseline year data	% of total
Scope 1 GHG emissions	tCO_2e	20,477	1%
Scope 2 GHG emissions	tCO_2e	129,099	4%
Scope 3 GHG emissions	tCO_2e	2,944,536	95%

Consistency between GHG emission reduction targets and GHG inventory boundaries is ensured by using recognised protocols, defining clear boundaries, and transparently reporting emissions data. Pepco Group uses the Greenhouse Gas Protocol for GHG emissions accounting, which helps ensure consistency.

We set our baseline for carbon emissions reporting in FY24. At the time of setting the baseline data, the activities of the Group – a retailer, sourcing and selling products – had been broadly consistent for more than three years. Store growth had been on a continued and consistent pattern and there were no significant structural changes that influenced our baseline year. Our carbon emission targets were developed in FY24 and as such use FY24 as a baseline year.

In FY25 the Group announced the completed sale of its Poundland operating unit. FY25 carbon emissions metrics include data related to the Poundland operating unit up to the disposal date of 12 June 2025. We expect to revise our baseline values in FY26 following the disposal of Poundland.

Accounting policies

The absolute GHG emissions in our targets and baselines include Scope 1 and 2 (market-based) GHG emissions and Scope 3 GHG emissions associated with the Pepco Group (specifically from procurement, production and distribution of Pepco Group products)[1].

Due to the availability of data at the time of setting our baselines, we have not included Scope 3 Categories 11 (use of sold products) and 12 (end-of-life treatment of sold products) in FY24 baseline data. These categories are included in FY25 data reporting and will be included in the future when re-baselining.

For more information on the accounting policies which underpin Scope 1, 2 and 3 GHG emissions reporting see accounting policies sections on page 119.

A higher degree of measurement uncertainty is present in the spend-based input data related to Scope 3 in particular.

Performance against targets

As this is our first year of CSRD reporting, our prior year (and baseline year) data has not been included in the scope of our Sustainability Statements and audit. We are therefore not reporting detailed information regarding performance against targets and year-on-year progress.

Target	Unit	FY25 result
Scope 1 & 2 GHG emissions	tCO_2e	89,876
Scope 3 GHG emissions	tCO_2e	2,240,252

1. Scope 3 Categories 1, 3, 4, 5 and 6 are included in our targets and baseline data, in line with our Scope 3 emissions reporting approach. Scope 3 Categories 2, 7, 8, 9, 10, 13, 14 and 15 are not applicable or significant to the Pepco Group and are therefore excluded, also in line with our Scope 3 emissions reporting approach. For information on the accounting policies which underpin Scope 3 GHG emissions reporting, see the relevant accounting policy section.
Due to the availability of data at the time of setting our baselines and targets, we have not included Scope 3 Categories 11 and 12 in our targets or baseline data. These categories are included in FY25 emissions reporting and will be included in the future when re-baselining.

Energy consumption

E1-5

Description	Unit	Pepco Group excluding Poundland	Poundland (up to 12 June exit date)	Pepco Group including Poundland
Total energy consumption related to own operations	MWh	261,231	106,326	367,557
Total energy consumption from fossil sources	MWh	142,893	33,991	176,885
Total energy consumption from nuclear sources	MWh	29,971	279	30,249
Percentage of energy consumption from nuclear sources in total energy consumption	%	11.5	0.3	8.2
Total energy consumption from renewable sources	MWh	88,367	72,056	160,423
Fuel consumption from renewable sources	MWh	630	8,997	9,627
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	87,712	63,059	150,771
Consumption of self-generated non-fuel renewable energy	MWh	63,059	Nil	25
Percentage of renewable sources in total energy consumption	%	33.8	67.8	43.6
Fuel consumption from coal and coal products	MWh	Nil	Nil	Nil
Fuel consumption from crude oil and petroleum products	MWh	15,691	31,645	47,336
Fuel consumption from natural gas	MWh	8,924	1,515	10,439
Fuel consumption from other fossil sources	MWh	2,477	Nil	2,477
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	115,801	831	116,633
Percentage of fossil sources in total energy consumption	%	54.7	32.0	48.1
Non-renewable energy production	MWh	14,862	1,515	16,377
Renewable energy production	MWh	25	Nil	25

Accounting policies

Total energy consumption related to own operations includes fuel consumption at sites (stores, distribution centres and offices), fuel consumption in owned and leased vehicles, and consumption of purchased energy (electricity, heat and cooling). The Pepco Group obtains Guarantees of Origin (GO) and Power Purchase Agreements (PPAs) to source its renewable electricity.

Description	Unit	Pepco Group excluding Poundland[1]
Total energy consumption from activities in high climate impact sectors	MWh	261,231
Net revenue used to calculate energy intensity	EUR 000s	4,523,463
Energy intensity from activities in high climate impact sectors	MWh/EUR m	57.8

Accounting policies

For energy intensity, the total energy consumption is divided by total net revenue. All revenue generating activities are either directly related to retail activities or support that objective, which is considered a high climate impact sector. Therefore, there is no difference in scope compared to total energy consumption and total net revenue. The figure for total net revenue can be found in the financial statements, income statement, page 41.

1. An energy intensity metric of 57.8 MWh/EUR m is disclosed for the Pepco Group excluding Poundland. In addition, an energy intensity metric of 81.3 MWh/EUR m is disclosed for the Pepco Group including Poundland, which reflects total energy consumption for Pepco, Dealz, and Poundland (up to the 12 June 2025 Poundland sale date), in accordance with ESRS E1-5 paragraph 37. This total energy consumption is divided by the Pepco Group revenue for continuing operations (excluding Poundland), as presented in the financial statements, in line with ESRS E1-5 paragraph 43.

GHG emissions

E1-6, E1-8

Description	Unit	Pepco Group excluding Poundland	Poundland (up to 12 June exit date)	Pepco Group including Poundland
Scope 1 GHG emissions				
Gross Scope 1 greenhouse gas emissions[1]	tCO_2e	7,068	8,852	15,920
Scope 2 GHG emissions				
Gross location-based Scope 2 greenhouse gas emissions	tCO_2e	94,183	13,490	107,673
Gross market-based Scope 2 greenhouse gas emissions	tCO_2e	73,508	449	73,956
Significant Scope 3 GHG emissions				
Gross Scope 3 greenhouse gas emissions	tCO_2e	1,933,125	307,126	2,240,252
Category 1: Purchased goods and services	tCO_2e	1,562,976	251,776	1814,751
Category 2: Capital goods	tCO_2e	Not applicable	Not applicable	Not applicable
Category 3: Fuel and energy-related activities	tCO_2e	24,897	6,787	31,683
Category 4: Upstream transportation and distribution	tCO_2e	101,532	10,444	111,976
Category 5: Waste generated in operations	tCO_2e	5,448	170	5,618
Category 6: Business travel	tCO_2e	879	234	1,113
Category 7: Employee commuting	tCO_2e	Not applicable	Not applicable	Not applicable
Category 8: Upstream leased assets	tCO_2e	Not applicable	Not applicable	Not applicable
Category 9: Downstream transportation and distribution	tCO_2e	Not applicable	Not applicable	Not applicable
Category 10: Processing of sold products	tCO_2e	Not applicable	Not applicable	Not applicable
Category 11: Use of sold products	tCO_2e	221,150	35,136	256,285
Category 12: End-of-life treatment of sold products	tCO_2e	16,244	2,581	18,825
Category 13: Downstream leased assets	tCO_2e	Not applicable	Not applicable	Not applicable
Category 14: Franchises	tCO_2e	Not applicable	Not applicable	Not applicable
Category 15: Investments	tCO_2e	Not applicable	Not applicable	Not applicable
Total GHG emissions				
Total GHG emissions location-based	tCO_2e	2,034,377	329,468	2,363,845
Total GHG emissions market-based	tCO_2e	2,013,701	316,427	2,330,128

The Pepco Group does not use carbon credits or removals and does not use internal carbon pricing.

1. 0% of Scope 1 greenhouse gas emissions are from regulated emission trading schemes.

Accounting policies

Scope 1 GHG emissions include all direct GHG emissions from energy consumption, purchased CO_2 and the use of refrigerants in own operations, calculated in line with the GHG Protocol. Energy consumption includes all direct energy sources (oil, natural gas and biogas) at owned and leased sites (stores, distribution centres and offices) or by vehicles. GHG emissions are calculated as energy consumption multiplied by relevant emission factors which are detailed further in Appendix 2.

Scope 2 GHG emissions include indirect GHG emissions from the generation of electricity and heat purchased and consumed, calculated in line with the GHG Protocol. Both location- and market-based GHG emissions are calculated by multiplying the amount of energy purchased by country-specific emission factors which are detailed further in Appendix 2. Market-based emissions take into account renewable electricity purchased through PPAs or GOs.

Scope 3 GHG emissions include indirect GHG emissions from operations in the value chain, covering both upstream and downstream activities. Scope 3 GHG emissions are calculated following the GHG Protocol Corporate Value Chain (Scope 3) Standard. Further details of the emission factors applied are detailed in Appendix 2.

Pepco Group does not report on Scope 3 emissions in Categories 2 (Capital expenditure on equipment, buildings, facilities and vehicles with an extended life), 7 (Employee commuting and working from home, 8 (Upstream leased assets), 9 (Downstream leased assets), 10 (Processing of sold products), 13 (Downstream leased assets), 14 (Franchises) and 15 (Investments), since these activities are not applicable or significant to Pepco Group.

A higher degree of measurement uncertainty is present in the spend-based input data for Scope 3 emissions.

The accounting policies for the categories in scope are further described below.

Category 1: upstream GHG emissions related to the manufacturing and processing of purchased goods and materials including textile, footwear and general merchandise production and packaging materials. The GHG emissions are calculated based on spend reports and emission factors by product category.

Category 3: upstream well-to-tank (WTT) GHG emissions related to fuel consumed and energy purchased (as included in Scope 1 and 2). The GHG emissions are calculated based activity data from logistics partners.

Category 4: lifecycle GHG emissions related to the inbound transportation of materials and packaging materials and third-party distribution. The GHG emissions are calculated based on activity data from logistics partners.

Category 5: downstream GHG emissions related to the external waste treatment of waste generated in Pepco Group stores, distribution centres and offices. The GHG emissions are calculated based on waste weight data and emission factors.

Category 6: business-related travel activities of employees paid for by Pepco Group, including third-party transportation services, reimbursed transport in employees' own vehicles (mileage allowance), and reimbursed accommodation and meals during travel. The GHG emissions are calculated based on travel expense reports and emission factors by mode.

Category 11 and 12 emissions have been calculated on the basis set-out below for the Pepco operating unit. Category 11 and 12 emissions for Poundland and Dealz have been estimated based on the relative size of Category 11 and 12 emissions vs total Scope 3 emissions in Pepco.

Category 11: use of sold products including emissions from the use phase of electrical and rechargeable products sold by the Company. The GHG emissions are calculated based on sales data, third-party estimates of product lifetime and usage patterns and relevant emission factors.

Category 12: end-of-life treatment of sold products including emissions from the waste treatment of electrical and rechargeable products sold by the company. The GHG emissions are calculated based on sales data, third party estimates of product lifetime and disposal patterns and relevant emission factors.

For more information on the applied emission factors for Scope 1-3 GHG emissions, please see Appendix 2.

In FY25, the majority of our Scope 3 GHG emissions have been calculated using spend data versus primary data. In FY25 we started contacting key suppliers to prepare them to report carbon emissions to us. In FY26 we expect to include further activity-based emissions data in our Scope 3 Category 1 reporting.

Energy and GHG intensity

Description	Unit	Pepco Group excluding Poundland[1]
Total GHG emissions intensity location-based	tCO_2e/EUR m	449.7
Total GHG emissions intensity market-based	tCO_2e/EUR m	445.2

Description	Unit	Pepco Group excluding Poundland[1]
Net revenue used to calculate GHG intensity	EUR m	4,523
Net revenue (other)	EUR m	Nil
Total net revenue (in financial statements)	EUR m	4,523

1. As required under ESRS E1, GHG emissions intensity metrics of 449.7 tCO_2e/EUR m and 445.2 tCO_2e/EUR m on a location-based and market-based methodology respectively are disclosed for the Pepco Group excluding Poundland. In addition, GHG emissions intensity metrics of 522.6 tCO_2e/EUR m and 515.1 tCO_2e/EUR m are disclosed for the Pepco Group including Poundland on a location-based and market-based methodology respectively, which reflects total GHG emissions for Pepco, Dealz, and Poundland (up to Poundland's exit date), in accordance with ESRS E1-6 paragraph 44. Total GHG emissions for Pepco, Dealz and Poundland are divided by Pepco Group revenue for continuing operations (excluding Poundland), as presented in the financial statements, in line with ESRS E1-6 paragraphs 53-55.

Biogenic emissions

Description	Unit	Pepco Group excluding Poundland	Poundland (up to 12 June exit date)	Pepco Group including Poundland
Biogenic emissions not included in Scope 1 GHG emissions	tCO_2e	193	2,022	2,215
Biogenic emissions not included in Scope 2 GHG emissions	tCO_2e	1,872	185	2,056
Biogenic emissions of CO_2 not included in Scope 3 GHG emissions	tCO_2e	10,128	122	10,249

Contractual instruments

Description	Unit	Pepco Group excluding Poundland	Poundland (up to 12 June exit date)	Pepco Group including Poundland
Share of Scope 2 GHG emissions covered by contractual instruments	%	33.4	97.1	47.2
Share of Scope 2 GHG emissions covered by energy attribute certificates (unbundled)	%	22.9	97.1	38.9
Share of Scope 2 GHG emissions covered by power purchase agreements (bundled)	%	10.5	0.0	8.3

Accounting policies

To calculate GHG intensity, we divide gross Scope 1, 2 and 3 GHG emissions by total net revenue, calculated for both market- and location-based emissions. The figure for total net revenue can be found in the financial statements, income statement, page 41.

Biogenic emissions not included in Scope 1 include: CO_2 emissions from the combustion of biomass, biofuels and biogas in stores, DCs and head offices. Biogenic emissions not included in Scope 2 include CO_2 emissions from purchased district heating where the energy source is biomass. Biogenic emissions not included in Scope 3 include CO_2 emissions from suppliers using biomass, biogas or biofuel to produce materials, biofuel use in inbound and outbound transportation and distribution and landfill emissions from the end of life of biological packaging materials (e.g. cardboard). All biogenic emissions are calculated in line with the GHG Protocol and by multiplying the input data by the relevant emission factors.

Contractual instruments are the sum of purchased energy bundled with attributes about energy generation (PPAs) and energy purchased from unbundled energy attribute certificates (EACs) divided by total energy consumption.

EU Taxonomy

Eligibility assessment

Due to the core business of the Pepco Group, the retail of apparel and general merchandise goods, falling out of scope of the Taxonomy, we report no turnover-generating Taxonomy-eligible activities in FY25.

According to the NACE-code framework, the Pepco Group's main activity, sale of goods as a variety discount retailer, is considered under the economic activities 47.11 "Retail sale in non-specialised stores with food, beverages or tobacco predominating", 47.19 "Retail of sale of clothing in specialised stores" and 47.71 "Other retail sale in non-specialised stores". These economic activities have not been adopted by the EU Taxonomy and are therefore non-eligible. The Group's turnover relates solely to these economic activities groups and therefore as in previous years we report no turnover-generating Taxonomy-eligible activities in FY25.

The climate change mitigation objective of the Taxonomy is relevant to the Pepco Group in relation to the following activities: 5.5 Collection and transport of non-hazardous waste in source segregated fractions, 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, 7.2 Renovation of existing buildings, 7.3 Installation, maintenance and repair of energy efficiency equipment, 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings, and 7.7 Acquisition and ownership of buildings (including building leases).

An assessment of our Capex against these economic activities recognises an eligibility of 87%. An assessment of our Opex recognises an eligibility of 1%.

In FY25, Pepco enhanced the granularity of its eligibility assessment. This closer alignment with financial accounting schedules and the more detailed evaluation of Capex and Opex resulted in an increase in eligibility percentages compared to FY24. These changes reflect methodological refinements rather than any material operational changes affecting eligibility.

Taxonomy alignment

The Taxonomy alignment assessment requires a thorough review of the criteria related to substantial contribution, "do no significant harm" (DNSH) and minimum safeguards. To perform a Taxonomy alignment assessment, a Taxonomy-aligned climate risk assessment must be completed. Due to the current availability of information, the Group has not yet completed this assessment and therefore it is not possible to conclude that any Taxonomy-eligible activities meet the alignment criteria. As a result we report 0% alignment for our Capex and Opex.



Accounting policies

Turnover
The turnover measure comprises the net revenue line items from the consolidated income statement. All of our revenue is derived from the sale of clothing and general merchandise. These revenue streams are currently non-eligible according to the Taxonomy Regulation.

Capex
The Taxonomy definition of Capex results in a total value of €403m (the denominator of the Capex KPI). The denominator contains, in accordance with the definition of the Taxonomy and as disclosed in this report, additions to buildings, technical equipment and machinery, other equipment, furniture and fixtures, right-of-use assets, and other intangible assets, before depreciation, amortisation, and remeasurements.

To calculate the numerator of the Capex KPI, we analysed the additions in relation to the identified eligible activities as described below.

Most of the eligible Capex in FY25 (73%) relates to building leases for our stores, distribution centres and head offices (allocated to CCM 7.7).

Amounts reported under CCM 7.2 Renovation of existing buildings comprise 12% of eligible Capex and represent all investment in shops and distribution centres to refit, enlarge and refurbish assets. All construction and engineering works related to our store investment which is not captured in CCM 7.7 is included within CCM 7.2

In addition 2% of eligible Capex is reported under CCM 7.3, Installation, maintenance and repair of energy efficiency equipment. This relates to installation of energy-efficient LED lighting and air conditioning units.

Amounts reported under CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, CCM 5.5 Collection and transport of non-hazardous waste in source-segregated fractions, and CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings each comprise 1% of eligible Capex, reflecting the limited investments in these categories.

Opex
The Taxonomy definition of Opex results in a total value of €208m (the denominator of the Opex KPI).

The denominator shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

To calculate the numerator of the Opex KPI, we analysed expenditure in relation to identified eligible activities. Amounts reported under CCM 5.5 Collection and transport of non-hazardous waste in source segregated fractions comprise 1% of eligible Opex and represent expenditure on waste segregation equipment in distribution centres in Dealz.

Poundland sale
The Group completed the disposal of Poundland on 12 June 2025. In the FY25 financial statements, Poundland is presented as a discontinued operation, and no associated turnover or operating expenditure is recognised in the Group Income Statement. Accordingly, revenue and operating expenditure relating to Poundland are excluded from the Group's EU Taxonomy disclosures for the year.

In accordance with the Taxonomy Regulation, capital additions to tangible and intangible assets during the reporting period must be included in the Group's Capex reporting. This requirement extends to capital expenditure incurred in relation to Poundland up to the date of disposal (12 June 2025), which is also reported within Note 1.3 on page 167. As such, Capex additions relating to Poundland up to the disposal date are included in the Group's EU Taxonomy Capex reporting.

Uncertainties related to the Capex taxonomy disclosure related to the former Poundland segment
Due to the sale of Poundland on 12 June 2025, the Board no longer has direct access and control over Poundland management, the finance team or operational processes. The reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) include KPIs related to group capital expenditure (Capex KPIs) for which the denominator and numerator include additions based on IFRS 16 Leases paragraph 53 (h). In this group capital expenditure figures, the Poundland figures are integrated that, may exclude required adjustments for IFRS 16 lessee accounting. The Board is not able to require Poundland to undertake the extensive recalculations, system reconfiguration of the IFRS 16 tool, and data extraction work that would be necessary to investigate any required adjustment to the Capex disclosure. Further information has been provided in note 1.29 in the Group consolidated financial statements on page 177. As a result, the Board was unable to obtain sufficient appropriate information on the adjustments, if any, to the Capex KPIs, including the required disclosures under Article 8(2) of Regulation (EU) 2020/852 (Taxonomy Regulation), for additions relating to the former Poundland segment for the period from 1 October 2024 to 12 June 2025.

Turnover

Economic activities (1)	Code (2)	FY25 Turnover (3)	FY25 Proportion of Turnover (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Do Not Significant Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned or eligible proportion of turnover, FY24 (18)	Enabling activity (19)	Transitional activity (20)
		Millions EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
A.1. Turnover of environmentally sustainable activities (Taxonomy-aligned)		0	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	**E**	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								**0%**		
A. Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A1 + A2)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**4,523**	**100%**																
Total (A+B)		**4,523**	**100%**																

Capex

Economic activities (1)	Code (2)	FY25 Capex (3)	FY25 Proportion of Capex (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Do Not Significant Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned or eligible proportion of Capex, FY24 (18)	Enabling activity (19)	Transitional activity (20)
		Millions EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
A.1. Capex of environmentally sustainable activities (Taxonomy-aligned)		0	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	**E**	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	**0**	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**0%**		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	**1**	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**0%**		
Renovation of existing buildings	CCM 7.2	**50**	**12%**		N/EL	N/EL	N/EL	N/EL	N/EL								**0%**		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	**10**	**2%**		N/EL	N/EL	N/EL	N/EL	N/EL								**3%**		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	**1**	**0%**		N/EL	N/EL	N/EL	N/EL	N/EL								**0%**		
Acquisition and ownership of buildings	CCM 7.7	**292**	**73%**		N/EL	N/EL	N/EL	N/EL	N/EL								**0%**		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**353**	**88%**	**88%**	0%	0%	0%	0%	0%								**3%**		
A. Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A1 + A2)		**353**	**88%**	**88%**	**0%**	**0%**	**0%**	**0%**	**0%**								**3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities (B)		**50**	**12%**																
Total (A+B)		**403**	**100%**																

Opex

Economic activities (1)	Code (2)	FY25 Opex (3)	FY25 Proportion of Capex (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Do Not Significant Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned or eligible proportion of Opex, FY24 (18)	Enabling activity (19)	Transitional activity (20)
		Millions EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
A.1. Opex of environmentally sustainable activities (Taxonomy-aligned)		0	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	**E**	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	**1**	**1%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**0%**		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1**	**1%**	**1%**	0%	0%	0%	0%	0%								**0%**		
A. Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A1 + A2)		**1**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities (B)		**207**	**99%**																
Total (A+B)		**208**	**100%**																

Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

SOCIAL

S1: Own workforce

MATERIAL TOPICS:

- Health and safety
- Working time
- Secure employment
- Adequate wages
- Gender equality
- Measures against violence and harassment
- Forced and child labour

KEY POLICIES:

- Global Pay Guidelines
- Pepco Group Health & Safety Policy
- Difficult Case Procedure

KEY TARGETS:

- 40% women in senior positions by 2030

KEY ACTIONS:

FY25 focus:

- Health and Safety: Launched our Health and Safety Policy
- Adequate wages and Gender equality:
  - Launched our Global Pay Guidelines
  - Maintained annual salary reviews and benchmarks
  - Began developing a Diversity, Equity & Inclusion (DEI) workplan and continued our gender representation tracking
- Measures against violence and harassment: Launched a centralised case tracking process via our whistleblowing hotline "Safecall" and updated the Difficult Case Procedure (grievances process) in our Pepco operating unit

Future focus areas:

- Health and safety: Strengthen our health and safety processes through expanded guidance, audits, unified reporting and employee feedback to build a safer, more resilient workplace
- Secure employment and Working time: Develop a Group-wide Secure Employment Policy and a Working Time Policy
- Gender equality: Launch a mentorship programme and integrate our DEI workplan across the Group
- Adequate wages: Develop indicators for adequate wages
- Measures against violence and harassment: Develop indicators on violence and harassment resolution and launch training on violence and harassment prevention

Material topics overview

A strong, committed workforce is at the heart of Pepco Group's ability to deliver affordable products and a consistent customer experience across our markets. The wellbeing, stability, and inclusion of our people are directly linked to our operational success and long-term growth.

Through our double materiality assessment, we identified the material topics set out below. Managing these effectively helps us attract and retain top talent, mitigate operational risks, and fulfil our responsibilities as an employer.

Priority area	Impact or risk	Description	Where in the value chain?	Time horizon
Health and safety	Potential negative impact	Work-related health and safety incidents can lead to injury, morbidity, disability and mortality.	Own operations	Short, Medium, Long-term
Working time	Risk	Unpredictable working patterns risk undermining wellbeing, causing absenteeism and turnover, and reducing ability to attract and retain retail talent.	Own operations	Short, Medium, Long-term
Secure employment	Risk	Over reliance on temporary contracts risks lower engagement and productivity and higher turnover costs.	Own operations	Short, Medium, Long-term
Adequate wages	Risk	Insufficient pay may reduce Pepco Group's ability to attract and retain talent, while ensuring adequate wages support workforce stability and mitigate operational risk.	Own operations	Short, Medium, Long-term
Gender equality	Risk	Reduced talent attraction and retention due to insufficient gender diversity and unequal opportunities for progression and pay amongst the Group's female employees.	Own operations	Short, Medium, Long-term
Measures against violence and harassment	Risk	Operational disruption, increased attrition and potential litigation due to violence or harassment in the workplace resulting in employee harm and distress.	Own operations	Short, Medium, Long-term
Forced and child labour	Potential negative impact Risk	Forced and child labour breaches fundamental human rights and undermines people's wellbeing, creating a material impact. Such incidents also expose the Company to significant risks, including reputational damage, investor divestment, regulatory penalties, and litigation.	Own operations	Short, Medium, Long-term

Interaction of material workforce impacts, risks and opportunities with strategy and business model

SBM-3

How workforce impacts connect to our strategy and business model

Pepco Group's business model is built on delivering affordable products through a high-volume, value retail format, supported by an extensive store network, regional distribution centres, and centralised head office functions. Our strategy, which includes targeted network expansion, portfolio simplification, and operational efficiency, depends on a stable, skilled, and safe workforce.

The material workforce topics identified through our double materiality assessment originate from the operational demands of this model and are directly connected to our strategic objectives. Managing these topics is essential to safeguard business continuity, maintain employee engagement, and control operational costs. While risks such as working time and wage adequacy can arise in specific markets or employee groups, we have established processes – including pay benchmarking, time-tracking, and local compliance monitoring – to identify and address these issues where they occur. Other impacts, such as specific health and safety or workplace conduct cases, are typically linked to individual incidents.

Pepco Group ensures its practices comply with applicable labour and employment laws, which we consider the primary safeguard against negative impacts on employees. This includes compliance monitoring on wages, working hours, contracts and data use. Where commercial pressures arise, legal obligations take precedence and guide management decisions.

The double materiality assessment findings informed strategic adjustments, such as the introduction of several new policies and adjustments to existing policies in FY25:

- **Wage adequacy risks** led to the adoption of a Group-wide Global Pay Guideline
- **Health and safety risks** prompted the implementation of a Group-wide Health and Safety Policy
- **Workplace conduct concerns** resulted in an update to our Difficult Case Procedure within the Pepco operating unit, to strengthen accessibility, impartiality, and anti-retaliation measures

Inclusion of all materially impacted workers

Our disclosures include all Pepco Group employees, as defined by local labour regulations, across retail, distribution centres, and office functions. Non-employees, including agency workers, contractors, and individuals on civil contracts, are excluded from this disclosure in accordance with the applicable phase-in provisions.

Characteristics of employees

S1-6

At the close of FY25, the Pepco Group employed over 31,500 people[1] across more than 20 countries[2]. Our workforce comprises retail, distribution, and office colleagues, with women representing 93.5% of the total employees. We maintain a high proportion of permanent roles (72.6%), reflecting our preference for stable, long-term employment relationships.

Most of our employees work full-time (81.3%), with part-time arrangements primarily in retail operations. Our most significant workforce presence is in Poland (37.9%), followed by Romania (12.4%)[3].

Although Pepco Group expanded its operations during the reporting period, the total number of employees remained broadly stable. This reflects offsetting effects: efficiency improvements and evolving staffing models supported growth, while optimisation measures balanced overall headcount. Divestment of the Poundland operating unit during the reporting period has also impacted total Group employee numbers.

Number of employees by gender

Gender	Pepco Group excluding Poundland	Pepco Group including Poundland
Male	2,056	7,728
Female	29,526	38,199
Other	Nil	Nil
Not reported	Nil	Nil
Total employees	31,582	45,927

Number of employees in countries with 50 or more employees representing at least 10% of the total number of employees

Country	Number of employees (headcount)[3]
Poland	11,956
Romania	3,932
United Kingdom	13,036

1. Headcount basis.
2. The Pepco Group operates in stores across 18 countries in Central, Eastern and Western Europe as well as through an Asian sourcing arm, with employees in over 20 countries in total.
3. In FY25 the Pepco Group including Poundland had more than 10% of its total workforce employed in each of Poland and the UK (reflecting Pepco Group excluding Poundland headcount at 30 September 2025 and Poundland operations at divestment date). All other countries employed less than 10% of the workforce on this basis. At 30 September 2025 the Pepco Group including Poundland had 37.9% of employees in Poland and 12.4% of employees in Romania (two largest countries of employment).

Information on employees by contract type and gender

S1-9

	Pepco Group excluding Poundland				
	Female	Male	Other	Not disclosed	Total
Number of employees (headcount)	29,526	2,056	Nil	Nil	31,582
Number of permanent employees (headcount)	21,284	1,637	Nil	Nil	22,921
Number of temporary employees (headcount)	8,242	419	Nil	Nil	8,661
Number of non-guaranteed employees (headcount)	Nil	Nil	Nil	Nil	Nil
Number of full-time employees (headcount)	23,903	1,763	Nil	Nil	25,666
Number of part-time employees (headcount)	5,623	293	Nil	Nil	5,916

	Pepco Group including Poundland				
	Female	Male	Other	Not disclosed	Total
Number of employees (headcount)	38,199	7,728	Nil	Nil	45,927
Number of permanent employees (headcount)	29,761	7,188	Nil	Nil	36,949
Number of temporary employees (headcount)	8,438	540	Nil	Nil	8,978
Number of non-guaranteed employees (headcount)	Nil	Nil	Nil	Nil	Nil
Number of full-time employees (headcount)	25,423	3,618	Nil	Nil	29,041
Number of part-time employees (headcount)	12,776	4,110	Nil	Nil	16,886

Gender and age distribution

	Pepco Group excluding Poundland				
	Female		Male		Total
	Headcount	%	Headcount	%	Headcount
CEO	0	0%	1	100%	1
Aged <30	0	0%	0	0%	0
Aged 30-50	0	0%	0	0%	0
Aged >50	0	0%	1	100%	1
CEO -1	1	13%	7	88%	8
Aged <30	0	0%	0	0%	0
Aged 30-50	1	20%	4	80%	5
Aged >50	0	0%	3	100%	3
CEO -2	19	61%	12	39%	31
Aged <30	0	0%	0	0%	0
Aged 30-50	13	57%	10	43%	23
Aged >50	6	75%	2	25%	8
Other Employees	29,506	94%	2037	6%	31,543
Aged <30	8,305	93%	610	7%	8,927
Aged 30-50	18,297	93%	1277	7%	19,567
Aged >50	2,903	95%	149	5%	3,048
Not disclosed	1	0%	0	0%	1

	Pepco Group including Poundland				
	Female		Male		Total
	Headcount	%	Headcount	%	Headcount
CEO	0	0%	1	100%	1
Aged <30	0	0%	0	0%	0
Aged 30-50	0	0%	0	0%	0
Aged >50	0	0%	1	100%	1
CEO -1	1	13%	7	88%	8
Aged <30	0	0%	0	0%	0
Aged 30-50	1	20%	4	80%	5
Aged >50	0	0%	3	100%	3
CEO -2	19	61%	12	39%	31
Aged <30	0	0%	0	0%	0
Aged 30-50	13	57%	10	43%	23
Aged >50	6	75%	2	25%	8
Other employees	38,179	83%	7,708	17%	45,887
Aged <30	10,660	81%	2,533	19%	13,193
Aged 30-50	22,178	85%	4,007	15%	26,185
Aged >50	5,340	82%	1,168	18%	6,508
Not disclosed	1	0%	0	0%	1

Employee turnover

Pepco Group excluding Poundland		Pepco Group including Poundland	
Number of leavers	Rate of employee turnover	Number of leavers	Rate of employee turnover
17,989	54%	21,905	46%

The reported turnover includes all voluntary and involuntary separations as well as the natural end of temporary contracts. The level reflects the seasonal nature of retail operations and differences across countries, where local labour markets and contract types influence mobility. During the year, we reviewed and aligned onboarding processes across all Pepco operating companies and for selected countries introduced locally tailored retention measures to strengthen workforce stability.

Accounting policies

Headcount is reported as of the reporting period end date. This is 30 September 2025 for all operating units except the Poundland operating unit, where Poundland data is included up to the disposal date. Average headcount is determined using daily employee status (either active or inactive), averaged across the reporting period. Turnover rate is the number of leavers during the reporting period divided by the average headcount. Employee characteristics are reported by employment type, gender, contract type and age.

Employment type is categorised as either "Permanent", for employees with a permanent employment contract or "Temporary" for employees with a temporary employment contract. A Full Time Equivalent (FTE) is calculated by converting the number of hours of a part-time employee to a full-time equivalent basis.

Senior employees are defined as CEO, CEO-1 and CEO-2 levels.

Age is determined by the employee age on at the reporting period end date.

Remuneration ratio

S1-16

The annual total remuneration ratio in FY25 was 1:199[1]. Our remuneration ratio is structurally high due to the composition of our workforce, with the majority employed in store operations roles in Central and Eastern Europe (CEE) markets where average wage levels are comparatively low balanced against a corporate head office function in the UK where wages are relatively high. This lowers the median employee pay, thereby increasing the ratio, while executive remuneration remains aligned with external retail benchmarks and sector practices.

Accounting policies

The annual total remuneration ratio shows the difference between the highest-paid individual in the Group and the median pay of all active permanent and fixed-term employees. Data is reported as of 30 September 2025 (except for the Poundland operating unit which is reported up to disposal date).

Total remuneration includes base salary, bonuses, incentive payments and other allowances or benefits.

Pay for employees who worked part of the year is adjusted to a full-year basis. For colleagues on long-term absence exceeding three months, remuneration is estimated based on their contractual base pay, as actual paid salaries are not reliable due to varying compensation schemes during absence.

Remuneration metrics have been prepared using 11 months of actual input data and one month of estimated data other than for our head office employees in the UK and sourcing employees in India and Bangladesh where actual data is reported for 12 months. In addition the highest-paid individual's pay is on a 12 month basis and aligned with the Remuneration Report.

Green transition and workforce impact

SBM-3

As explained in the E1: Climate change section, the Pepco Group has not yet adopted an ESRS-aligned climate transition plan. Once we have such a plan, it will include understanding the impacts on our own workforce. Currently, we have not taken specific measures, such as reskilling, redeployment, or employment guarantees related to the climate transition, as our business is not currently exposed to significant transition-related restructuring.

Operations at risk of forced or child labour

SBM-3

We recognise the potential negative impacts of child and forced labour due to the severity of harm they would cause if they occurred within our own workforce. We have not identified any incidents of such in the reporting year.

While UNICEF records child labour in Serbia, Bangladesh and India (countries in which we have employees), and the WalkFree Global Slavery index points to a higher prevalence of forced labour in Bosnia & Herzegovina, India, Hungary and Slovakia (countries in which we have employees), our activities in all these locations are limited to office, retail, and distribution functions. These roles require employees to be of legal working age and are governed by formal contracts and employment practices that prevent such incidents.

While the likelihood of occurrence in our own operations is very low, we continue to treat child and forced labour as salient human rights issues and monitor them within our due diligence framework.

Workforce groups at risk and Pepco Group-specific risks & opportunities

SBM-3

As part of our materiality assessment (ESRS 2, IRO-1), we have considered how specific roles or work contexts within our operations may present different levels of exposure to impacts and risks. Internal HR data, health and safety reporting, employee feedback, and local legal requirements inform this understanding.

While our policies and programmes are designed to apply to all employees, some risks and opportunities are more relevant in specific contexts. For example, health and safety considerations are particularly pertinent for employees in customer-facing and distribution centre roles, while working time arrangements are most significant in operational environments with variable scheduling. In some markets, pay equity initiatives may focus on improving representation or progression within particular job families or levels.

We continue to monitor these patterns across the Group to ensure that measures remain relevant, proportionate, and responsive to the needs of our entire workforce.

1. The reported total remuneration ratio includes Poundland. When Poundland is excluded, the annual remuneration ratio changes to 1:198.

Processes for engaging with own workforce

S1-2

As described in ESRS 2, Interests and views of stakeholders section, the Pepco Group maintains structured engagement processes with its workforce. The same channels and methods described in ESRS 2 apply to the scope of this disclosure, covering colleagues across retail, distribution centre, and office roles. Effectiveness tracking and responsibilities are also outlined in ESRS 2.

In addition, employees are engaged on human rights-related topics, such as fair working hours, equal treatment, and workplace conduct, through the types of engagement described in the section below.

The Group currently has one target related to the gender equality topic: 40% women in senior positions by 2030. The target was approved by the ESG Executive Committee and the Group Board. Going forward, we plan to strengthen alignment by incorporating workforce perspectives into the design and review of targets. Insights from engagement surveys, local consultation mechanisms, and workforce representation bodies will inform future target-setting and adjustments.

Types and frequency of engagement

The Group has a number of employee engagement channels as set out below:

Structured feedback channels:

- Employee engagement survey: Once every two years, multilingual survey capturing workforce sentiment, with results reviewed at the Group, country, and functional levels.
- Exit surveys: Conducted consistently to capture insights from departing colleagues, helping identify improvement areas in retention and employee experience.

Day-to-day dialogue:

- Line manager dialogue: Managers are expected to engage regularly with their teams, supported by training in active listening and constructive feedback.
- Store and site visits: Leaders meet colleagues directly during site visits, reinforcing trust and visibility.

Representation and escalation channels:

- Workforce representation: In countries with works councils or collective bargaining agreements (e.g. Spain), formal engagement takes place on pay, working conditions, and employee rights.
- Safecall: An independent, anonymous reporting channel available to all colleagues, promoted across sites and offices to ensure accessibility.

Inclusivity of engagement

We aim to ensure 100% of employees can participate in feedback channels by 2030 which will ensure all employees can raise issues and contribute feedback. We plan to achieve this by expanding access to our digital engagement survey, ensuring language accessibility, and tracking participation.

Responsibility for engagement

Employee engagement at Pepco is a core management responsibility. All managers are accountable for fostering dialogue and acting on feedback. Local HR teams coordinate and support these activities, while the Chief Human Resources Officer (CHRO) ensures that workforce insights inform Group strategy and risk management.

Processes to remediate negative impacts and channels for own workforce to raise concerns

S1-3

General approach to remedy

Pepco Group is committed to addressing and remedying negative impacts on its workforce, including discrimination, harassment and unfair treatment. Remediation measures may include corrective or disciplinary action, changes in the work environment, additional training or direct support to the affected individual(s).

HR teams are responsible for ensuring fair and timely resolution, in line with local legal frameworks and collective agreements. Where necessary, external mediation or legal counsel may be utilised. The effectiveness of the remedy is currently assessed at the local level on a case-by-case basis, but the Group is working to standardise this process.

Channels to raise concerns

Pepco Group maintains multiple channels for employees to raise concerns or report misconduct. These channels and remediation processes apply across all material workforce topics identified through our double materiality assessment, including discrimination and harassment, working time management, wage adequacy, and health and safety and include:

Grievance procedures

Formal grievance procedures are in place across all business units. In FY25, Pepco has updated and extended it's "Difficult Case" procedure. The procedures prohibit discrimination, harassment, and retaliation, and guarantee fair process for all employees. Colleagues may raise concerns relating to:

- Discrimination or harassment;
- Behaviour violating Company values;
- Workplace-related grievances.

Reports may be made to line managers, HR, or via formal grievance forms. In Dealz, colleagues report grievances via a dedicated email managed by the HR team. Mediation may be offered where constructive resolution is possible.

Whistleblowing hotline (Safecall)

As described in the G1: Business conduct section, the Group uses an independent whistleblowing hotline operated by Safecall which is available in over 150 languages for use by both colleagues and suppliers, who can report anonymously if required. Reports can also be made directly to our internal compliance and internal audit teams. At Dealz, colleagues report incidents via a dedicated ethics email managed by the company's ethics consultant.

- **Direct manager or HR contact:** Employees are encouraged to raise concerns through informal channels such as through their manager or local HR team.
- **Workforce representation bodies**: In markets with works councils or trade unions, formal structures exist to allow employee group concerns to be raised and addressed through structured dialogue.

Monitoring and effectiveness

Currently, grievance cases are tracked locally within each business unit, using country-specific tools. There is no unified Group-wide logging or case tracking system in place at this stage. However, to improve consistency and oversight, Pepco Group is implementing a centralised case logging and monitoring system via the Safecall platform for the Pepco operating unit (including the PGS sourcing arm) starting in FY26. Dealz will maintain its local case logging. This will support secure tracking of case volumes and types, resolution timelines and outcomes and recurring issues.

Currently, the Group does not formally measure the effectiveness of its grievance mechanisms across the whole organisation. Effectiveness is assessed informally at the local level, primarily by confirming whether reported issues are resolved and no further concerns are raised. We are planning to introduce Group-level indicators (e.g., resolution quality, timeliness and user experience) by FY27.

Trust in these mechanisms will be indirectly assessed through future employee engagement surveys and feedback on psychological safety, once sufficient data is available following implementation.

Employee awareness

Awareness of concern-raising channels is promoted through posters in break areas for retail and distribution centre staff, the Pepco Intranet for office-based employees, published procedures via e-mail for Dealz and local manager briefings.

Protection against retaliation

We are committed to ensuring that no colleague experiences retaliation as a result of raising a concern. Our grievance procedures and Whistleblowing Policy explicitly prohibit retaliation and provide for confidential handling of all reports. Any act of retaliation is subject to disciplinary action.

Material topic: Health and safety

We consider health and safety a material topic because our retail and distribution operations involve large frontline teams, physical handling of goods and customer-facing activities. Effective health and safety management reduces accident risks, prevents ill health, supports employee wellbeing, and strengthens operational continuity. Poor safety performance could lead to higher absence, turnover, and regulatory penalties, while a strong safety culture helps attract and retain talent, maintain service quality and enhance our reputation.

Policies

S1-1

The Group introduced a Group-wide Health and Safety Policy in FY25, covering all employees, contractors, customers, visitors and anyone affected by our operations. It applies to 100% of our own workforce and non-employees in our operations.

The policy is designed to comply with applicable local and international health and safety laws, regulations, and standards, prevent accidents and work-related ill health through effective risk assessment, safe systems of work, and regular training, foster a culture where safety is an integral part of daily operations and line management responsibilities and provide transparent governance and accountability at all levels.

The policy covers all countries in which the Group has employees. Local business units may set higher standards based on local legal requirements or operational needs. Contracted third parties are expected to follow equivalent safety standards when operating on Pepco premises.

Governance and accountability

Overall Group-level accountability for our health and safety programmes is with the Pepco Chief Operating Officer, Managing Director of Dealz and the Group CHRO. Local accountability is managed by country-level health and safety managers, supported by internal or external specialists depending on jurisdiction. Oversight is provided by the Health and Safety Committee which reports to the Pepco Audit & Risk Committee. The Health and Safety Committee comprises representatives from all countries where we have operations, with plans to expand to also include representatives from the Property and Operations teams. Where there is a legal requirement in certain markets, worker representatives are engaged in safety governance.

Actions

S1-4

In FY25 the Group developed a Health and Safety Policy and corporate governance guidance on safety management, accident reporting, audits and checklists. Governance was strengthened and broadened by adding Health and Safety Committee representation. An updated definition of "work-related accidents" was included within the policy, aligning to the ESRS definition. We also began development of an integrated accident reporting system for consistent, comparable Group-wide data.

Additional actions planned in FY26 and FY27 are set-out below.

Action	Status	Outcome and impact	Scope	Time horizon	Effectiveness tracking
Expand health and safety guidance to include fire safety, evacuation, and first aid procedures	Planned	Stronger preparedness and emergency response; reduced incident severity and better compliance	Group-wide	FY26	Incident response evaluations
Enhance audit methodology with detailed checklists, digital tools, and expanded coverage to ensure comprehensive and accurate results	Planned	More robust monitoring and faster corrective action; earlier identification of risks	Group-wide	FY27	Audit completion and pass rates
Launch training on the new accident definition and reporting rules	Planned	Consistent incident recording, increased reporting of near misses, and improved prevention	Group-wide	FY26	Training completion and reporting trends
Implement unified reporting of work-related ill health and lost days	Planned	Comprehensive and standardised data collection across all operating units, addressing current inconsistencies in definitions and reporting practices. This will enable better trend analysis and targeted interventions to reduce risks.	Group-wide	FY26	Health and lost days data
Collect and analyse representative feedback on health and safety from across the Group	Planned	Employee-informed improvements; stronger safety culture and engagement	Group-wide	FY26	Survey and feedback analysis

Targets

S1-5

We do not currently have a defined target in the area of health and safety. We recognise that targets are important for effective risk management and monitoring progress in improving working conditions and therefore plan to develop appropriate indicators and targets during FY26. This will enable us to assess the effectiveness of our health and safety initiatives more effectively and further enhance our safety management system. Our approach is based on continuous improvement and systematic analysis of accidents and audits, enabling us to identify areas that require attention and implement effective preventive measures.

As a result of the implementation of the Group's Health and Safety Policy at the end of FY25, FY26 will serve as the base year for future target setting. We expect the effects of the reporting system changes and the implementation of the audit process to be embedded in FY26.

Percentage of own workforce covered by health and safety management system

S1-14

To ensure that no one gets hurt, we expect everyone to play their individual part in making the Pepco Group a safe place to work and take personal responsibility for their own safety, as well as the safety of our customers, visitors, and everyone they work with. Under Polish law employee safety is required to be overseen by an internal health and safety team. In other countries, health and safety is supported by external providers.

Our health and safety management system covers 99.3% of our own workforce (excluding Poundland, 98.9%). The key elements of the system include:

- Regular risk assessments tailored to the specifics of each job role
- Training programmes that enhance employee awareness and competencies, compliant with local legal regulations
- Preventive occupational health examinations that ensure early identification of health hazards, regulated by local laws
- Systematic audits to verify working conditions
- Analysis of the causes of accidents and incidents to implement effective preventive measures

The safety management system provides coverage across our operations, ensuring consistent standards for employee health protection internationally, along with the ability to continuously monitor and improve processes at each location.

In FY25, the rate of recordable work-related accidents was 7.83 per million hours worked for the Pepco Group excluding Poundland and 9.62 per million hours worked for the Pepco Group including Poundland.

During the year we introduced an updated, ESRS-aligned accident definition, expanding the scope to include mental harm, as well as near misses. A new reporting system is being developed to ensure consistent data collection and faster analysis. Its full impact will be reflected in future reporting periods.

Rate of recordable accidents, number of recordable accidents and fatalities

	Pepco Group excluding Poundland	Pepco Group including Poundland
Number of recordable work-related accidents for own workforce	383	588
Rate of recordable work-related accidents for own workforce	7.83	9.62
Number of fatalities in the own workforce and other workers working on undertaking sites as a result of work-related injuries and work-related ill health[1]	1	1

In 2025, following the tragic loss of a colleague in a road accident during a business trip, we provided financial and emotional support to their family and care for impacted colleagues. In the small community where the store operates, we closed the store during the funeral as a gesture of collective grief and respect.

Accounting policies

Rate of recordable accidents and number of recordable accidents and fatalities metrics covers all Pepco Group own operations and apply to employees with permanent or fixed-term contracts. Civil contractors and external service providers are excluded.

The ESRS definition of work-related accidents or fatalities is a discrete occurrence in the course of work which leads to physical or mental harm. Under the ESRS definition of recordable accidents, cases resulting from injuries from workplace hazards, business travel incidents, remote work injuries (if directly linked to duties) and medically confirmed mental health issues are all included. Excluded cases comprise health events unrelated to work, private commuting accidents and lifestyle-related health issues.

Operations in Poland (both Pepco and Dealz) reported in line with the ESRS definition throughout the reporting period.

For the period from 1 October 2024 to 30 June 2025 no Pepco countries (except Poland) were reporting in line with the ESRS definition of recordable accidents. In these countries accidents were recorded only where absence was over one day (whereas the ESRS definition requires all accidents to be recorded regardless of length of absence). In order to adjust for this discrepancy, recordable accidents in countries outside Poland were adjusted upwards based on the difference between recordable accidents in Poland for absences under one day and recordable accidents in Poland for absences over one day. Poland is considered an appropriate reference country for this estimation basis, as it is the Group's largest reporting country, has homogeneous employee characteristics to other countries and reports in line with the ESRS definition.

The Poundland operating unit reported recordable accidents in accordance with the applicable local legislation definition of an incident that happens unexpectedly and unintentionally, typically resulting in injury or damage and includes all recordable accidents, regardless of length of absence. The Poundland recordable accidents definition excluded incidents of mental harm. In order to align with the ESRS definition (which includes incidents of mental harm), an adjustment for the rate of mental harm incidents recorded in Poland was applied. The rate of incidents in Poland was nil and therefore a nil adjustment was made.

From July 2025 all operating units reported in line with the ESRS definition.

The rate of recordable accidents is based on recordable accident numbers, from accident register records and hours worked, which includes contracted and overtime hours and excludes paid vacation leave, sick leave and public holidays.

Resources

The Group invests in colleagues within dedicated health and safety functions at Group and country level, supported by internal specialists (for example in Poland) and external consultants (other markets).

1. The fatal incident reported occurred during a business trip. In accordance with the Group's adopted methodology, it has been classified as a work-related accident.

Material topic: Secure employment

In the Group's high-volume, value retail model, stable and experienced store and distribution teams are critical to delivering consistent customer service and maintaining operational efficiency. Secure employment enables us to retain skilled colleagues, reduce recruitment and training costs, and preserve institutional knowledge – all of which underpin productivity in our multi-country store network.

Because retail involves seasonal peaks and varying shift patterns, there may occasionally be a need for temporary contracts in specific periods or locations. While this is a normal aspect of retail operations, maintaining stable employment remains our preferred approach, as it supports workforce continuity, predictable scheduling, and consistent service delivery.

Policies

S1-1

While the Group does not yet have a dedicated Group-wide secure employment policy, we apply a common principle: wherever operationally feasible and in line with local labour laws, we provide permanent employment. Currently, around 72.6% (excluding the Poundland operating unit) and 80.5% (including the Poundland operating unit) of our workforce are employed on a permanent contract basis, reflecting our preference for stable, long-term employment relationships.

Contract type decisions are made locally by operating units to best fit operational needs and apply only to direct employees. While there are currently no Group-wide definitions or thresholds for employment stability, most countries follow a similar practice.

We recognise that the absence of a formal Group-wide policy may result in inconsistencies between markets. To address this, we plan to introduce a Secure Employment Policy by FY26 to strengthen consistency across all markets.

Where legally required, we engage in dialogue with workers' representatives during restructuring processes. National labour regulations guide our approach and we continue to explore opportunities to strengthen consistency in secure employment practices across the Group.

Actions

S1-4

The Pepco Group undertakes a range of actions to support employment stability across its markets:

Action	Status	Expected outcome	Scope	Time horizon	Remedy / positive impact	Tracking
Review contract type mix (permanent vs. temporary/ part-time)	Localised / ad hoc	Identify reliance on non-permanent work and risk areas	Country-level, depending on need	Ongoing	Helps address issues affecting employment stability	Group-wide tracking of contract mix planned for FY26
Informal retention planning during restructuring	Localised/ reactive	Reduce attrition and avoid redundancy	Units undergoing change	As needed	Supports job continuity and reassignment	No formal process; aim to establish by FY26
Engage with works councils/ unions during restructuring	Legal requirement in some countries	Ensure lawful and respectful transitions	Markets with works councils (e.g., Poland, Spain)	Ongoing	Enhances transparency and worker protections	Collect representative feedback in FY26
Develop Group Secure Employment Policy	Planned	Set consistent principles and minimum expectations	Group-wide	In FY26	Reduce reliance on temporary contracts; strengthen job security	Annual review of contract mix and trends

Effectiveness and targets

S1-5

At present, the effectiveness of actions related to secure employment is not systematically tracked at Group level, and no defined level of ambition has been set. The Group has not established formal targets for secure employment because this area is currently managed through a decentralised approach at operating unit level and there is no Group-wide policy framework in place.

The immediate focus is on developing a common policy and centralised tracking process to ensure consistent definitions and data across markets. These steps, planned as part of the Group Secure Employment Policy in FY26, will enable future Group-level monitoring and, if appropriate, the introduction of ambition levels or measurable indicators.

Resources

The Group has invested resources in local HR teams to monitor contract types, manage retention planning and ensure legal compliance, Group HR leadership to oversee policy development, tracking systems and targets and workforce representatives to provide input during restructuring in applicable markets. Investments have also been made in HR systems and analytics to support centralised contract mix tracking from FY26.

Material topic: Working time

In the Group's value retail model, our ability to serve customers depends on well-coordinated store and distribution teams, supported by schedules that match demand while protecting colleagues' wellbeing. Good working time management not only ensures smooth day-to-day operations and consistent service but also helps colleagues maintain a healthy work-life balance. Sustainable scheduling can support engagement, reduce fatigue and contributes to retaining experienced teams – which, in turn, strengthens customer experience and overall business performance.

Policies

S1-1

While we do not yet have a formal global policy on working time, Pepco Group applies consistent principles across markets to promote fair and sustainable scheduling practices for our colleagues. A separate global policy has not been established at this stage because working time arrangements are already comprehensively regulated through national legislation and, where applicable, collective agreements. Our approach is built on the following commitments:

- **Legal compliance commitment:** Compliance with national regulations on working hours, rest periods, and overtime in all countries of operation.
- **Compensated overtime principle:** No unpaid overtime; all overtime is recorded and compensated in line with national legislation.
- **Local oversight and HR accountability:** Local HR and payroll teams ensure compliance, monitoring and escalation.
- **Engagement with employee representatives:** Consultation where required by law or practice to align working time arrangements with local labour frameworks or collective agreements.

Actions

S1-4

Pepco Group undertakes a range of actions to support working time management across its markets:

Action	Status	Expected outcome and impact	Scope	Time horizon	Effectiveness tracking
Use of electronic time tracking in key markets for retail employees (in Poland, Romania, UK, Ireland, Spain, Portugal)	Ongoing	Accurate monitoring of hours and overtime	Key retail markets	Ongoing	Local compliance checks
Rollout of electronic time tracking to certain additional countries	Planned	Strengthened oversight across the Group	Group-wide	End of FY28	Implementation progress monitored
Local monitoring via planning tools and management oversight, where electronic systems with clock-in and out are not yet in place	Ongoing	Compliance with legal requirements	Remaining markets	Ongoing	Local compliance checks
Develop and implement the Group Working Time Policy	Planned	Establish consistent principles and minimum expectations for scheduling, overtime and rest periods to ensure a clear understanding of expectations	Group-wide	In FY26	Policy adoption

Effectiveness and targets

S1-5

Currently, effectiveness is monitored locally through electronic time tracking and management oversight to ensure compliance with legal working time requirements. No Group-wide ambition or indicators have been set at this stage.

The Group has not set formal targets for working time because this area is already comprehensively regulated through national legislation and, where applicable, collective agreements. At this stage, our focus is on ensuring compliance and building a consistent policy framework.

During FY26, the planned Group Working Time Policy will establish minimum expectations for scheduling, overtime management and compliance. This will create a foundation for introducing measurable indicators in the future if appropriate.

Resources allocated

Management of working time is supported through investment in electronic time-tracking systems, HR and payroll team capacity for monitoring and compliance and training and guidelines for managers on scheduling principles and legal requirements.

Material topic: Adequate wages

Paying fair and adequate wages is essential to supporting employee wellbeing, retention, and engagement – particularly for our large frontline retail workforce. Adequate wages contribute to workforce stability and operational performance, while reinforcing our reputation as a responsible employer in the competitive value retail sector.

As a multinational retailer operating across both mature and emerging markets, we face some dynamic developments related to rising labour costs, evolving minimum wage legislation and changes in employer tax and social security obligations. These factors can create short-term margin pressure. However, we view responsible pay practices as a strategic investment in workforce stability, employer reputation and long-term business performance.

Policies

S1-1

We are guided by our Global Pay Guidelines, implemented in FY25:

- **Description and objectives:** The Global Pay Guidelines set the Group-wide framework for establishing and reviewing pay levels to ensure fairness, compliance with legal requirements, and competitiveness in local markets. They aim to provide equal pay for equal work, and align compensation with skills, performance, and role requirements.
- **Scope:** The guidelines apply to all Pepco Group employees across retail, distribution, and office functions, regardless of contract type or working pattern.
- **Accountability:** The Group's Compensation and Benefits team and local HR country managers are responsible for implementing and overseeing the Global Pay Guidelines. Line managers are accountable for applying these principles consistently and fairly. Executive oversight is provided by the Remuneration Committee and the Pepco Group Executive Committee, ensuring alignment with internal guidelines and consistent application across the organisation.
- **Stakeholder consideration:** Developed with input from HR leadership and the Compensation and Benefit team.
- **Availability:** The guidelines were approved in FY25 and are currently being launched to head office managers and HR teams across all business units.

The following principles also guide our approach to adequate wages:

- **Definition of adequate wages:** We define an adequate wage as at least meeting the legal minimum wage or Collective Bargaining Agreement (CBA) minimum, depending on the local context.
- **Social Dialogue Commitment:** Where required by law, we engage with employee representative bodies to ensure transparency in wage-setting and adjustments.

Actions

S1-4

To implement Global Pay Guidelines and address wage-related impacts and risks, we have put the following actions in place:

Action	Status	Outcome / Impact	Scope	Time horizon	Effectiveness tracking
Annual salary review vs. market, inflation, and laws	Ongoing	Supports retention, attraction, and fair pay	Group-wide	Annual	Pay review results
Use of external market benchmarks	Ongoing	Ensures wage competitiveness and fairness	Group-wide	Annual	Benchmark variance
Monitor statutory wage changes and cost impacts	Ongoing	Ensures proactive compliance & cost planning	Group-wide	Continuous	On-time change
Engage with unions/ representatives in wage processes	Ongoing*	Builds trust, supports compliance	Applicable markets	Ongoing	Meeting records
Develop indicators related to adequate wages	Planned	Strengthens reporting, identifies gaps	Group-wide	By FY27	To be developed

* in applicable markets

Effectiveness and Targets

S1-5

Our current approach focuses on maintaining full compliance with statutory minimum wage regulations in all operating countries. We do not set additional quantitative targets beyond legal requirements. The effectiveness of our approach is monitored through regular salary reviews that ensure continued compliance across markets. Over time, we plan to assess whether broader Group-wide indicators could be introduced to enhance our monitoring framework.

Resources

Adequate wage programmes of work are resourced through both HR teams in each market dedicated to annual pay review processes and compliance monitoring as well as the central HR and Compensation & Benefits functions who coordinate Global Pay Guidelines and consolidate market data. Budget allocation for annual pay adjustments is linked to inflation and market movements.

Adequate wage

S1-10

All active employees of Pepco Group receive at least an adequate wage. For employees who are temporarily inactive, their remuneration is adjusted to meet or exceed the applicable minimum wage level upon their return to work.

Accounting policies

Workforce data is collected from each operating unit and standardised and consolidated to give a single group view for the reporting period. Each employee's gross annual salary is converted into a monthly or hourly amount and compared to the applicable statutory minimum wage (or sectoral agreement where relevant). EU countries are assessed on monthly salary; the UK and Republic of Ireland (ROI) on hourly rates, reflecting age-based minimum wage rules.

National minimum wage levels are taken from official sources.

An adequate wage is defined as gross pay at or above the applicable legal minimum wage. Employees on long-term absence or with mid-period birthday pay uplifts in the UK, ROI, or Isle of Man are excluded from the calculation.

Material topic: Measures against violence and harassment

A safe and respectful workplace protects employee wellbeing, supports retention and reduces operational disruption. It also safeguards Pepco Group's reputation, limits legal and financial exposure and strengthens our ability to attract diverse talent in competitive labour markets.

Violence, harassment and bullying in the workplace undermine dignity, safety, and wellbeing and can cause severe physical and psychological harm. Addressing these risks is essential to ensuring a respectful, inclusive, and productive work environment and to maintaining Pepco Group's reputation as a responsible employer.

Policies

S1-1

At the end of FY25, Pepco introduced an updated "Difficult Case Procedure", strengthening our zero-tolerance approach to any form of violence, harassment or bullying. Our Whistleblowing Policy and local HR grievance policies support this.

In our Difficult Case Procedure, we describe our belief that no one should suffer disadvantage of experience or outcome or be subject to any acts of discrimination, bullying and/or harassment, no matter their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, religion or belief, sex and sexual orientation. We are committed to a zero-tolerance policy regarding such behaviours. Pepco Group currently has no specific policy commitments or procedures explicitly focused on vulnerable groups.

Personal grievance procedures

- **Accessibility:** Grievance channels include options for direct reporting to managers, anonymous reporting via a confidential line operated by an external provider (Safecall) and escalation to HR teams. Safecall is actively promoted across the organisation: posters are displayed in common areas for employees without computer access, and information is available through the Pepco Intranet and screensavers for employees with digital access.
- Dealz has a dedicated email address to receive reports, which is managed by the local Dealz HR team, instead of the Safecall platform.
- **Procedural fairness:** All reports are handled impartially. Employees have the right to respond to allegations, and internal or external mediation is offered where it can help resolve concerns constructively.
- **Timeliness:** All grievances are acknowledged within at least 10 working days.
- **Accountability:** The HR team is responsible for maintaining the procedure and ensuring consistent application.

Remedy and continuous improvement

Where grievances reveal negative impacts on employees, the Pepco Group takes appropriate remedial action, such as corrective or disciplinary measures, changes in the work environment or additional training. Our Employee Assistance Programme (EAP) in applicable markets also plays an essential role in providing confidential counselling and wellbeing support to employees affected by such issues.

Protection against retaliation

We are committed to ensuring that no colleague experiences retaliation as a result of raising a concern. All reports are treated confidentially, and any acts of retaliation are subject to disciplinary action.

Actions

S1-4

Action	Status	Expected outcome / impact	Scope	Time horizon	Effectiveness tracking
Centralise Group-level case tracking via Safecall	Planned	Consistent oversight and better trend analysis	Group-wide	FY26	Safecall reporting data
Develop and roll out training on violence and harassment prevention	Planned	Increase awareness, reduce incidents, strengthen culture	Group-wide	FY26	Training completion rates
Establish Group indicators (e.g., resolution timeliness, recurrence rates)	Planned	Improved monitoring and early intervention	Group-wide	FY27	KPI tracking in HR dashboards

Effectiveness and targets

S1-5

Effectiveness is currently tracked locally through grievance handling, Safecall reports and EAP usage. No Group-wide targets or ambitions are set at this stage, as the focus is on building consistent reporting and case management processes.

From FY26, centralised case tracking and Group indicators are planned to enable systematic monitoring and potential target setting.

Resources

HR teams in each market manage case handling, supported by a central HR team for escalations and policy oversight. In addition we invest in Safecall, an external hotline provider for confidential and anonymous reporting, available 24/7 in multiple languages. EAP providers in applicable markets support affected employees.

Discrimination incidents

S1-17

	Pepco Group including Poundland	Pepco Group excluding Poundland
Incidents of discrimination, including harassment	93	23
Complaints filed through channels for people in own workforce to raise concerns	288	147
Severe human rights incidents	Nil	Nil

One complaint during the reporting period was settled prior to court proceedings, resulting in compensation below €10,000, recorded within Poundland's results for the period which have been disclosed within note 25. No fines or sanctions were issued.

Accounting policies

The Group reports incidents of discrimination and harassment, other complaints received through grievance mechanisms, related financial penalties or compensation and severe human rights impacts in line with ESRS S1-17. Data is consolidated annually from country HR case logs and the Safecall hotline, classified into incidents or complaints, and reconciled with finance records. All cases are included in the year reported, where:

Discrimination and harassment cases are defined as confirmed or undisputed cases of discrimination, including harassment, connected to the Company's own workforce, reported in the reporting period.

Complaints are any allegations, concerns, or grievances raised by individuals in the Company's own workforce through internal or external channels, related to workplace issues, such as discrimination, harassment, or other employment-related matters such as workplace conditions, pay and benefits, management behaviour, workplace culture, that have not been confirmed or substantiated as a discrimination/harassment case.

Each case is counted once. Severe cases are identified using the Group's criteria which is aligned with United Nations and International Labour Organization standards. Anonymous reports are included if they can be classified.

In some cases, data may be incomplete or pending final investigation outcomes. These cases are classified using standard Group assumptions to ensure consistency but actual outcomes may differ over time.

Material topic: Colleague safety and violence prevention

Context of the divestment of Poundland

The Group completed the sale of its Poundland operating unit on 12 June 2025. Colleague safety, particularly the prevention of workplace violence, was identified as a material issue for this entity. This disclosure has been included to provide transparent information on how this IRO was managed up to the date of disposal. Poundland will not be included in the Group's future disclosures as a result of the disposal in FY25.

Incidents of violence and aggression towards retail workers is a recognised operational risk within the UK retail sector. As a retailer Poundland is particularly exposed and attentive to this issue and the potential impact it may have on UK employees. To address this, a range of measures have been adopted and designed to prevent workplace violence and to provide support to any employees who may be affected within the Poundland operating unit.

Policies

S1-1

Poundland's core approach centres on the "Three Steps to Colleague Safety" policy – a non-confrontational approach to shoplifting and customer aggression. It is embedded in induction and e-learning for employees and reinforced through in-store marketing and customer-facing posters.

Actions

S1-4

Measures adopted to prevent workplace violence in Poundland stores are deployed based on risk and include:

- Over 100 of the highest-risk Poundland stores have manned guards and over 140 further stores are equipped with body-worn cameras. These are complemented by estate-wide CCTV, panic buttons in cash handling areas and coded locks in restricted spaces.
- Day-to-day support is strengthened through practical tools. 80% of stores are equipped with headsets for immediate assistance, all locations use an incident reporting app and employees escalate issues through a 24/7 "Serious Incident Contact" line or the Safecall hotline.
- Poundland also collaborates with external partners, including police forces, business crime reduction partnerships and Poundland's security provider.

Targets

S1-5

At the time of Poundland's sale, no formalised Group-level targets on colleague assaults had been established. Monitoring was carried out through internal function-level KPIs tracked by the Poundland Profit Protection team. Incident reporting took place continuously via an app and was analysed monthly at store, area and regional levels. Serious incidents were escalated through the Serious Incident line and tracked by the Poundland Risk Committee with auditable action logs. In addition, Safecall reports were escalated to the Poundland Risk Committee, ensuring oversight and follow-up on critical cases.

Resources

Activities and resources in relation to this IRO are integrated across functions within Poundland. Significant investment has been made in security measures (for example security guards, body-worn cameras and tech infrastructure) but is not separately tracked as a standalone operational budget.

Governance is managed through weekly senior management updates on serious incidents, the monthly review at the Poundland Risk Committee (with an escalation route to the Poundland and Group Board) and through union consultation and external partnerships to ensure ongoing scrutiny and improvement.

Material topic: Gender equality

A diverse and inclusive workforce fosters creativity, better decision-making, and stronger connections with our customers. Ensuring equal opportunities for all employees, regardless of gender, ethnicity, religion, nationality, disability, age or any other characteristic, helps us attract and retain talent, enhance employee engagement, and reflect the diverse communities we serve. Diversity also reduces the risk of discrimination claims and strengthens our reputation as a fair employer.

In our business model, where women make up the majority of our store workforce and men are proportionally more represented in head office and technical roles, gender distribution naturally influences our gender pay gap figures. This gap does not indicate unequal pay for equal work, but rather reflects the structural distribution of roles within the organisation. Nevertheless, we recognise the importance of addressing representation imbalances over time, particularly in senior and higher-paid roles.

Policies

S1-1

Our commitment to diversity, inclusion, and equal pay is embedded in our Global Pay Guidelines (see further detail in the Material topic: Adequate wage section), DEI workplan and our Difficult Case Procedure (see further detail in the Material topic: Measures against violence and harassment). In addition we operate the following policies and programmes:

- Equal pay: In stores, all employees in the same role receive the same fixed rate of pay. For store managers and head office roles, defined salary ranges reflect market benchmarks, job evaluation outcomes, and internal equity.
- Fair salary decisions: Salaries within ranges are determined using objective criteria such as skills, performance and role fit.
- Annual review: Salary ranges and positioning are reviewed annually to maintain market competitiveness and internal fairness.
- Non-discrimination: Anti-discrimination clauses are embedded in our Difficult Case Procedure.
- DEI work plan: This has been approved and will be activated in FY26.

Accountability for implementing the DEI Workplan rests with the CHRO, with day-to-day responsibility delegated to relevant HR functions. Global Pay Guidelines accountability is described in the "Adequate wages" Policies sections, while the Difficult Case Procedure is described in the "Measures against violence and harassment" Policies section.

Actions

S1-4

Action	Status	Expected outcome / impact	Scope	Time horizon	Effectiveness tracking
Annual salary review using market benchmarks and internal equity checks	Ongoing	Fair, competitive, consistent pay	Group-wide	Annual	As of FY26: Salary and gender pay gap analysis
Job evaluation framework consistently applied	Ongoing	Clear, equitable grading & pay structure	Group-wide	Ongoing	Periodic grade consistency reviews
Review of gender representation in leadership	Ongoing	Identify progression barriers	Group-wide	Annual	As of FY26: Track promotion rates and succession on top grades
DEI workplan activation	Planned	Deliver structured initiatives	Group-wide	FY26	Workplan milestone tracking
Develop DEI policy	Planned	Establish a clear Group-wide commitment to diversity, equity, and inclusion, aligning initiatives across markets	Group-wide	FY26	Policy approval and integration into HR and business processes
Run mentorship programme	Planned	Accelerating positive career development impacts	Pepco	FY26	Participation rates

Targets

S1-5

In relation to this IRO we have the following leadership representation goal: increase the share of women in senior leadership to 40% by 2030. The FY24 baseline was 28%. This target applies to the top 3 senior leadership levels across the Group. It is measured as percentage of women in total leadership level headcount. This is an internally set voluntary target. In FY25 we report that share of women in senior leadership position at 50%.

This target directly supports our DEI workplan objective to strengthen representation and gender balance in leadership roles, promoting a more inclusive workplace. The target was set internally by senior management and HR leadership, without direct employee involvement.

Resources

Resource investment includes our Compensation & Benefits team which leads pay equity reviews, our HR analysis team which tracks performance against our target and our Employer Branding & Culture team which leads DEI programme design. In addition local HR teams manage data collection and the implementation of pay and promotion processes.

Gender pay gap

S1-16

Our gender pay gap reflects the structure of our workforce. A large proportion of our employees in operational store roles are women, while men are more often represented in administrative and higher-paid specialist positions. Because operational roles make up the majority of our workforce, this distribution has a significant impact on the overall gender pay gap.

	Gender pay gap
Pepco Group excluding Poundland	51.8%
Pepco Group including Poundland	41.7%

Accounting policies

The gender pay gap metric shows the difference in average pay in local currency between men and women in permanent and fixed-term employee roles across all Group entities as of 30 September 2025 (Poundland employees are included up to the disposal date). The gender pay gap is calculated as the average male hourly rate less the average female hourly rate, divided by the average male hourly rate.

The metric is based on total remuneration, which includes base salary, bonuses, incentive payments, and other allowances or benefits. Each employee's total remuneration is converted into an hourly rate based on the actual total hours worked during the period covered by available payroll and working-time data, as detailed below. This ensures differences in working time are reflected in the calculation.

In the absence of granular absence-type data, all absences (holiday, sickness, parental, maternity, etc.) were aggregated. This may slightly overstate or understate pay for colleagues on paid vs. unpaid leave, depending on country-specific entitlements.

To avoid distortions caused by long-term absences (LTA), all absences were included in the payroll dataset (e.g. holiday, sickness, parental, and maternity/pregnancy leave). For colleagues who were on long-term absence for part of the reporting period, their gender pay gap ratio was calculated by dividing total remuneration by standard contractual hours worked. This adjustment prevents severe underestimation of hourly rates that could arise from using raw payroll data during unpaid or partially paid absence periods. Employees who have been on LTA full-year (including those who had 0 regular worked hours and those having had 0 payout) have been excluded.

Due to variations in payroll processing and payout schedules across countries, 11 months of actual payroll data was available for most Operating Companies. Bangladesh, India and The Pepco Group provided a complete 12-month payroll dataset. Accordingly, the Pepco Group (excluding Bangladesh and India and Pepco Group unit) gender pay gap calculations are based on 11 months of actual data.

For entities reporting in non-euro currencies, September's exchange rate (as defined by Group Finance) was applied.

Overall, these limitations are not expected to materially misrepresent the gender pay gap directionally. Pepco Group will continue improving data collection consistency to enhance accuracy in future reporting cycles.

Material topic: Child and forced labour

Pepco Group recognises that risks associated with child and forced labour present not only direct human rights violations but also substantial reputational, legal and commercial consequences. In response, the Group has established and continues to develop a comprehensive policy framework to mitigate these risks across its own operations and value chain (refer to S2: Workers in the value chain for further explanation on our approach to child and forced labour in the value chain).

With strong Board-level accountability and risk-based audit regimes, the Group takes a proactive and transparent approach in line with global best practices. There were no confirmed cases of child or forced labour in our own workforce during the reporting year.

Policies

S1-1

Human Rights Policy

The Group's Human Rights Policy formalises Pepco Group's commitment to upholding internationally recognised human rights, including International Labour Organization (ILO) conventions. It mandates zero tolerance for child or forced labour, requires fair treatment and safe workplaces, and promotes respect and dignity throughout the workforce and supply chain. It applies to all Pepco Group employees and all tiers of the supply chain globally, with special emphasis on operations in higher-risk geographies. Accountability for upholding human rights commitments is shared across the organisation – employees are expected to raise concerns and management is responsible for ensuring appropriate actions are taken.

The Group's Human Rights Policy is aligned with the UN Guiding Principles on Business and Human Rights and ILO Conventions No. 138 and 182. Particularly vulnerable worker groups were considered in it's development. The policy recognises rising expectations from investors, customers, and communities and is communicated internally and shared with key suppliers (see S2: Workers in the value chain for further details regarding communication with key suppliers).

Actions

S1-4

We have implemented a wide range of country-specific procedures to mitigate the risk of child and forced labour and ensure legal and ethical employment across our operations. These practices collectively support the Group's zero-tolerance approach and align with international standards, including ILO Conventions 138 and 182.

Action[1]	Expected outcome	Time horizon	Contribution to policy objectives
Implementation of localised right-to-work (RTW) verification procedures across each country, tailored to legal frameworks (e.g. ID verification, education checks, parental consent)	Legal compliance, elimination of underage employment risk, and improved audit readiness	Implemented and ongoing across all Group operating units	Ensures legal and ethical employment, fulfilling Human Rights Policy and Modern Slavery Statement obligations
Use of HR systems and payroll providers to verify age and legal working status	Automation of RTW due diligence and reduction of errors	Operational and progress is underway to enhance by 2026	Enhances monitoring effectiveness and policy compliance tracking
Group-wide rollout of whistleblowing and grievance mechanisms	Channels for reporting unethical practices or rights violations	In place	Supports remedy processes for material negative impacts

Targets and effectiveness

S1-5

The effectiveness of actions to prevent child and forced labour is monitored through existing processes, including payroll-based age verification, whistleblowing channels and colleague feedback mechanisms. These processes support ongoing compliance and help identify any emerging risks.

At present, the Group has not established formal targets or measurable indicators for child and forced labour, as this is a zero-tolerance commitment managed through compliance and risk-based controls rather than performance targets. There are no prescribed metrics currently measured.

The Group's priority remains on prevention and continuous monitoring through due diligence mechanisms. Should future regulation or policy developments require quantifiable indicators, the Group will review its approach accordingly.

1. The scope of our actions covers the following areas: recruitment, onboarding, contracting, and HR due diligence processes and is applicable across our own operations (direct workforce) in all operating geographies (the 20+ countries in which the Group has employees). Stakeholders affected include prospective and current employees, particularly young workers, as well as HR and payroll departments who implement these processes.

S2: Workers in the value chain

MATERIAL TOPICS:

- Child and forced labour
- Measures against violence and harassment
- Health and safety

KEY POLICIES:

- Supplier Code of Ethics
- Child Labour Policy
- Factory Audit policy

KEY TARGETS:

- 100% of own-brand products are made in Cat 1, 2 or 3 factories
- 100% of factories are audited against our annual social and ethical audit plan

KEY ACTIONS:

- Supplier onboarding programmes
- Factory audit programmes
- Supplier training

Material impacts, risks and opportunities

SBM-3

Having a strong partnership with our suppliers helps us to achieve a more resilient and efficient supply chain. Our vertically integrated sourcing model and global supply chain depend on value chain workers across multiple regions, and we recognise our role as part of a responsible value chain. Through our double materiality assessment, we have identified three topics and associated material risks and impacts related to workers in our value chain: child and forced labour, measures against violence and harassment in the workplace and health and safety.

Our risks and impacts in this section relate predominantly to our suppliers and factory workers in our upstream supply chain who manufacture our products.

Topic	Impact or risk	Description	Where in the value chain?	Time horizon
Child and forced labour	Potential negative impact Risk	Incidents of forced and child labour violate human rights and wellbeing. Pepco Group's exposure to this through the value chain may result in significant reputational damage, fines and litigation.	Value chain (upstream)	Short, medium and long-term
Measures against violence and harassment in the workplace	Potential negative impact Risk	Work-place violence and harassment in supplier and factory settings violates human rights and wellbeing. Incidents in the value chain could pose risks for Pepco Group including reputational damage, investor divestment, fines and litigation.	Value chain (upstream)	Short, medium and long-term
Health and safety	Potential negative impact	Health and safety incidents result in value chain worker injury, particularly where significant volumes of goods are stored or heavy machinery is operated.	Value chain (upstream)	Short, medium and long-term

Understanding our value chain

To source the products we sell Goods-For-Resale (GFR) we work with a range of third-party suppliers and factories. The majority of our own-brand GFR products (92%) are sourced through our vertically integrated sourcing arm, PGS. The remainder are sourced directly through commercial teams in our retail business units. We believe our PGS sourcing model enhances visibility across the supply chain, optimising control and coordination between our sourcing and buying teams. From FY26 we intend to move all own-brand sourcing under the PGS sourcing model, providing further visibility and oversight over our supply chain.

Most products sourced through PGS come from China, India and Bangladesh (79%), with a smaller proportion coming from Pakistan, Cambodia and Vietnam along with some near-shore sourcing in Europe. Workers in factories producing our own-brand products experience varying degrees of impact, shaped by the nature of their work. We segment our suppliers and factories into three tiers:

- "Tier 1" factories are primary manufacturing sites where the Group's own-brand products are produced
- "Tier 2" factories undertake activities that may include (but are not limited to) washing, embroidery, printing, dyeing, label and accessories. In these factories the Pepco brand logo and its licensee merchandise are visible
- "Tier 3" factories provide the raw materials or base components to Tier 2 factories

The impacts and risks we have identified in relation to workers in the value chain are focused on the workers in factories supplying our own-brand GFR products. These upstream workers are not part of our own workforce, and instead are employed by our supply chain partners, working in supplier sites and factories rather than the Group's sites. We recognise the inherent increased vulnerability to risks and impacts of child and forced labour, health and safety, and violence and harassment impacts given the sector, and the geographies we source from.

In addition to our own-brand products, we also sell third-party branded products sourced from domestic and international suppliers. These are predominantly FMCG products such as food and beverages, personal care and home care through our Dealz and (previously Poundland) retail brands. We also work with Goods-Not-For-Sale suppliers such as infrastructure and corporate service providers. We consider the risks and impacts higher, and our ability to influence and manage them greater, in relation to our own-brand GFR products than other segments of our supply chain, where we leverage the supplier's own risk management processes. The rest of this section therefore focuses on our risks, impacts and management in relation to the suppliers and factories for our own-brand GFR goods.

Policies

S2-1

The Group has a number of policies in place to manage the risks and impacts related to our supply chain: Supplier Code of Ethics, Child Labour Policy and Factory Audit Policy. Further details of each policy are set-out below:

- **Supplier Code of Ethics:** The objective of the Supplier Code of Ethics is to outline to suppliers the core principles of ethical, sustainable and socially responsible sourcing practices we expect them to follow, and to secure their commitment to acting ethically and responsibly at all times. It is aligned with the International Labour Organization, derived from the UN Guiding Principles, and sets out clear expectations for suppliers on topics including but not limited to, each of our material risks and impacts: forced and child labour, violence and harassment in the workplace and health and safety. The Supplier Code of Ethics is shared with all own-brand Tier 1 and Tier 2 suppliers, and a signed declaration confirming understanding and acceptance of the Code is required as part of the supplier onboarding process.
- **Child Labour Policy:** Pepco also has a Child Labour Policy, which, along with the Supplier Code of Ethics, requires suppliers to prevent child labour through strict monitoring and age verification checks. Our policy outlines steps to be taken if child labour is discovered, requiring appropriate escalation, investigation and the implementation of a remediation plan.
- **Factory Audit Policy:** Our Factory Audit Policy supplements our Supplier Code of Ethics, setting out our expectations, monitoring approach and how we evaluate compliance with the Supplier Code of Ethics through audits. This policy is supported by an internal factory audit process framework. Further details are provided in the supplier audit section below.

Supplier engagement

S2-2, S2-3

We engage with our suppliers through a range of processes:

- **Supplier onboarding** – We engage suppliers through a structured onboarding process. All Tier 1 and 2 own-brand suppliers are required to review and confirm compliance with our Supplier Code of Ethics before being approved to undertake orders.
- **Training and ongoing engagement** – We provide training to our supply chain partners to improve working practices and effectiveness. We do this through several forums:
  - Each year, we invite own-brand suppliers to undertake in-person training sessions provided by our Ethical Sourcing Audit team, focusing on topics included in the Supplier Code of Ethics and the whistleblowing platform.
  - Suppliers also participate in workshops and conferences with our sourcing and commercial teams at the beginning of each buying season to collaborate on seasonal buying trends and new products and processes.
  - Through these initiatives, whilst we do not specifically engage directly with factory-level workers, we encourage suppliers to engage in discussions with value chain workers, and it is expected that suppliers will share this information with their workers.
- **Supplier factory audits** – The supplier audit section below explains our approach to supplier audits including our engagement with suppliers through this process.
- **Collaboration with unions and industry bodies** – We engage with NGOs and industry bodies who work with our suppliers and in their local communities. This includes our membership of Better Cotton Initiative (BCI) which aims to support farming communities socially, environmentally and economically (explained further in G1).
- **Whistleblowing** – A QR code in the Supplier Code of Ethics provides access to our whistleblowing hotline, Safecall, and information is available in local languages. Should incidents be reported to the Group through other channels, for example through our Ethical Audit Sourcing teams, the complaint is referred to our whistleblowing processes. Our whistleblowing hotline is managed by our ompliance team with further details set-out in G1.
- When we identify potential negative impacts on workers within our value chain, either through our supplier factory audits, whistleblowing programme or broader engagement programmes, we work to address issues in line with our policies.
- Overall responsibility for management of human rights and supply chain risks sits with the Board.
- Our approach to working with our suppliers to address negative impacts identified through our supplier factory audit programme is set out in the Actions section.

Actions

S2-4

The Group has an established and ongoing responsible sourcing programme. In FY25 the Group undertook the following programmes of work:

Supplier onboarding – Own-brand Tier 1 and Tier 2 suppliers receive our Supplier Code of Ethics as part of their onboarding process. In 2025 we reviewed and updated our Supplier Code of Ethics, reinforcing our commitment to acting ethically and responsibly in all regions where we operate. Updates to our supplier onboarding process are ongoing, to improve efficiency and increase the transparency of information provided during the onboarding stage.

Supplier factory audits – Our supplier factory audit programme plays a critical role in managing reputational, legal and operational risks by ensuring that suppliers meet our ethical, environmental and labour standards. Supplier factory audits are largely performed by our in-house Ethical Sourcing Audit team and accredited Supplier Ethical Data Exchange (SEDEX) approved third-party providers, in accordance with our Factory Audit Policy (see Policy section above). In FY25 we broadened our audit programme to include own-brand Tier 2 suppliers, as well as Tier 1 suppliers, resulting in 1,829 audits and 1,266 factories.

Following an audit, each factory receives a rating from Category 1 to 5, along with a Corrective Action Plan (CAP) if required. Our Ethical Sourcing Audit team advises and supports the suppliers and factories to address the CAPs effectively, particularly for critical or high-risk issues (Category 4 and 5). Follow-up audits are also conducted for the critical and high-risk rated factories.

The outcomes of our supplier factory audits are monitored closely by our sourcing and commercial teams as well as our Board and Audit Committee.

It is not possible to allocate human and financial resources for the management of the described actions above with accuracy due to the complexity of our business activities. Typically, all actions are implemented using the budgets of individual business functions and normally do not require significant additional operating or capital expenditure. In addition to investment in our Compliance and Ethical Sourcing Audit teams the Group also invests in membership of SEDEX, one of the world's largest supply chain compliance platforms.

Governance

Overall responsibility for human rights and supply chain, including our factory and supplier audit programme, sits with the Board, which is also responsible for approving and reviewing Group policies. The Audit Committee oversees the Group's approach to ethical and responsible business practices, receiving an annual ethical sourcing report from our Ethical Sourcing Audit team.

The Ethical Sourcing Audit team is responsible for regular reporting, including the immediate escalation of any significant issues to our Legal and Compliance team as required. In addition to the annual Audit Committee report, ethical sourcing reports are provided to sourcing and commercial teams on a monthly basis, and management teams on a quarterly basis.

Severe human rights issues

During the reporting period, we identified one severe human rights incident within our supply chain. A case of child labour was detected through our supplier factory audit process. The violation took place at an unauthorised factory that had been subcontracted without our approval.

1. These are entity-specific targets and metrics.

Upon confirmation of the incident, in line with our Policy, the Group immediately cancelled the order and terminated all commercial relationships and contractual arrangements with the primary contracted factory. No goods were shipped and no further orders were placed. While unacceptable, this case demonstrates that our factory audit programme is operating effectively and we remain strongly committed to ethical standards.

Targets

S2-5

Our "Where Growth Meets Care" sustainability strategy focuses on Value Chain as one of its three core pillars. As part of our strategy we have set responsible sourcing targets which track the effectiveness of our actions in addressing material risks and impacts related to workers in our value chain: child and forced labour, measures against violence and harassment in the workplace and health and safety. These targets relate to our supplier factory audit programme which plays a critical role in addressing these risks and impacts as described above. We report these targets[1] and our performance metrics against them in this section.

When we identify potential negative impacts on workers within our value chain through our supplier factory audit programme, we work with suppliers to identify the cause and implement preventative measures. We do not currently engage with value chain workers directly in setting the targets or identifying lessons or improvements as a result of performance against these targets.

Target	FY25 performance	FY24 baseline
Sourcing target: 100% of own-brand products sourced through our PGS sourcing arm are made in Cat 1, 2 or 3 factories	94%	94%
Audit target: 100% of factories are audited against our annual supplier factory audit plan[2]	100%	100%

Accounting policies

Own-brand products are defined as products offered to consumers under the Pepco, Poundland and Dealz brands, and manufactured by suppliers with design, qualities and packaging specified by the Pepco Group. The metric currently only relates to products sourced through our PGS sourcing arm. In FY25 this covers 92% of own-brand goods sold. From FY26 we intend to move all own-brand sourcing under the PGS sourcing model and as such we expect to include 100% of own-brand products in this metric in the future.

Category 1,2,3 factories are defined as having no-risk to medium- risk issues and are approved for new business with Pepco Group. Business restrictions are imposed on factories with category 4 and category 5 ratings for having high-risk or critical issues. Factories need to submit a Corrective Action Plan for all high-risk issues identified during the audit.

Our annual supplier factory audit plan is an internal audit plan created and managed by our Ethical Sourcing Audit team. It covers all PGS-sourced factories that supply own-branded goods (92% of own-brand goods) as well as some non-PGS-sourced factories that are notified to the Ethical Sourcing Audit team. We intend to move all own-brand sourcing under the PGS sourcing model in the future. The supplier factory audit plan requires an on-boarding audit for every new factory and at least annual audits of every active factory thereafter.

1. These are entity-specific targets and metrics.
2. Our supplier factory audit plan is defined as all active factories for own-branded products that are designated "own-brand" in our sourcing system, CBX.

GOVERNANCE

G1: Business conduct

MATERIAL TOPICS:

- Corruption and bribery
- Protection of whistleblowers
- Management of suppliers

KEY POLICIES:

- Anti-bribery Policy
- Whistleblowing Policy
- Code of Ethics
- Supplier Code of Ethics
- Gifts and Hospitality Policy
- Conflicts of Interest Policy

KEY ACTIONS:

- Anti-bribery and corruption risk mapping exercises
- Anti-bribery and corruption and whistleblowing training programmes

Material impacts, risks and opportunities

SBM-3, IRO-1

We are committed to responsible business conduct, underpinned by honesty, integrity and transparency across our operations and value chain. We uphold high standards of corporate governance through policies and frameworks that support the effective functioning of our Board, protect stakeholder interests and promote accountability and resilience. These practices help foster a culture of responsibility across all of our operating companies, employees and suppliers, driving long-term sustainable value creation and the trust essential to our continued success. With a clear understanding of the need for robust business conduct, our DMA identified three risks: corruption and bribery, protection of whistleblowers and our relationships with suppliers. In the following section, we outline these areas in more detail, including the assessments we undertake to identify, detect and prevent such risks, as well as the policies and processes that underpin their effective management.

Topic	Impact or risk	Description	Where in the value chain?	Time horizon
Corruption and bribery	Potential risk	Fines, litigation and reputational damage due to inadequate due diligence and anti-bribery controls, leading to exposure to unethical practices that may also affect product quality and cost.	Own workforce	Short, Medium, Long-term
Protection of whistleblowers	Potential risk	Increased litigation, reputational damage, and reduced employee morale due to inadequate whistleblower protection or channels, allowing ethical or legal breaches to go unreported and harming whistleblower wellbeing	Own workforce & Value chain (upstream)	Short, Medium, Long-term
Management of relationship with suppliers	Potential risk	Fines, litigation and reputational damage due to inadequate due diligence and management practices, leading to exposure to ethical breaches such as unclear supplier ownership.	Own workforce & Value chain (upstream)	Short, Medium, Long-term

Policies

G1-1

The Group adopts a structured and proactive approach to preventing, detecting and addressing bribery and corruption, underpinned by its Anti-Bribery and Corruption Policy, which sits within the Compliance Policies Manual. This policy applies to all employees, Directors, suppliers and contractors, and reflects our commitment to ethical conduct and zero tolerance for bribery in any form. We have a Whistleblowing Policy, supported by country-specific policies tailored to local regulatory requirements. These are translated into local languages and made accessible via each country's dedicated intranet.

The policy framework is regularly reviewed, and changes are subject to Board approval as required. To support understanding and reinforce expectations, key messages are cascaded through senior leadership, internal communications campaigns and targeted workshops.

The Group's ethical expectations are further supported by the Company internal Code of Ethics as well as the Supplier Code of Ethics (detailed in the S2: Workers in the value chain section of this report), which includes specific Anti-Bribery and Corruption (ABC) provisions.

Preventing, detecting and addressing allegations or incidents of corruption and bribery

G1-3

Risk mapping exercises (as part of the enterprise risk management process), role analysis and jurisdiction-specific corruption indices were reviewed and updated during FY25, allowing the Group to identify and assess risks associated with corruption and bribery. As a result, a number of focused measures were reviewed and updated, including our governance and policy framework and our enhanced awareness of our whistleblowing mechanism.

As a key preventative control, the Group operates a Conflicts of Interest Policy and Gifts and Hospitality Policy, supported by a declaration process focused on senior leaders and higher-risk functions (including Property and Procurement). The Gifts and Hospitality Policy prohibits the giving or receiving of any gifts and hospitality must be appropriate and approved through the correct channels. These policies are communicated internally and enhanced training provided for higher-risk roles.

The Group has dedicated channels for raising concerns, triaging serious allegations and investigating concerns. Where required, the Audit Committee is notified of ethical concerns and our in-house Ethical Sourcing Audit team escalates findings in factories and concerns raised by suppliers (for further details regarding our in-house Ethical Sourcing Audit team please see the S2: Workers in the value chain section of this report).

Actions: Training and awareness

G1-4

Training is a crucial element of our compliance framework and annual activity plan. It was one of the key actions taken in FY25 to reinforce our policies and instil commitments across the Group. Other key actions include a monthly Ethics and Compliance communications programme in PGS, Compliance "Town Hall" meetings held in higher-risk markets such as Bangladesh and India and coverage in Pepco's internal employee magazine launching the new Code of Ethics.

Anti-Bribery and Corruption training is provided to all head office employees via an eLearning module. We provide this base-level training on an annual basis to head office employees across all functions and Board members, classifying all head office business functions to be "at-risk" under the ESRS definition and providing all at-risk functions with training. This base-level training is complemented by tailored eLearning training and workshops for functions exposed to elevated risk or "high-risk" functions, including workshops developed for Property and Procurement teams.

There were zero convictions or fines for violations of anti-corruption or anti-bribery laws in the reporting period.

For FY25, the Group did not set a target in relation to incidences of corruption and bribery. We believe tracking of the effectiveness of our policies and actions in relation to this topic is instead best managed through our reporting and management of corruption and bribery incidents and adherence to our zero-tolerance position.

Whistleblowing

G1-1

The Group uses an independent whistleblowing hotline operated by Safecall which is available in over 150 languages for use by both employees and suppliers, who can report anonymously if required. Reports can also be made directly to our internal compliance and internal audit teams.

The Chief Legal Officer, Audit Committee and/or external counsel are notified of significant cases where appropriate. Whistleblowing concerns are assessed and investigated either at the Group or local level, depending on relevance and risk.

Nominated investigators at an operating company level manage reports locally. The Group Compliance team has an immediate notification as well as access to all cases, and can ensure cases are assigned to the appropriate level.

To ensure independence from local management and objectivity when investigating cases, we have measures that drive impartiality and objectivity throughout the process. This includes diverting certain cases to the Legal function and introducing an investigator conflict of interest declaration ensuring that sensitive or complex matters are handled without bias or influence.

Our central triage process further supports impartiality and integrity by reviewing and classifying cases before escalation. If the accused person is among the report recipients, a control ensures that Safecall bypasses that person and escalates the case to the next management level. This structure upholds the fairness and integrity of all investigations.

Protection of whistleblowers

G1-3

We strongly encourage individuals to speak up and are committed to protecting and supporting whistleblowers, maintaining a zero-tolerance stance on retaliation in accordance with applicable law. To help add further protection the whistleblower has the option to report matters anonymously, semi-anonymously or named.

Employees receive training on whistleblowing and reporting procedures through our eLearning platform. To enhance understanding, we provide a clear process map and comprehensive guidance including questions and answers on our intranet that outline each step taken when a report is submitted.

Investigators receive training on the Safecall platform and are provided with essential resources, including templates and guidance notes, to support consistent and effective case handling.

To facilitate global accessibility, all templates, acknowledgement texts and follow-up communication scripts have been translated into various local languages.

Management of relationships with suppliers

G1-2

We are committed to ethical and responsible business conduct worldwide, which includes setting expectations for our suppliers. Our goal is to source products and services in an ethical, sustainable and socially responsible manner guided by our Supplier Code of Ethics. The Supplier Code of Ethics sets out our minimum standards for supplier conduct, helping to protect the integrity of our supply chain and align partners with our principles on business ethics and responsible sourcing. Suppliers are expected to uphold high standards across key areas including anti-bribery and corruption, financial crime prevention, ethical trading and fair competition, and conflict of interest management. We expect our suppliers never to use or tolerate any form of forced labour or human trafficking, or child labour (as defined by the International Labour Organization). We look to our suppliers not only to comply with legal obligations but also to act with integrity and pursue continuous improvement in their ethical and social practices, reinforcing our commitment to responsible business conduct across the value chain.

As set out in the S2: Workers in the value chain section of this report, Tier 1 and 2 own-brand GFR suppliers are required to review and confirm compliance with our Supplier Code of Ethics as part of our responsible sourcing processes. All own-brand GFR suppliers are audited against our Factory Audit Policy when onboarded and annually thereafter, allowing us to monitor compliance and to support suppliers in improving their practices. The Group's Factory Audit Policy supplements our Supplier Code of Ethics, setting out our expectations, monitoring approach and how we evaluate compliance through audits of GFR suppliers. The Audit Committee oversees the approach to ethical and responsible business practices and receives an annual governance report regarding the compliance programme findings.

Pepco integrates environmental and social criteria into our supplier selection and sourcing strategy. This includes our membership of the Better Cotton Initiative (BCI) which aims to support farming communities socially, environmentally and economically. By sourcing through BCI, Pepco Group contributes to raising standards of cotton production, which translates into the wellbeing of farmers and the environment. In addition, we source textiles certified by Oeko-Tex, which ensures products are tested for harmful substances and meet social and environmental standards, and materials certified by the Forest Stewardship Council (FSC), supporting responsible forest management.

By prioritising education and collaboration within our supply chain operations, we strive to foster a culture of sustainability and responsibility. Pepco engages with suppliers, facilitated via training sessions and supplier conferences (see further information on page 147). With a large regional footprint, we dedicate time, expertise and resources to managing social and environmental risks within our supply chain. To achieve this, we have in-country teams fluent in local languages who conduct on-the-ground assessments and work closely with suppliers to uphold our rigorous standards. These teams include specialists from a wide range of areas across the business, including quality assurance, buyers and ethical sourcing to achieve an integrated approach in effectively monitoring, supporting and continuously improving supply chain practices.

The Group does not currently operate a Group-wide late payments policy, however the Group has invested in a Supply Chain Finance (SCF) programme which is offered to the vast majority of our commercial product suppliers[1]. This process provides liquidity to our supply chain partners, supporting their financial resilience, while also improving our cash conversion cycle.

1. The SCF programme is offered to all commercial product suppliers meeting minimum order thresholds, with the exception of suppliers in Pakistan and Europe. The Group is currently exploring options to extend the SCF programme to suppliers in Pakistan and Europe.

Appendix 1: Data points that derive from other EU legislation

Disclosure requirement and related data point	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Materiality	Page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		Material	101
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	101
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	103
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	104
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	104
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	104
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	104
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	113

Appendix 1: Data points that derive from other EU legislation *continued*

Disclosure requirement and related data point	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Materiality	Page reference
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Material	113
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	116
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	117
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	117
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	117
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	118
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	118

Appendix 1: Data points that derive from other EU legislation *continued*

Disclosure requirement and related data point	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Materiality	Page reference
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Material	118
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material but phase-in applied	Not applicable
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Material but phase-in applied	Not applicable
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Material but phase-in applied	Not applicable
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material but phase-in applied	Not applicable
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	Not applicable
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	Not applicable
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	Not applicable

Appendix 1: Data points that derive from other EU legislation *continued*

Disclosure requirement and related data point	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Materiality	Page reference
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	Not applicable
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	Not applicable
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	Not applicable
ESRS 2- SBM 3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	Not applicable
ESRS 2- SBM 3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	Not applicable
ESRS 2- SBM 3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	Not applicable
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	Not applicable
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	Not applicable
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	Not applicable
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	Not applicable
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	Not applicable
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Material	145
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Material	145

Appendix 1: Data points that derive from other EU legislation *continued*

Disclosure requirement and related data point	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Materiality	Page reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	146
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	143
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	143
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	133
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	132
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	135
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material but phase-in applied	Not applicable
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	143
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	131
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	140
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	140

Appendix 1: Data points that derive from other EU legislation *continued*

Disclosure requirement and related data point	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Materiality	Page reference
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	145
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	146
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	146
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	146
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	146
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	147
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	149
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	150
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	150
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	150

Appendix 2: Emission factors applied to Scope 1, 2 and 3 GHG emissions

Scope	Categories	Source of data	Data used by source	Units	CO_2 units
Scope 1	Fugitive emissions	DESNZ (UK gov)	In air conditioning and refrigerations	kg	CO_2-eq
	Stationary combustion	DESNZ (UK gov); IEA (International Energy Agency)	Liquid and solid; Prices for fuels	EUR, kWh, litre, kg	CO_2-eq NA
	Mobile combustion	DESNZ (UK gov); IEA (International Energy Agency)	EFs for vehicles; Prices for fuels	EUR, km, litre	CO_2-eq NA
Scope 2	Cooling	Via electricity database	EFs for cooling	m^2	CO_2
	Electricity	IEA (International Energy Agency) AIB (Association of Issuing Bodies); EPA (Environmental Protection Agency)	EFs for electricity generation; EFs for electricity generation; EFs for electricity generation	EUR, kWh, m^2	CO_2-eq CO_2 CO_2-eq
	Heating	DESNZ (UK gov) NO, SE, FI; Technical paper (e.g. A);	EFs for onsite and district heating EFs for onsite and district heating	EUR, kWh, m^2	CO_2-eq CO_2
Scope 3	Purchased goods and services	DESNZ (UK gov); Exiobase; Idemat; Concito; IFEU; Ecoinvent	EFs for production of several minerals input output model Cradle-to-gate/cradle to grave EFs grave for food packaging Cradle-to-gate EFs for food Cradle-to-gate EfFs	EUR, kWh, m^2, m^3, kg, piece	CO_2-eq
	Capital goods	Exiobase; DESNZ (UK gov); Exoinvent Idemat	Input output model; EFs for production of several materials; Cradle-to-gate EFs; Cradle-to-gate/cradle-to-grave EFs	EUR, kWh, m^2, m^3, kg, piece	CO_2-eq
	Fuel- and energy-related activities	DESNZ (UK gov) Exiobase IEA (International Energy Agency)	Well-to-tank EFs for fuels; input output model; Well-to-tank EFs (Electricity)	EUR, kWh, kg, litre	CO_2-eq

Appendix 2: Emission factors applied to Scope 1, 2 and 3 GHG emissions *continued*

Scope	Categories	Source of data	Data used by source	Units	CO_2 units
	Upstream transportation and distribution	DESNZ (UK gov); Idemat; Exiobase	EFs for freighting goods; Cradle-to-gate EFs; input output model	EUR, tonne*km, km, litre	CO_2-eq
	Waste generated in operations	DESNZ (UK gov); Exiobase; Quartz; Idemat	Modelling approach for waste disposal EFs; input output model; End-of-life EFs; End-of-life EFs	EUR, kg	CO_2-eq
	Business travel	DESNZ (UK gov); Exiobase	EFs for passenger travel; input-output model	passenger*km, day	CO_2-eq
	Downstream transportation and distribution	DESNZ (UK gov); DESNZ (UK gov); Idemat; Exiobase	EFs for vehicles travel and transport; EFs for freighting goods; Cradle-to-gate EFs; input output model	EUR, tonne*km, km, litre	CO_2-eq
	Use of sold product	DESNZ (UK gov); IEA (International Energy Agency); AIB (Association of Issuing Bodies)	Well to wheel EFs for fuels; Well to wheel EFs for electricity; Well to wheel EFs for electricity	EUR, kg, litre, m^3, kWh	CO_2-eq
	End of life treatment of sold products	IEA (International Energy Agency); AIB (Association of Issuing Bodies); EPA (Environmental Protection Agency)	EFs for electricity generation; EFs for electricity generation; EFs for electricity generation	EUR, kWh, m^2	CO_2-eq CO_2 CO_2-eq



Financial statements

My child loves toys from Pepco. Our favourite store always has a wide selection for kids of all ages. Thanks to their great prices and good quality, I can buy them without feeling guilty. They make our playtime together much more fun and varied.

Katarzyna

Pepco customer

Consolidated income statement

for the year ended 30 September 2025

	Note	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Continuing operations			
Revenue	3	4,523,463	4,160,416
Cost of sales		(2,356,937)	(2,207,036)
Gross profit		**2,166,526**	1,953,380
Administrative expenses		(1,781,236)	(1,624,864)
Impairment of non-financial assets	10,11,12	(65,416)	(5,475)
Operating profit from continuing operations	5	**319,874**	323,041
Financial income	6	57,110	19,900
Financial expense	7	(125,510)	(108,862)
Profit before taxation from continuing operations for the year		**251,474**	234,079
Taxation	9	(80,079)	(106,703)
Profit from continuing operations for the year		**171,395**	127,376
Loss on discontinued operations	25	(347,198)	(861,606)
Loss for the year		**(175,803)**	(734,230)
Earnings per share	30		
Basic earnings per share from continuing operations		29.8	22.1
Basic earnings per share from discontinued operations		(60.4)	(149.6)
Basic earnings per share		(30.6)	(127.5)
Diluted earnings per share from continuing operations		28.9	22.0
Diluted earnings per share from discontinued operations		(58.6)	(148.5)
Diluted earnings per share		(29.7)	(126.5)

The notes on pages 166 to 205 form part of these financial statements.

* Comparatives have been restated to present Poundland as a discontinued operation and to restate prior period errors. Refer to note 25 and note 26 for further details.

Consolidated statement of other comprehensive income

for the year ended 30 September 2025

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Loss for the year	(175,803)	(734,230)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	22,797	45,210
Effective portion of changes in fair value of cash flow hedges	(72,926)	121,518
Net change in fair value of cash flow hedges reclassified to profit or loss	43,107	(85,240)
Deferred tax on items that are or may be reclassified subsequently to profit or loss	5,267	(8,238)
Net reserves recycled to profit or loss on disposal of discontinued operations	(27,325)	–
Other comprehensive income/(loss) for the year, net of income tax	**(29,080)**	73,250
Total comprehensive income/(loss) for the year	**(204,883)**	(660,980)
Total comprehensive income/(loss) for the year arising from:		
Continuing operations	142,315	200,626
Discontinued operations	(347,198)	(861,606)

The notes on pages 166 to 205 form part of these financial statements.

* Comparatives have been restated to present Poundland as a discontinued operation and to restate prior period errors. Refer to note 25 and note 26 for further details.

Consolidated statement of financial position

at 30 September 2025

	Note	30 September 2025 €000	30 September 2024 (Restated) €000	As at 1 October 2023 (Restated) €000
Non-current assets				
Property, plant and equipment	10	479,859	672,097	746,437
Right-of-use asset	12	986,276	1,290,531	1,246,837
Goodwill and other intangible assets	11	17,627	292,347	847,477
Loans receivable		3,199	–	–
Trade and other receivables	14	64	52	46
Derivative financial instruments	17	589	1,766	6,232
Deferred tax asset	18	113,244	86,418	116,621
		1,600,858	2,343,211	2,963,650
Current assets				
Inventories	13	892,487	1,174,676	1,119,547
Tax receivable		20	253	865
Trade and other receivables	14	63,255	102,874	143,132
Derivative financial instruments	17	16,023	32,741	42,106
Cash and cash equivalents		464,357	362,881	330,417
		1,436,142	1,673,425	1,636,067
Total assets		**3,037,000**	4,016,636	4,599,717
Current liabilities				
Trade and other payables	15	949,582	1,357,908	1,297,945
Current tax liabilities		54,904	34,105	–
Lease liabilities	12	284,796	394,469	304,794
Borrowings	16	430,937	–	118,794
Derivative financial instruments	17	85,839	51,259	91,045
Provisions	19	37,868	26,041	2,254
		1,843,926	1,863,782	1,814,832

	Note	30 September 2025 €000	30 September 2024 (Restated) €000	As at 1 October 2023 (Restated) €000
Non-current liabilities				
Trade and other payables	15	3,404	3,396	21,763
Lease liabilities	12	781,514	1,034,395	988,377
Borrowings	16	195,693	612,980	610,270
Derivative financial instruments	17	1,559	1,227	1,730
Provisions	19	47,892	59,605	67,409
		1,030,062	1,711,603	1,689,549
Total liabilities		**2,873,988**	3,575,385	3,504,381
Net assets		**163,012**	441,251	1,095,336
Equity attributable to equity holders of the parent				
Share capital	20	5,775	5,760	5,760
Share premium reserve	20	13	13	13
Treasury shares	20	(49,912)	–	–
Cash flow hedge reserve		(26,976)	(4,351)	(32,391)
Merger reserve		(562)	(751)	(751)
Translation reserve		13,337	19,981	(25,229)
Share-based payment reserve		52,192	39,908	33,013
Retained earnings		169,145	380,691	1,114,921
Total shareholders' equity		**163,012**	441,251	1,095,336

The notes on pages 166 to 205 form part of these financial statements.

* Comparatives have been restated. Refer to note 26 for further details.

Consolidated statement of changes in equity

for the year ended 30 September 2025

	Share capital €000	Treasury shares €000	Share premium €000	Cash flow hedge reserve[1] €000	Translation reserve[2] €000	Merger reserve[3] €000	Share-based payment reserve[4] €000	Retained earnings €000	Total equity €000
Balance at 1 October 2024	5,760	–	13	(4,351)	19,981	(751)	39,908	380,691	441,251
Total comprehensive income for the period									
Loss for the year	–	–	–	–	–	–	–	(175,803)	(175,803)
Other comprehensive income for the period	–	–	–	(22,625)	(6,644)	189	–	–	(29,080)
Total comprehensive income for the period	–	–	–	(22,625)	(6,644)	189	–	(175,803)	(204,883)
Transactions with owners, recorded directly in equity									
Equity-settled share-based payments (see note 21)	–	–	–	–	–	–	12,284	–	12,284
Dividends declared	–	–	–	–	–	–	–	(35,743)	(35,743)
Issue of share capital	15	–	–	–	–	–	–	–	15
Own shares acquired in the year	–	(49,912)	–	–	–	–	–	–	(49,912)
Total contributions by and distributions to owners	15	(49,912)	–	–	–	–	12,284	(35,743)	(73,356)
Balance at 30 September 2025	**5,775**	**(49,912)**	**13**	**(26,976)**	**13,337**	**(562)**	**52,192**	**169,145**	**163,012**

1. The cash flow hedge reserve represents the cumulative effect of fair value gains and losses on cash flow hedges in the Group.
2. The translation reserve represents the cumulative foreign exchange differences on the translation of the net assets of the Group's foreign operations from their functional currency to the presentation currency of the parent.
3. The merger reserve represents the difference between the cost of the Company's investment in its subsidiaries acquired using the principles of merger accounting and the aggregate carrying value of assets and liabilities of the subsidiaries acquired.
4. The Group provides equity-settled share-based payment awards; see note 21.

The notes on pages 166 to 205 form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 September 2024

	Share capital €000	Treasury shares €000	Share premium €000	Cash flow hedge reserve[1] €000	Translation reserve[2] €000	Merger reserve[3] €000	Share-based payment reserve[4] €000	Retained earnings €000	Total equity €000
Balance at 1 October 2023	5,760	–	13	(32,391)	(23,407)	(751)	33,013	1,155,471	1,137,708
Impact of correction of errors (note 26)	–	–	–	–	(1,822)	–	–	(40,550)	(42,372)
Restated balance at 1 October 2023	5,760	–	13	(32,391)	(25,229)	(751)	33,013	1,114,921	1,095,336
Total comprehensive income for the period (restated)									
Loss for the year (restated)	–	–	–	–	–	–	–	(734,230)	(734,230)
Other comprehensive income for the period	–	–	–	28,040	45,210	–	–	–	73,250
Total comprehensive income for the period	–	–	–	28,040	45,210	–	–	(734,230)	(660,980)
Transactions with owners, recorded directly in equity									
Issue of share capital	–	–	–	–	–	–	–	–	–
Equity-settled share-based payments (see note 21)	–	–	–	–	–	–	6,895	–	6,895
Total contributions by and distributions to owners	–	–	–	–	–	–	6,895	–	6,895
Balance at 30 September 2024 (restated)	5,760	–	13	(4,351)	19,981	(751)	39,908	380,691	441,251

1. The cash flow hedge reserve represents the cumulative effect of fair value gains and losses on cash flow hedges in the Group.
2. The translation reserve represents the cumulative foreign exchange differences on the translation of the net assets of the Group's foreign operations from their functional currency to the presentation currency of the parent.
3. The merger reserve represents the difference between the cost of the Company's investment in its subsidiaries acquired using the principles of merger accounting and the aggregate carrying value of assets and liabilities of the subsidiaries acquired.
4. The Group provides equity-settled share-based payment awards; see note 21.

The notes on pages 166 to 205 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 September 2025

	Note	30 September 2025 €000	30 September 2024 (Restated) €000
Cash flows from operating activities			
Profit for the period from continuing operations:		171,395	127,376
Adjustments for:			
Depreciation, amortisation and impairment	10,11,12	219,137	143,572
Right-of-use asset depreciation	12	301,301	271,440
Financial income	6	(57,110)	(19,900)
Financial expense	7	125,510	108,862
Profit on sale of property, plant and equipment		(220)	(272)
Equity-settled share-based payment expenses	21	12,599	6,895
Taxation	9	80,079	106,703
		852,691	744,676
(Increase)/decrease in trade and other receivables		(12,686)	51,323
Decrease in inventories		7,216	28,463
Decrease in trade and other payables		(19,446)	(20,591)
Increase in provisions and employee benefits		11,651	9,292
Settlement of derivatives		8,172	6,801
Cash generated by operations		**847,598**	819,964
Tax paid		(77,256)	(85,449)
Net cash from operating activities in discontinued operations		19,761	87,817
Net cash inflow from operating activities		**790,103**	822,332
Cash flows used in investing activities			
Proceeds from sale of property, plant and equipment		576	2,290
Interest received		23,178	22,960
Disposal of a subsidiary net of cash disposed		(39,410)	(8,465)
Additions to property, plant and equipment	10	(89,338)	(144,380)
Additions to other intangible assets	11	(6,463)	(4,552)
Net cash from investing activities in discontinued operations		(16,862)	(62,894)
Net cash outflow used in investing activities		**(128,319)**	(195,041)

	Note	30 September 2025 €000	30 September 2024 (Restated) €000
Cash flows from financing activities			
Proceeds from the issue of share capital		15	–
Purchase of own shares		(49,912)	–
Dividends paid		(35,743)	–
Proceeds from borrowings net of fees incurred		–	–
Repayment of borrowings		–	(120,000)
Interest paid		(53,945)	(55,301)
Payment of interest on lease liabilities	12	(41,181)	(53,436)
Repayment of lease liabilities	12	(290,885)	(250,938)
Net cash from financing activities in discontinued operations		(92,320)	(141,064)
Net cash outflow from financing activities		**(563,971)**	(620,739)
Net increase/(decrease) in cash and cash equivalents		97,813	6,552
Cash and cash equivalents at beginning of period		362,881	330,417
Effect of exchange rate fluctuations on cash held		3,663	25,912
Cash and cash equivalents at end of period		**464,357**	362,881

The notes on pages 166 to 205 form part of these financial statements.

Notes to the consolidated financial statements

1. Significant accounting policies

Pepco Group N.V. (the Company) is a public limited liability company incorporated in the Netherlands (registration number 81928491) and domiciled in the United Kingdom. The Company has a primary listing on the Warsaw Stock Exchange. The registered address is 14th Floor, Capital House, 25 Chapel Street, London, NW1 5DH, United Kingdom. Pepco Group operates a European multi-format discount retail chain, specialising in apparel, homeware, and serving value-conscious customers.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group). The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU (Adopted IFRS Accounting Standards), and also comply with the statutory provisions of part 9 of Book 2 of the Dutch Civil Code. The parent company financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the EU and with part 9 of Book 2 of the Dutch Civil Code; these are presented on pages 206 to 213.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these Group financial statements.

1.1 Measurement convention

The financial statements have been prepared on the historical cost basis except for derivatives which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

1.2 Going concern

The FY25 consolidated financial statements have been prepared on a going concern basis.

The Group maintains access to significant committed credit facilities and total available liquidity as of 30 September 2025 exceeded €850m. Since the year end, the Group has further improved its balance sheet and financial strength, supported by the completion of a dual-tracked refinancing of banking facilities and a Polish bond issuance in November 2025, as part of a review of external funding to extend the Group's debt maturity profile out to 2032, optimise debt pricing and enhance financial flexibility.

In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's overall financial position, liquidity, cash flow forecasts and the potential impact of the principal risks and uncertainties outlined on pages 56 to 61. The assessment included a review of forecast cash flows and liquidity headroom under a base case, severe but plausible downside scenarios and a reverse stress test over a period of 24 months from the end of the reporting period to the end of FY27.

These scenarios incorporated assumptions relating to increasing geopolitical instability, intensification of competition, changes in consumer demand and supply chain disruption. Even under these scenarios, the Group retains sufficient headroom and liquidity throughout the assessment period and is able to comply with the requirements of its lending covenants.

Based on this review, the Directors are comfortable that the Group has adequate facilities and resources to meet its obligations as they fall due for a period of at least 12 months from the date of approval of the Group's financial statements, and therefore that it is appropriate to apply the going concern basis for the preparation of the FY25 consolidated financial statements.

1.3 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

1. Significant accounting policies *continued*

1.3. Basis of consolidation *continued*

Acquisitions from entities under common control

In accounting for Group reorganisation as a business combination under common control, the following principles have been adopted:

- Where investments are acquired in exchange for consideration and the transactions have economic substance the Group has chosen to account for these transactions at fair value by applying acquisition accounting in accordance with the principles of IFRS 3, as discussed in the accounting policy for business combinations.
- Where businesses are acquired in exchange for the issue of shares, the Group has chosen to account for these transactions using the transferor's book values (pooling of interest method) with the difference between the value of the net assets acquired and nominal value of the shares issued being recognised within a merger reserve in equity.

Change in subsidiary ownership and loss of control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Unless otherwise indicated, the consolidated and parent company financial statements are prepared on the accruals basis in thousands of Euro (€000). The Euro is the Group's presentation currency and the Company's functional currency.

Group reorganisation

The Group undertook a Group reorganisation exercise during 2021. As part of this process, Pepco Group N.V. (formerly Pepco Group B.V.) was inserted above Pepco Group Limited in the Group's structure.

On 13 May 2021, Pepco Group N.V. (the Company) acquired the entire shareholding of Pepco Group Limited and its related subsidiaries, by a way of a share-for-share exchange with Flow Newco Limited, becoming the Group's immediate parent company. The insertion of the Company on top of the existing Pepco Group Limited does not constitute a business combination under IFRS 3 "Business Combinations" and instead has been accounted for as a Group reorganisation. Merger accounting has been used to account for this transaction.

Discontinued operations

On 12 June 2025, the Group completed the sale of its entire shareholding in Poundland Limited to Gordon Brothers. The disposal reflects the Group's strategy to simplify the Group structure and focus on its core Pepco-branded operations.

Poundland's results are presented as discontinued operations in accordance with IFRS 5 in the consolidated statements of income and cash flows for the year ended 30 September 2025. Comparative figures have been reclassified accordingly. Poundland did not meet the criteria for "held for sale" at earlier reporting periods. This is consistent with IFRS 5, which requires classification as "held for sale" only when a disposal group is available for immediate sale and the sale is highly probable at the reporting date.

The disposal resulted in a loss of €350.2m, recognised in discontinued operations. Net liabilities of €343.4m were derecognised, and cumulative translation differences were recycled to profit or loss. Refer to note 25 for further details. Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately. The Group includes proceeds from disposal in cash flows from discontinued operations.

The shares in Poundland were sold for nominal consideration of £1, with Pepco providing a secured loan of £30 million. Certain unsecured loans initially remained in place between Pepco Group and Poundland, including an overdraft facility of up to £30 million. Following the approval of the proposed restructuring plan by the UK High Court on 26 August 2025, these unsecured loans were converted into a minority equity stake in Poundland Group of 30%, which has been valued at nil.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group's presentation currency at the monthly average foreign exchange rate. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentation currency, the Euro, at foreign exchange rates ruling at the statement of financial position date. The revenues and expenses of foreign operations are translated at the average rate during the month in which they were incurred. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the translation reserve.

1. Significant accounting policies *continued*

1.5 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

a. they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

b. where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in this consolidated historical financial information for share capital exclude amounts in relation to those shares.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Financial assets – classification, subsequent measurement and gains and losses

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

The Group makes an assessment of the objective of the business model in which a financial asset is held because this best reflects the way the business is managed and information is provided to management.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not have any financial assets accounted for at FVOCI. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets which are accounted for in accordance with the accounting policy (note 1.7) for derivative financial instruments and hedge accounting.
All financial assets are recognised at the trade date.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement.

See accounting policy 1.7 regarding derivative financial instruments and hedge accounting for further information.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred, or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount derecognised and the consideration received is recognised in the income statement.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

1.7 Derivative financial instruments and hedging

Derivative financial instruments (comprising foreign currency forward contracts and commodity hedges) are used to manage risks arising from changes in foreign currency exchange rates (primarily relating to the purchase of overseas sourced products) and fuel price fluctuations.
The Group does not hold or issue derivative financial instruments for speculative trading purposes. The Group uses the derivatives to hedge highly probable forecast transactions and material foreign currency exposures recognised on the balance sheet, therefore, the instruments are mostly designated as cash flow hedges.

Derivatives are recognised at fair value on the date a contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument or not.

Certain derivative instruments, while providing effective economic hedges under the Group's policies, are not designated as hedges. Changes in the fair value are recognised immediately in the income statement.

1. Significant accounting policies *continued*

1.7 Derivative financial instruments and hedging *continued*

For derivatives designated as a hedging instrument in a cash flow hedge relationship, the associated cumulative gain or loss is reclassified from the cash flow hedge reserve in equity and recognised in the income statement in the same period or periods during which the hedged transaction affects the income statement. Any element of the remeasurement of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the income statement within financial income or financial expenses.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss which was reported in other comprehensive income is recognised immediately in the income statement.

The full fair value of the derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months or as a current asset or liability if the remaining maturity of the hedged item is less than 12 months from the reporting date.

1.8 Property, plant and equipment

Property, plant and equipment are stated at purchase cost (together with incidental costs of acquisition) less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold property improvements	–	Over the term of the lease
Fixtures and equipment	–	3 to 25 years (dependent upon lease term)
Buildings	–	10 to 40 years
Land	–	No depreciation is charged

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

1.9 Business combinations

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

1.10 Intangible assets and goodwill

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. Goodwill is initially measured at cost, being the excess of the acquisition cost over the Group's interest in the assets and liabilities recognised. Goodwill is not amortised, but is tested for impairment annually or whenever there is an indication of impairment. For the purposes of impairment testing, goodwill acquired is allocated to the cash-generating unit (CGU) that is expected to benefit from the synergies of the combination. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. All goodwill relates to the Group's investment in Poundland which was fully impaired in FY25 and subsequently disposed.

Brand

Brand is stated at cost less any accumulated amortisation and accumulated impairment losses. Brand is amortised over 40 years on a straight-line basis from 1 October 2018. The brand asset related to the Group's investment in Poundland which has now been disposed.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Software

Capitalised software costs include both external direct costs of goods and services, and internal payroll-related costs for employees who are directly associated with the software project.

Development costs are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it is available for use.
- Management intends to complete the software for use in the business.
- It can be demonstrated how the software will generate probable economic benefits in the future.
- Adequate technical, financial and other resources are available to complete the project.

Capitalised software development costs are amortised on a straight-line basis over their expected economic lives. Computer software under development is held at cost less any recognised impairment loss. Any impairment in value is recognised within the income statement.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date.

Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Trademarks – 5 years
- Software – 3–7 years

1. Significant accounting policies *continued*

1.11 Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving inventory. Cost is calculated on a weighted average basis. The Group estimates a slow-moving inventory provision based on prior stock performance and current market conditions. The Group also provides for obsolete inventory. Inventory cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

The Group is not exposed to large amounts of credit risk due to the nature of its operations as a direct to customer retailer; however, the Group recognises an allowance for expected credit losses for all financial assets measured at amortised cost. The Group applies the simplified approach to measuring expected credit losses, recognising a loss allowance based on the lifetime expected credit losses at each reporting date. The expected credit losses on trade receivables is based on historical credit loss experience, adjusted for forward-looking information.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit (CGU)). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

1.14 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity for equity-settled schemes or liabilities for cash-settled schemes, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model where appropriate, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market performance vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting and/or market performance conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.15 Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability and current market assessment of the time value of money.

1.16 Revenue

Revenue comprises the consideration paid for products by external customers at the point of sale in stores, net of value-added tax and promotional discounts. Revenue is recognised on the sale of goods when the product is sold to the customer.

It is the Group's policy to sell its products to customers with a right of return. The Group uses the expected value method to estimate the value of goods that will be returned, because this method best predicts the amounts of variable consideration to which the Group will be entitled. However, the level of returns is not considered material; therefore, no right of return asset or refund liability is recognised. On the basis of materiality, revenue is therefore recognised at the full value of the consideration received. This is assessed on an ongoing basis.

1. Significant accounting policies *continued*

1.17 Cost of sales

Cost of sales consist of costs related to purchase price of consumer products sold to customers and inbound shipping charges to distribution centres. Shipping charges to receive products from suppliers are included in inventory and recognised as cost of sales upon sale of products to customers. In addition, warehouse reception and storage costs are not incorporated into inventory valuation on the balance sheet but directly expensed through the income statement as distribution costs. Supplier discounts and contributions to common marketing or advertising campaigns are measured based on contracts signed with suppliers and are considered as a reduction of the prices paid for the products and, therefore, recorded as a reduction of the inventory cost.

1.18 Distribution costs (included within administrative expenses)

Distribution costs consist of costs incurred in operating and staffing distribution centres and stores and transporting inventory from distribution centres to stores. They consist of warehousing and store employee salaries and wages, store expenses, advertising costs and other selling expenses.

1.19 Operating expenses (included within administrative expenses)

Operating expenses consist of support office employees' salaries and wages, gains and losses on the sale of non-current assets and disposal groups held for sale, restructuring costs and other general and administrative expenses.

1.20 Lease accounting

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability – initial recognition

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted at the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate (such as RPI), initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options where the Group is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The lease liability is presented as a separate line in the consolidated statement of financial position, split between current and non-current liabilities.

Lease liability – subsequent measurement

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability – remeasurement

The lease liability is remeasured where:

- there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments' change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- the lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

When the lease liability is remeasured, an equivalent adjustment is made to the right-of-use asset unless its carrying amount is reduced to zero, in which case any remaining amount is recognised in profit or loss.

Right-of-use asset – initial recognition

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the Group has an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use asset is presented as a separate line in the balance sheet.

Right-of-use asset – subsequent measurement

Right-of-use assets are amortised over the shorter of the lease term and useful life of the underlying asset.

1. Significant accounting policies *continued*

1.20 Lease accounting *continued*

Impairment

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment – non-financial assets" policy.

1.21 Taxation

Tax on the profit or loss for the year comprises current and deferred tax recognised and measured in accordance with IAS 12. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure for accounting periods beginning on or after 1 January 2023.

IAS 12.15 and 24 require that deferred tax liabilities and assets be recognised for all taxable and deductible temporary differences (subject to recoverability requirements for deferred tax assets) unless the deferred tax liability or asset arises from the initial recognition of an asset or liability in a transaction that: (i) is not a business combination; (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and (iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

1.22 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

1.23 Government grants

Grants are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

1.24 Events after the balance sheet date

The consolidated financial statements are adjusted to reflect events that occurred provided they give evidence of conditions that existed at the balance sheet date.

Events that are indicative of conditions that arose after the balance sheet date are disclosed where significant, but do not result in an adjustment of the consolidated financial statements themselves.

1.25 Supplier income

Rebate income

Rebate income consists of income generated from volume-related rebate agreements and other supplier funding received on an ad hoc basis for in-store promotional activity. The income received is recognised as a credit against cost of sales.

Volume-related income is recognised based on the expected entitlement at the reporting date based on agreed and documented contractual terms. Where the contractual period is not yet complete, the Group will estimate expected purchase volumes taking into account current performance levels to assess the probability of achieving contractual target volumes.

Other supplier funding is recognised as invoiced to the suppliers, subject to satisfaction of any related performance conditions. To minimise the risk arising from estimate, supplier confirmations are obtained at the reporting date prior to amounts being invoiced.

Promotional funding

Promotional pricing income relates to income received from suppliers to invest in the customer offer. It is recognised as a credit against cost of sales. Timing of invoicing of amounts due is agreed on an individual basis with each supplier.

Uncollected supplier income at the reporting date is presented within the financial statements as follows:

- Where there is no practice of netting commercial income from amounts owed to the supplier, the Group will present amounts due within trade receivables.
- Where commercial income is earned but not invoiced to the supplier at the reporting date, the amount due is included within prepayments and accrued income.

1. Significant accounting policies *continued*

1.26 Financial income and expenses

Financial expenses comprise interest payable and other costs related to external funding, losses due to the translation of foreign currency balances into functional currency, change in fair value of derivatives not in hedge relationships and the ineffective portion of change in the fair value of cash flow hedges that are recognised in the income statement. Financial income comprises interest receivable on funds invested, gains due to the translation of foreign currency balances into functional currency, change in fair value of derivatives not in hedge relationships and the ineffective portion of changes in the fair value of cash flow hedges.

Interest income and interest expense are recognised in the income statement as they accrue, using the effective interest method.

1.27 Reserves

Share capital

Called-up share capital represents the nominal value of shares that have been issued. Share premium represents the difference between the issue price and the nominal value of the shares issued. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax from the proceeds.

Treasury shares

Treasury shares are recognised at the consideration paid and shown as a reduction in equity. Subsequent sales, re-issues, or cancellations of treasury shares are recorded directly in equity with no impact on profit or loss.

Cash flow hedge reserve

The cash flow hedge reserve represents the effective portion of cash flow hedges where the contract has not yet expired. The reserve is stated net of the associated tax. The effective portion is recycled to the income statement upon expiry of the contract or when the hedged future cash flows affect profit or loss.

Translation reserve

The translation reserve represents the cumulative translation differences for foreign operations. This is a legal reserve.

Merger reserve

The merger reserve arose on consolidation as a result of the acquisition of the Pepco Group companies and Pepkor Import BV on 4 May 2016 and also the acquisition of Fully Sun China Limited and its subsidiaries on 18 January 2018 and the share for share exchange transaction that took place on 13 May 2021. It represents the difference between the cost of the Company's investment in its subsidiaries acquired using the principles of merger accounting and the aggregate carrying value of assets and liabilities of the subsidiaries acquired.

1.28 New standards and amendments

Standards adopted by the Group for the first time

The Group has adopted the amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements for the first time in the current year. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments; or
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

In the current year, the Group has applied a number of other amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. In addition to the amendments to IAS 7 and IFRS 7 mentioned above, the new amendments include:

- amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback (effective 1 January 2024); and
- amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants, Classification of liabilities as current or non-current (effective 1 January 2024).

Adoption of these standards has not had a material impact on the disclosures or on the amounts reported in the Group's financial statements.

Standards and interpretations to existing standards which are not yet effective and are under review as to their impact on the Group

The following standards and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 October 2025 or later periods but which the Group has not early adopted:

- Amendments to IAS 21 to clarify the accounting when there is a lack of exchangeability (effective 1 January 2025).
- IFRS 18 Presentation and Disclosures in Financial Statements (effective 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027).
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)
- Annual Improvements to IFRS Accouting Standards - Volume 11 (effective 1 January 2026)
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)

1. Significant accounting policies *continued*

- Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 (effective 1 January 2027)
- Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, and IAS 37

No other new standards, new interpretations or amendments to standards or interpretations have been published which are expected to have a significant impact on the Group's financial statements. In relation to the published standards and interpretations above, the Group is continuing to assess the impact on the financial statements for future periods and expects there to be no significant material impact other than IFRS 18, for which the Group is currently performing an assessment.

1.29 Accounting estimates and judgements

The preparation of these financial statements requires the exercise of judgement, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and various other factors, including expectations of the future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period impacted.

The Group makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates will seldom equal the related actual results. The Directors continually evaluate the estimates, assumptions and judgements based on available information and experience.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Uncertainties related to disclosure notes 25 (Discontinued operations) and 26 (Restatement note) related to the former Poundland segment

Due to the sale of Poundland on 12 June 2025, the Board no longer has direct access and control over Poundland management, the finance team or operational processes. The adjustments from discontinued operations disclosed in note 26 for the year ended 30 September 2024 exclude required adjustments for IFRS 16 lessee accounting and possibly other Poundland adjustments related to trade payables, prepayments and deferred income. The Board is not able to require Poundland to undertake the extensive recalculations, system reconfiguration of the IFRS 16 tool, and data extraction work that would be necessary to investigate any required adjustment to the previously published IFRS 16 lease liability and right of use asset balances as at 1 October 2024 and other possible adjustments. The Board also does not have the ability to obtain the underlying Poundland specific lease data in a format that would allow reconstruction or re-measurement of the previously audited IFRS 16 lease liability and right of use asset balances as at 1 October 2024 (and the full data set sits with an external party to Poundland).

The Board was therefore unable to obtain sufficient appropriate information on the adjustments from discontinued operations disclosed in note 26 for the year ended 30 September 2024. Any required adjustments to the opening balances related to Poundland might further require adjustments to the results of the discontinued operation following the Poundland disposal as disclosed in note 25 "Discontinued operations" to the consolidated financial statements. Such potential adjustments may also have further impact on the Group's assessment of goodwill and other intangible assets relating to the former Poundland segment as at 1 October 2024.

In the Group consolidated income statement for the year ended 30 September 2025, the financial information of Poundland is presented as a discontinued operation in line with IFRS 5 and the comparative figures for FY24 have been restated accordingly.

The foregoing does not impact total shareholders' equity as at 30 September 2025 as disclosed in the consolidated statement of financial position.

Impairment of intangible assets (goodwill and other intangible assets) and right-of-use assets

The Group assesses whether there are any indicators of impairment as at the reporting date for all intangible assets and right-of-use assets. Goodwill is tested for impairment annually and at other times when such indicators exist. Other intangible assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, the Directors must estimate the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The key sources of estimation uncertainty are the future business performance over the forecast period (five years), projected long-term growth rates, discount rates applied and allocations of central costs and corporate assets. When fair value less costs to sell calculations are used, Level 2 and 3 fair value inputs are used. See note 11 for detailed disclosures.

Life of brand asset

The useful life is considered to be 40 years which represents management's best estimate of the period over which the brand will be utilised based on the trading history of the business, future financial projections and ongoing investment in the business, along with the retail segment occupied by Poundland and the active proposition development happening within the business. The brand is amortised on a straight-line basis, up to the point of disposal of Poundland in June 2025. As a result, the amortisation of the brand is reflected in discontinued operations. See notes 11 and 25 for detailed disclosures.

Key judgements

The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Lease discount rate

Where a rate implicit to the lease is not available, the selection of a discount rate for a lease is based upon the marginal cost of borrowing to the business in relation to the funding for a similar asset.

Management calculates appropriate discount rates based upon the marginal cost of borrowing currently available to the business as adjusted for several factors including the term of the lease, the location and type of asset and how often payments are made.

Management considers that these are the key details in determining the appropriate marginal cost of borrowing for each of these assets. See note 1.20 for detailed disclosures.

1. Significant accounting policies *continued*

Lease Term

Management exercises judgement in determining the lease term on its lease contracts. Within its lease contracts, particularly those in respect of its retail business, break options and extension clauses are included to provide operational and financial security should store performance be different to expectations. At inception of a lease, management will typically assess the lease term as being up until the first extension option, which is typically 5 years, given historical data and as such it is reasonably certain that break options will not be exercised. Management will continue to assess this estimate to ensure it aligns with the lease term of the stores, and whether lease extension options are generally exercised

As stated in the accounting policies, the discount rate used to calculate the lease liability is based on the incremental borrowing rate. Incremental borrowing rates are determined quarterly and depend on the lease term, currency and start date of the lease. The incremental borrowing rate is determined based on a series of inputs including the risk-free rate based on government bond rates, country-specific risk and entity-specific risk. See note 12 for detailed disclosures.

1.30 Exceptional costs

Management exercises judgement in determining the adjustments to apply to IFRS Accounting Standards measurements. Management believes these measures provide additional useful information to illustrate the underlying trends, performance and position of the Group. Exceptional costs constitute material, exceptional, unusual and other items. In determining whether events or transactions are treated as exceptional costs, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Examples of charges or credits meeting the above definition and which have been presented as exceptional costs in the current and/or prior years include:

- IFRS 2 charges in respect of management Value Creation Plan;
- cost relating to implementation of Software-as-a-Service IT solutions and expensing significant ERP programme costs incurred;
- business restructuring programmes; and
- Hungary fraud incident.

In the event that other items meet the criteria, which are applied consistently from year to year, they are also treated as exceptional costs. Further information about the determination of exceptional costs in financial year 2025 is included in note 4. The exceptional costs are not defined by IFRS Accounting Standards.

1.31 Alternative Performance Measures (APMs)

Management exercises judgement in determining the adjustments to apply to IFRS Accounting Standards measurements in order to derive suitable APMs. As set out in note 27, APMs are used as management believes these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for performance analysis. The APMs are not defined by IFRS Accounting Standards and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS Accounting Standards measurements.

2. Segmental analysis

Operating segments are defined as components of the Group about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker (CODM), or decision-making group, in deciding how to allocate resources and in assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Committee, which is considered the Group's CODM.

The Group has identified two significant revenue-generating operating segments: one being business trading under the Pepco banner and the other being business trading under the Dealz banner. In previous reporting periods, the Group referred to three significant revenue-generating operating segments whereby business trading under the Poundland banner was also included. This segment was sold during FY25 and therefore the results from this segment are no longer included in the segmental analysis. A final "other" operating segment includes the Group's sourcing operations, Group functions and other activities that do not meet the threshold requirements for individual reporting.

EBITDA is the primary profit metric reviewed by the CODM and has been presented by operating segment with a reconciliation to operating profit. EBITDA is defined as operating profit before depreciation, amortisation, impairment and profit/loss on disposal of tangible and intangible assets. Tax and interest are not reviewed by the CODM on an operating segment basis. Segment assets and liabilities are measured in the same way as in the consolidated historical financial information. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset. Investments in subsidiaries within the Group, along with relevant consolidation adjustments and eliminations, are allocated to the relevant segment. Assets and liabilities included within the "other" segment relate to balances held by the Group's sourcing operations.

All income statement disclosures are for the continuing business only. The total asset, total liability and capital expenditure disclosures are for the entire Group.

2. Segmental analysis *continued*

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Revenue		
Pepco	4,184,209	3,853,169
Dealz Poland	339,254	307,247
Group Revenue	**4,523,463**	4,160,416
Cost of sales		
Pepco	2,128,499	1,998,243
Dealz	230,032	213,544
Consolidation adjustments	(1,594)	(4,751)
Group cost of sales	**2,356,937**	2,207,036
Underlying EBITDA		
Pepco	874,327	792,906
Dealz Poland	24,694	13,117
Other	(33,749)	(22,144)
Group Underlying EBITDA	**865,272**	783,879
Reported EBITDA		
Pepco	847,101	750,643
Dealz Poland	16,777	11,299
Other	(23,786)	(24,162)
Reported EBITDA	**840,092**	737,780
Less reconciling items to operating profit		
Depreciation of right-of-use asset	(301,301)	(271,440)
Impairment of right-of-use asset	(32,631)	(419)
Depreciation of property, plant and equipment	(145,604)	(132,435)
Impairment of property, plant and equipment	(22,639)	(4,437)
Amortisation of other intangibles	(8,117)	(5,662)
Impairment of other intangibles	(10,146)	(619)
Profit on disposal of property, plant and equipment	220	272
Other expenses	–	1
Group operating profit from continuing operations	**319,874**	323,041

All income statement disclosures are for the continuing business only. The total asset, total liability and capital expenditure disclosures are for the entire Group.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Depreciation and amortisation		
Pepco	417,687	375,633
Dealz Poland	35,598	32,352
Other	1,737	1,552
Group depreciation and amortisation	**455,022**	409,537
Impairment of non-financial assets		
Pepco	59,646	4,362
Dealz Poland	5,770	1,113
Other	–	–
Group Impairment of non-financial assets	**65,416**	5,475
Total assets		
Pepco	2,836,714	2,839,273
Dealz Poland	148,229	176,266
Other	52,057	12,735
Poundland	–	988,362
Group total assets	**3,037,000**	4,016,636
Total liabilities		
Pepco	2,090,802	2,089,183
Dealz Poland	108,145	110,268
Other	675,041	662,831
Poundland	–	713,103
Group total liabilities	**2,873,988**	3,575,385
Additions to non-current assets		
Pepco	342,362	535,087
Dealz Poland	17,516	30,910
Other	1,932	1,948
Poundland	–	138,914
Group additions to non-current assets	**361,810**	706,859

3. Revenue and geographical segments

Revenue comprises the consideration paid for products by external customers at the point of sale in stores, net of value-added tax and promotional sales discounts. The Group's disaggregated revenue recognised relates to the following geographical segments:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Poland	1,712,936	1,617,790
Rest of Central and Eastern Europe	2,115,578	1,950,271
Western Europe	694,949	592,355
	4,523,463	4,160,416

The Group's disaggregated non-current assets recognised relate to the following geographical segments:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
UK and Republic of Ireland	32,847	624,165
Poland	384,901	472,926
Rest of Central and Eastern Europe	618,082	634,522
Western Europe	565,028	611,598
	1,600,858	2,343,211

4. Exceptional items

The Group believes underlying profit, an alternative profit measure, is a valuable way in which to present business performance as it provides the users of the accounts with a clear and more representative view of ongoing business performance. Exceptional items, which are removed from the reported IFRS Accounting Standards measures, are defined as material, exceptional, unusual and other items.

Underlying performance measures should be considered in addition to IFRS Accounting Standards measures and are not intended to be a substitute for them. The Group also uses underlying financial performance to improve the comparability of information between reporting periods and geographical units and to aid users in understanding the Group's performance. Consequently, the Group uses underlying financial performance for performance analysis, planning, reporting and incentive setting.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Reported EBITDA from continuing operations	**840,092**	737,780
Group Value Creation Plan (VCP)	–	590
Impact of implementation of IFRIC interpretation on SaaS arrangements and expensing significant ERP programme costs incurred	7,780	28,590
Restructuring costs[1]	17,400	675
Hungary fraud incident	–	16,243
Underlying EBITDA from continuing operations	**865,272**	783,878
Reported operating profit from continuing operations	**319,874**	323,041
Group Value Creation Plan (VCP)	–	590
Impact of implementation of IFRIC interpretation on SaaS arrangements and expensing significant ERP programme costs incurred	16,997	26,329
Restructuring costs[1]	34,131	675
Hungary fraud incident	–	16,243
Underlying operating profit from continuing operations	**371,002**	366,878
Reported profit before taxation from continuing operations for the year	**251,474**	234,079
Group Value Creation Plan (VCP)	–	590
Impact of implementation of IFRIC interpretation on SaaS arrangements and expensing significant ERP programme costs incurred	16,997	26,338
Restructuring costs[1]	34,131	675
Hungary fraud incident	–	16,243
Underlying profit before tax from continuing operations	**302,602**	277,925

1. Restrcuturing costs include €5.6m which is included within cost of sales.

4. Exceptional items *continued*

IFRS 2 charge: A Value Creation Plan (VCP) was approved by the Board of Directors in March 2020 as a reward tool to incentivise the top management of the Pepco Group and to retain them post an IPO. The remaining VCP charges treated as exceptional costs were completed in FY24.

Impact of implementation of IFRIC interpretation on SaaS arrangements and expensing significant ERP programme costs incurred: Following the IFRIC interpretation on accounting for SaaS costs, the Group has expensed previously capitalised costs in relation to certain SaaS projects as part of the retrospective application of the new accounting policy. In FY24 and FY25, the Group has specifically expensed costs related to significant ERP programmes alongside a significant impairment in FY25.

Restructuring costs: The Group undertook a strategic decision in the year to restructure Pepco Spain and Pepco Germany. In the case of Pepco Spain, the exceptional items relate to closure costs of stores and conversions to remove FMCG from the Pepco Spain offering. With regards to Pepco Germany, the exceptional items relate to costs for the insolvency and closure of the relevant Pepco Germany stores. In addition, the Group also has included exceptional costs relating to write off of certain trade balances due from Poundland as a result of the sale.

Hungary fraud incident: During FY24, the Group incurred a loss due to a fraud incident which occurred in Pepco Hungary. The loss to the business is an exceptional item as it was material, exceptional and unusual in nature. All costs have been captured that relate to this issue and classified as exceptional.

Please note that the prior year reported results included the non-cash impairment of Poundland (primarily goodwill), which has now been reclassified to discontinued operations in both FY24 (restated) and FY25.

5. Operating profit from continuing operations

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Operating (loss)/profit for the period has been arrived at after charging:		
Expense relating to short-term, low-value and variable leases	57,979	57,316
Depreciation of tangible fixed assets and other items:		
Owned	145,604	132,435
Depreciation of right-of-use assets	301,301	271,440
Impairment of property, plant and equipment	22,639	4,437
Amortisation of other intangibles	8,117	5,662
Impairment of other intangible assets	10,146	619
Impairment of right-of-use assets	32,631	419
Cost of inventories recognised as an expense	2,310,235	2,162,448
Write downs of inventories recognised as an expense	31,333	41,877

	Year to 30 September 2025 €000	Year to 30 September 2024 €000
Auditors' remuneration		
Fees payable to the Company's auditors and their associates for the audit of the Company's annual accounts[1]	1,375	538
Fees payable to the Company's auditors and their associates for the audit of the Company's subsidiaries[1]	4,465	1,182
Fees payable to other auditors and their associates for the audit of the Company's subsidiaries	–	782
Fees payable to other auditors and their associates in the current year in relation to prior year audit	–	128
Total audit fees	**5,840**	2,630
Other assurance services[2]	560	165
Other services	–	–
Total auditors' remuneration[3]	**6,400**	2,795

1. In FY25, the audit fees are payable to Ernst & Young who are the auditors of the Group and Company. In FY24, Forvis Mazars Accountants N.V. were the auditors of the Group and Company.
2. Audit-related services relate to the limited assurance arrangement for the Group's CSRD IV disclosures included within this Annual Report.
3. The audit fee in FY25 includes €2m of fees which have been included within the loss on discontinued operations.

6. Financial income

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Bank interest income	23,178	22,063
Interest on external loans[1]	4,712	–
Foreign exchange gains/(losses)	29,220	(2,163)
	57,110	19,900

1. Interest earned on a subordinated loan provided due to the disposal of Poundland (refer to note 25).

7. Financial expense

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Interest on bank loans and amortisation of capitalised finance costs	60,613	67,784
Bond call premium payable[1]	6,344	–
Release of capitalised finance costs due to bond call[1]	3,509	–
Interest on lease liabilities	41,181	43,678
Foreign exchange losses	13,863	(2,600)
	125,510	108,862

1. Included within finance expense is €6.3m relating to a premium payable on the irrevocable early redemption notice issued against the Eurobond, and €3.5m representing the write-off of unamortised capitalised finance costs originally incurred on the issuance of the Eurobond. Refer to note 16 for further details.

8. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during each year was as follows:

	Year to 30 September 2025	Year to 30 September 2024
Administration	2,650	2,821
Selling and distribution	41,113	46,246
	43,763	49,067

The table is completed above including staff numbers from discontinued operations. If discontinued operations were to be excluded, the average number of persons employed for FY25 would be 34,200 (FY24: 32,853).

The Group does not have any staff employed in the Netherlands.

The aggregate payroll costs of these persons were as follows:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Wages and salaries	606,449	527,712
Social security costs	104,746	89,422
Other pension costs (note 23)	35,569	29,947
Share-based payments expense (note 21)	12,590	6,677
	759,354	653,758

Key management remuneration

The amounts for remuneration include the following in respect of the key management personnel:

	Basic remuneration €000	Short-term annual bonus paid €000	Other short-term Company contributions €000	Post-employment pension contribution €000	LTIP[1] €000	Total €000
2025	**2,546**	**2,157**	**1,011**	**216**	**1,302**	**7,232**
2024	3,068	1,942	116	125	6,184	11,435

1. Long Term Incentive Plan; this includes IFRS 2 charges. See note 21 for more details and see Remuneration report (on pages 83 to 91 for Directors' remuneration in detail.

9. Taxation

Analysis of tax (charge)/credit for the year recognised in the income statement

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Current tax (charge)/credit		
Current tax for the year	(105,193)	(111,512)
Global minimum top-up tax	(461)	–
Adjustments in respect of prior periods	3,994	(18,151)
Total current tax	**(101,660)**	(129,663)
Deferred tax (charge)/credit		
Origination and reversal of temporary differences	22,710	20,617
De-recognition of previously recognised temporary differences	–	(5,714)
Change in deferred tax rate	619	–
Adjustments in respect of prior periods	(1,748)	8,057
Total deferred tax	**21,581**	22,960
Total tax charge for the year	**(80,079)**	(106,703)

Factors affecting the tax (charge)/credit for the year recognised in the income statement

The tax charge for the year differs from the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%). The differences are explained below.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Profit before tax – continuing operations	251,474	234,079
Expected tax charge at the UK statutory rate of 25.0% (2024: 25.0%)	(62,869)	(58,520)
Effects of:		
Movement in unrecognised temporary differences*	(25,403)	(40,415)
Expenses not deductible for tax purposes	(19,833)	(7,537)
Fixed asset differences	(2,179)	–
Overseas tax rate differences**	27,440	9,863
Adjustments in respect of prior periods	2,246	(10,094)
Difference in tax rates	519	–
Total tax charge for the year	**(80,079)**	(106,703)

The Company is UK tax resident based on the Company being managed and controlled in the UK and as such is subject to UK corporation tax, with the expected tax charge reconciled to the UK statutory rate.

Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions.

* Movements in unrecognised temporary differences primarily relate to non-deductible interest expense on the Group's third-party debt arrangements.

** Operations of the Group are predominantly concentrated in mainland Europe, in particular the Central and Eastern Europe region, where the statutory tax rate is, in many cases, lower than the UK statutory rate of 25.0%. IAS 12 does not provide specific guidance on how to reflect the impact of global minimum top-up tax in the reconciliation of the effective tax rate. The Group has therefore included the impact of global minimum top-up tax within this category.

9. Taxation *continued*

Tax (charge)/credit recognised in other comprehensive income

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Deferred tax (charge)/credit		
Fair value movements on derivative financial instruments	5,267	(8,238)
Total tax (charge)/credit recognised in other comprehensive income	**5,267**	(8,238)

The total tax (charge)/credit for the year relates to continuing operations and excludes amounts recognised within discontinued operations. In the year ended 30 September 2025, the Group recognised a tax (charge)/credit within "profit/(loss) from discontinued operations" of €2.0m (2024: €(36.4)m).

Factors that may affect future current and total tax

As a large multinational enterprise the Group falls within the scope of the global minimum tax rules (Pillar Two) which are now effective in most jurisdictions in which the Group operates. Relevant legislation was substantively enacted in the UK on 20 June 2023, effective for accounting periods commencing on or after 31 December 2023. In this respect the current financial year (i.e. ended 30 September 2025) is the first in relation to which the rules are effective for the Group.

In the financial year ended 30 September 2025 the Group had operations in Bosnia and Herzegovina, Bulgaria, Hungary, Isle of Man, Republic of Ireland and Switzerland, all of which currently have a headline tax rate below 15%.

In most jurisdictions in which the Group operates the Pillar Two rules are not expected to have a significant impact on the Group's financial statements, either as a result of available safe harbours, elections or the substance-based income exclusion. In the current year the Group has provided for a potential top-up tax under the Pillar Two rules in Bulgaria amounting to €0.5m. No provision has been recorded for any top-up tax arising under the Pillar Two rules in any other jurisdiction.

The Group accounts for the impact of any top-up tax arising under the Pillar Two rules when it is incurred and has applied a temporary mandatory relief from deferred tax accounting for the impacts of the Pillar Two rules.

The Group continues to monitor developments in the implementation of Pillar Two rules across all relevant jurisdictions. Additional compliance obligations under the rules may arise as legislation is enacted and guidance is clarified.

10. Property, plant and equipment

	Land and buildings €000	Leasehold property improvements €000	Fixtures and equipment €000	Total €000
Cost				
Balance at 1 October 2023	90,852	496,895	680,236	1,267,983
Additions	6,988	88,348	105,833	201,169
Disposals	(77)	(22,590)	(33,012)	(55,679)
Differences on translation	(11,572)	29,221	19,509	37,158
Balance at 30 September 2024 (restated)	86,191	591,874	772,566	1,450,631
Balance at 1 October 2024	86,191	591,874	772,566	1,450,631
Additions	2,775	41,281	47,227	91,283
Disposals	–	(3,788)	(4,559)	(8,347)
Differences on translation	(4,255)	(1,633)	17,958	12,070
Discontinued operations	(5,931)	(131,988)	(281,171)	(419,090)
Balance at 30 September 2025	**78,780**	**495,746**	**552,021**	**1,126,547**
Depreciation and impairment				
Balance at 1 October 2023	11,852	165,642	344,052	521,546
Charge for the period	2,904	79,876	99,602	182,382
Disposals	(125)	(10,973)	(23,979)	(35,077)
Impairment	–	76,308	–	76,308
Differences on translation	(2,195)	32,254	3,316	33,375
Balance at 30 September 2024 (restated)	12,436	343,107	422,991	778,534
Balance at 1 October 2024	12,436	343,107	422,991	778,534
Charge for the period	1,416	73,048	71,140	145,604
Disposals	–	(1,668)	(3,358)	(5,026)
Impairment	–	13,045	9,594	22,639
Differences on translation	(150)	(17,668)	6,285	(11,533)
Discontinued operations	(1,189)	(111,041)	(171,300)	(283,530)
Balance at 30 September 2025	**12,513**	**298,823**	**335,352**	**646,688**
Net book value				
Balance at 30 September 2025	**66,267**	**196,923**	**216,669**	**479,859**
Balance at 30 September 2024 (restated)	73,755	248,767	349,575	672,097

Impairments were recognised in the year of €22.6m (2024: €76.3m) as a result of expected store closures or as a result of an overall impairment analysis on store assets. Refer to note 26 for details of the restatements made.

10. Property, plant and equipment *continued*

Movements due to discontinued operations relate to the disposal of Poundland (see note 25). This includes all movements related to the discontinued operations for the year, including the depreciation charge recognised in the year, up to the point of disposal, of €52.0m.

11. Goodwill and other intangible assets

	Goodwill[1] €000	Brand[1] €000	Software and trademarks €000	Total €000
Cost				
Balance at 1 October 2023	820,281	127,069	68,913	1,016,263
Additions	–	–	7,189	7,189
Disposals	–	–	(1,033)	(1,033)
Differences on translation	21,164	4,433	2,998	28,595
Balance at 30 September 2024	841,445	131,502	78,067	1,051,014
Balance at 1 October 2024	841,445	131,502	78,067	1,051,014
Additions	–	–	6,917	6,917
Disposals	–	–	(1,630)	(1,630)
Differences on translation	–	–	584	584
Discontinued operations	(841,445)	(131,502)	(26,517)	(999,464)
Balance at 30 September 2025	**–**	**–**	**57,421**	**57,421**
Amortisation and impairment				
Balance at 1 October 2023	116,621	16,016	36,149	168,786
Amortisation for the period	–	3,924	7,400	11,324
Disposals	–	–	(380)	(380)
Impairments	578,098	–	619	578,717
Differences on translation	–	(41)	261	220
Balance at 30 September 2024	694,719	19,899	44,049	758,667
Balance at 1 October 2024	694,719	19,899	44,049	758,667
Amortisation for the period	–	–	8,117	8,117
Impairments	–	–	10,146	10,146
Differences on translation	–	–	(312)	(312)
Discontinued operations	(694,719)	(19,899)	(22,206)	(736,824)
Balance at 30 September 2025	**–**	**–**	**39,794**	**39,794**
Net book value				
Balance at 30 September 2025	**–**	**–**	**17,627**	**17,627**
Balance at 30 September 2024	146,726	111,603	34,018	292,347

1. Brand and goodwill relate to the acquisition of the Poundland Group, Fultons Group and Poundshop.com. These were disposed as part of the sale of Poundland in FY25.

Impairment

Under IAS 36 "Impairment of Assets", the Group is required to:

- review its intangible assets in the event of a significant change in circumstances that would indicate potential impairment; and
- review and test its goodwill and indefinite-life intangible assets annually or in the event of a significant change in circumstances.

As part of the annual impairment review, the carrying value of the assets or, if they do not generate independent cash flows individually, the carrying value of the cash-generating unit (CGU) that they belong to is compared to their recoverable amount.

CGUs represent the smallest identifiable groups of assets that generate cash flows that are largely independent of cash flows from other groups of assets. In accordance with internal management structures, the group of CGUs against which goodwill is monitored comprises the Poundland Group, which is aligned with the level at which the Directors monitor that goodwill.

The recoverable amount represents the higher of the CGU's fair value less the cost of disposal and value in use. The recoverable amount has been determined based on the CGU's fair value less the cost of disposal as using this methodology provides a higher value as required by IFRS Accounting Standards. Where the recoverable amount is less than the carrying value, an impairment results. Goodwill acquired in a business combination is allocated to groups of CGUs according to the level at which the Directors monitor that goodwill.

During FY24, all goodwill was tested for impairment and an impairment of €578.1m was recognised. The remaining balance of goodwill was also fully impaired in FY25 prior to the sale of Poundland.

The key assumptions for the fair value less the cost of disposal calculations is based on various fair value methodologies such as EBITDA multiples and recent transactions. These are to be Level 3 fair value inputs. The range of EBITDA multiples considered appropriate for the fair value calculation as between 8.5x and 9.5x EBITDA (pre-IFRS 16).

The impairment in FY24 and FY25 has largely been driven by the material underperformance in Poundland, along with slower growth prospects and a higher cost outlook in the UK following the recent government budget. This has led to the VIU model producing a lower value than the fair value less cost of disposal model.

12. Leases

Right-of-use assets

	Buildings €000	Equipment €000	Vehicles €000	Total €000
Cost				
Balance at 1 October 2023	2,153,862	45,596	28,499	2,227,957
Additions	487,202	5,660	5,638	498,500
Disposals	(52,300)	–	(150)	(52,450)
Differences on translation	81,478	19,325	(15,454)	85,349
Balance at 30 September 2024 (restated)	2,670,242	70,581	18,533	2,759,356
Balance at 1 October 2024	2,670,242	70,581	18,533	2,759,356
Additions	262,345	525	740	263,610
Disposals	(2,349)	–	–	(2,349)
Differences on translation	(40,581)	(17,572)	16,634	(41,519)
Discontinued operations	(737,120)	(39,431)	(25,980)	(802,531)
Balance at 30 September 2025	**2,152,537**	**14,103**	**9,927**	**2,176,567**
Depreciation				
Balance at 1 October 2023	939,371	26,110	15,639	981,120
Depreciation for the period	360,838	4,666	3,136	368,640
Disposals	(11,625)	–	(17)	(11,642)
Impairment	81,404	–	–	81,404
Differences on translation	35,824	22,476	(8,997)	49,303
Balance at 30 September 2024 (restated)	1,405,812	53,252	9,761	1,468,825
Balance at 1 October 2024	1,405,812	53,252	9,761	1,468,825
Depreciation for the period	297,033	1,756	2,512	301,301
Disposals	(594)	–	–	(594)
Impairment	32,631	–	–	32,631
Differences on translation	(19,024)	(20,803)	9,965	(29,862)
Discontinued operations	(544,271)	(21,736)	(16,003)	(582,010)
Balance at 30 September 2025	**1,171,587**	**12,469**	**6,235**	**1,190,291**
Net book value				
Balance at 30 September 2025	**980,950**	**1,634**	**3,692**	**986,276**
Balance at 30 September 2024 (restated)	1,264,430	17,329	8,772	1,290,531

An impairment was recognised in the year of €32.6m (2024: €81.4m) as a result of the expected store closures and impairment reviews on loss-making stores.

Lease liabilities

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
At beginning of period	1,428,864	1,293,171
Additions	258,161	517,913
Interest on lease liability	41,181	67,671
Repayment of lease liability	(332,066)	(441,585)
Disposal	(1,886)	(35,521)
Differences on translation	(4,026)	27,215
Discontinued operations	(323,918)	–
At end of period	**1,066,310**	1,428,864
Current	284,796	394,469
Non-current	781,514	1,034,395
	1,066,310	1,428,864

Amounts recognised in the income statement

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Interest expenses (included in finance cost)	41,181	43,678
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	1,203	580
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	223	221
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	56,552	49,603

Amounts recognised in the statement of cash flows

	Year to 30 September 2025 €000	Year to 30 September 2024 €000
Total cash outflow for leases	**390,044**	491,989

12. Leases *continued*

The Group leases various retail stores, offices and vehicles under non-cancellable operating leases. The leases have varying terms, escalating clauses and renewal rights. On renewal, the terms of the leases are renegotiated. The Group has recognised right-of-use assets for these leases, except for short-term and low-value leases.

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable payment terms' percentages range from 1.5% to 7.5% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

13. Inventories

	30 September 2025 €000	30 September 2024 €000 (Restated)
Goods purchased for resale	538,371	750,537
Goods in transit	354,116	424,139
	892,487	1,174,676

Cost of inventories from continuing operations recognised as an expense for the year ended 30 September 2025 were €2,310.2m (FY24: €2,183.3m).

In addition, inventory losses and provisions from continuing operations recognised as an expense for the year ended 30 September 2025 were €31.3m (FY24: €41.9m)

14. Trade and other receivables

	30 September 2025 €000	30 September 2024 €000
Non-current trade and other receivables		
Other receivables	64	52
	64	52
Current trade and other receivables		
Trade receivables	521	4,991
Other receivables	43,093	27,184
Prepayments	19,641	70,699
	63,255	102,874

As the principal business of the Group is retail sales made in cash or with major credit cards, the Group's trade receivables are small and therefore credit risk primarily consists of other receivables and cash and cash equivalents. Accordingly, the Group does not systematically report outstanding receivables analysed by credit quality, in particular with respect to the credit quality of financial assets that are neither past due nor impaired.

There is no significant concentration of credit risk with respect to trade receivables, as the Group has a large number of customers that are widely dispersed. As such, any further detailed analysis of the credit risk of the Group's financial assets by category is not considered meaningful.

The carrying amount of trade and other receivables recorded in the financial statements represents the Group's maximum exposure to credit risk and any associated impairments are immaterial.

15. Trade and other payables

	30 September 2025 €000	30 September 2024 €000 (Restated)
Current		
Trade payables	646,019	852,951
Other taxation and social security	71,258	71,724
Other payables	72,886	81,326
Accruals[1]	159,419	351,907
	949,582	1,357,908
Non-current		
Accruals and deferred income	3,404	3,396
	3,404	3,396

The Group operates supply-chain finance arrangements with a number of its relationship banking partners, providing total supply chain finance facilities of €437m (2024: €417m) to suppliers of goods for resale only. These arrangements enable these suppliers to access early settlement of approved invoices by allowing them to sell those receivables to participating financial institutions.

Suppliers who choose to participate do so on payment terms that remain consistent with the Group's standard commercial terms, which continue to be negotiated directly between the Group and each supplier. The financing element is managed between the supplier and the financial institution.

Amounts outstanding under these arrangements are classified as trade payables, and related cash flows are presented within operating activities. This reflects the fact that the arrangements are facilitated through agreements between suppliers, the funding counterparties and the external platform providers, rather than representing financing obtained directly by the Group.

The Group does not face a significant liquidity risk as a result of its supplier finance arrangements given its access to other sources of finance.

	30 September 2025 €000
Presented within trade and other payables	412,543
– of which is drawn under the supply chain finance programmes	362,398
Liabilities that are part of supplier finance arrangements	120–150 days after invoice date
Comparable trade payables that are not part of supplier finance arrangements	60–150 days after invoice date

The Directors consider that the carrying amount of trade payables approximates to their fair value.

16. Borrowings

	30 September 2025 €000	30 September 2024 €000
Current		
Principal – Borrowings from credit institutions	250,000	–
Principal – Secured bond issuance	175,000	–
Capitalised costs	(407)	–
Redemption premium	6,344	–
	430,937	–
Non-current		
Principal – Borrowings from credit institutions	–	250,000
Principal – Secured bond issuance	200,000	375,000
Capitalised costs	(4,307)	(12,020)
	195,693	612,980

An irrevocable early redemption notice for €175m of the secured bond was issued in 2025. This portion was not repaid in 2025 and is included within current liabilities together with the early redemption premium of €6.3m related to this. The remaining €200m of the secured bond, with a fixed interest rate of 7.25% and maturing in June 2028, is included within non-current liabilities.

Costs incurred in obtaining the loans from credit institutions and the secured bond have been capitalised and are allocated to the income statement over the life of the debt facilities.

Interest is being charged on borrowings from credit institutions at an effective rate of 6.35% (2024: 6.85%). These loans contain financial covenants which are typical for this type of facility and include minimum leverage and interest cover. The Group remained compliant with these covenants for the year ended 30 September 2025. The loans from credit institutions are secured over the shares of material overseas subsidiaries and debentures over other assets of the Group. There has been no significant impact to the Group as a result of interest rate benchmark reform.

17. Financial instruments and related disclosures

Financial risk management

The Directors have overall responsibility for the oversight of the Group's risk management framework. A formal process for reviewing and managing risk in the business has been developed. A register of strategic and operational risk is maintained and reviewed by the Directors, who also monitor the status of agreed actions to mitigate key risks.

The principal financial risks faced by the Group relate to liquidity risk, credit risk, market risk (foreign currency risk, interest rate risk and commodity risk) and capital risk. Financial risk management is managed in accordance with policies and guidelines which are reviewed and approved by the Board of Directors. The risk management policies are designed to minimise potential adverse effects on the Group's financial performance by identifying financial exposures and setting appropriate risk limits and controls. The risk management policies also ensure sufficient liquidity is available to the Group to meet foreseeable financial obligations and that cash assets are invested safely.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligation. This arises from cash and cash equivalents, trade receivables, other receivables, and derivative financial instruments.

As the principal business of the Group is cash sales the Group's trade receivables are small. The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk and any associated impairments are minimal.

For cash and cash equivalents and derivative financial instruments the Group holds positions with an approved list of investment-grade rated counterparties and counterparty credit limits are set to minimise the concentration of risk.

The Group monitors exposures and credit ratings on a regular basis.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due by ensuring that there is sufficient cash or working capital facilities to meet the cash requirements of the Group for the current business plan.

The risk is measured by review of forecast liquidity each month to determine whether there are sufficient credit facilities to meet forecast requirements and by monitoring covenants on a regular basis. Cash flow forecasts are submitted monthly to the Group Executive Committee. These continue to demonstrate the cash-generating ability of the business and its ability to operate within existing agreed facilities.

Market risk

Market risk is the risk that changes in the market prices will affect the Group's income. The Group's exposure to market risk predominantly relates to interest and currency risk.

Interest rate risk

The Group's external borrowings include loans which incur variable interest rate charges linked to Euribor which are added to the loan. Interest rate risk is measured by sensitivity analysis. The Group's policy aims to manage the interest cost of the Group within the business plan. The Group did not utilise interest rate swaps to hedge interest rate risks during the year.

The table below shows the interest rate risk profile for the Group's financial instruments:

	September 2025 Fixed €000	**September 2025 Float €000**	**September 2025 Total €000**	September 2024 Fixed €000	September 2024 Float €000	September 2024 Total €000
Cash and cash equivalents	–	464,357	464,357	–	362,881	362,881
Borrowings from credit institutions	(377,333)	(249,297)	(626,630)	(364,750)	(248,230)	(612,980)
Finance lease liabilities	(1,066,310)	–	(1,066,310)	(1,428,864)	–	(1,428,864)
	(1,443,643)	**215,060**	**(1,228,583)**	(1,793,614)	114,651	(1,678,963)

17. Financial instruments and related disclosures *continued*

Interest rate sensitivity analysis

The table below shows the Group's sensitivity to interest rates on floating rate borrowings (i.e. cash and cash equivalents and bank borrowings which attract interest at floating rates) if interest rates were to change by +/-100 bps. The following assumptions were made in calculating the sensitivity analysis:

- the only impact to equity is to retained earnings
- it is assumed ***interest is receivable*** on the entirety of the Group's cash balances; and
- the impact is reflected on net assets (gross of tax).

	2025 (decrease)/ increase in profit €000	2024 (decrease)/ increase in profit €000
100 bps increase in interest rates	2,144	1,129
100 bps decrease in interest rates	(2,144)	(1,129)

Foreign currency risk

The Group has a significant transaction exposure to directly sourced purchases from its suppliers in the Far East, with most of the trade being in US Dollars and Chinese Yuan. The Group's policy allows these exposures to be hedged for up to 18 months forward in order to fix the cost in Polish Zloty and, until the disposal of Poundland (see note 25), Pound Sterling. Hedging is performed through the use of foreign currency bank accounts and forward foreign exchange contracts. See below for further details on hedge accounting.

The Group does not hedge the translation exposure arising from the profits, assets and liabilities of its businesses.

Foreign currency risk arising from Group entities holding montary assets in currencies other than the functional currency is managed by matching debt to operational currency of the entity, cash balances held and, where necessary, derivative contracts. Foreign currency derivatives and borrowings in matching currencies are not formally designated as accounting hedges as gains and losses will naturally offset in the income statement.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	30 September 2025				30 September 2024			
	GBP €000	**EUR €000**	**PLN €000**	**Others €000**	GBP €000	EUR €000	PLN €000	Others €000
Cash and cash equivalents	(342,361)	598,046	26,171	182,501	163,353	(26,308)	11,718	214,573
Trade and other receivables	31,090	2,207	22,498	10,705	63,769	25,318	4,178	9,661
Borrowings	–	(626,630)	–	–	–	(612,980)	–	–
Trade and other payables	(1,964)	(90,097)	(350,874)	(510,033)	(294,856)	(117,041)	(863,693)	(108,325)
Provisions	(1,030)	(31,102)	(35,832)	(17,797)	(6,473)	(3,944)	(22,095)	(1,759)
Lease liabilities	(234)	(823,372)	(193,767)	(48,938)	(282,436)	(900,641)	(152,698)	(45,214)
	(314,499)	**(970,948)**	**(531,804)**	**(383,562)**	(356,643)	(1,635,596)	(1,022,590)	68,936

Significant exchange rates used

	Year to 30 September 2025	Year to 30 September 2024
Average rate for the year		
Polish Zloty	4.26	4.33
Pound Sterling	0.85	0.86
Statement of financial position rates		
Polish Zloty	4.27	4.28
Pound Sterling	0.87	0.84

Foreign exchange rate sensitivity analysis

The table below shows the Group's sensitivity to foreign exchange rates for its Polish Zloty and Pound Sterling financial instruments, the major currencies in which the Group's assets and liabilities are denominated:

	2025 Increase/ (decrease) in equity €000	2024 Increase/ (decrease) in equity €000
10% appreciation of the Euro against the Polish Zloty	59,089	113,621
10% depreciation of the Euro against the Polish Zloty	(59,089)	(113,621)
10% appreciation of the Euro against Pound Sterling	34,944	39,627
10% depreciation of the Euro against Pound Sterling	(34,944)	(39,627)

17. Financial instruments and related disclosures *continued*

A strengthening/weakening of the Euro, as indicated, against the Polish Zloty at each year end would have increased/(decreased) equity by the amounts shown above. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

A strengthening/weakening of the Euro, as indicated, against Pound Sterling at 2024 year end would have increased/(decreased) equity by the amounts shown above. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Pension liability risk

The Group has no association with any defined benefit pension scheme and therefore carries no deferred, current or future liabilities in respect of such a scheme. The Group operates a number of Group personal pension plans for its employees.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to optimise returns to its shareholders. The Board's policy is to retain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future growth. The Board regularly monitors the level of capital in the Group to ensure that this can be achieved.

The Group monitors capital using net debt, leverage and interest cover. (Please refer to note 27 where the calculation of net debt is disclosed.)

The Board can manage the Group's capital structure by diversifying the debt portfolio, adjusting the size and timing of dividends paid to shareholders, issuing new shares or repurchasing shares in the open market and flexing capital expenditure.

From time to time, the Group may purchase shares in the Company from the open market for the purpose of satisfying awards under the Group's employee share plans.

The Senior Facilities Agreement has debt covenants related to leverage debt and interest coverage. Part of the Group's capital risk management is to ensure compliance with these covenants. In addition to there being no breaches in the financial year, there is significant headroom within all covenants as at 30 September 2025.

Fair value disclosures

The fair value of each class of financial assets and liabilities approximates the carrying amount, based on the following assumptions:

Trade receivables, trade payables, short-term deposits	The fair value approximates the carrying value because of the short maturity of these instruments.

Fair value hierarchy

Financial instruments carried at fair value should be measured with reference to the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value have been measured using a Level 2 valuation method.

The fair values of financial assets and liabilities are as follows:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Financial assets measured at fair value		
Derivative contracts used for hedging (assets)	16,612	34,507
Financial assets not measured at fair value		
Cash and cash equivalents	464,357	362,881
Trade and other receivables	63,319	102,926
Total financial assets	**544,288**	500,314
Financial liabilities measured at fair value		
Derivative contracts used for hedging (liabilities)	87,398	52,486
Financial liabilities not measured at fair value		
Trade and other payables	952,986	1,361,304
Borrowings	631,239	619,926
Finance lease liabilities	1,066,310	1,428,864
Total financial liabilities	**2,737,933**	3,462,580

17. Financial instruments and related disclosures *continued*

Contractual cash flows

The contractual maturity of bank borrowings including interest payments and trade payables, excluding the impact of netting agreements, is shown below:

	30 September 2025			
	Due in less than one year €000	Expiring between one to five years €000	Expiring after five years €000	Total €000
Borrowings[1]	457,751	229,443	–	**687,194**
Trade and other payables	949,582	3,404	–	**952,986**
Lease liabilities	330,013	629,705	243,442	**1,203,160**
	1,737,346	**862,552**	**243,442**	**2,843,340**

	30 September 2024			
	Due in less than one year (Restated) €000	Expiring between one to five years (Restated) €000	Expiring after five years €000	Total (Restated) €000
Borrowings	32,261	702,580	–	734,841
Trade and other payables	1,357,908	3,396	–	1,361,304
Lease liabilities	389,038	853,018	258,937	1,500,993
	1,779,207	1,558,994	258,937	3,597,138

1. An irrevocable early redemption notice for €175m of the secured bond was issued in 2025 (refer to note 16). The contractual cash flows for the principal, interest and the early redemption premium related to this are shown as due in less than one year.

Derivatives and hedge accounting

The Group uses foreign currency forward contracts to manage risks arising from changes in foreign currency exchange rates (relating to the purchase of overseas sourced products).

Where derivatives are used to manage foreign currency exposures on intercompany loan balances, the derivatives are not designated in hedge relationships and the gains and losses are taken to the income statement.

Where derivatives are hedges of highly probable forecast transactions, these have been designated as cash flow hedges with the respective underlying risks identified in accordance with the hedging strategy discussed as part of the financial risk management.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedge ineffectiveness may occur due to:

a. the fair value of the hedging instrument on the hedge relationship designation date if the fair value is not €Nil;

b. changes in the contractual terms or timing of the payments on the hedged item; and

c. a change in the credit risk of the Group or the counterparty with the hedging instrument.

The following table represents the net carrying values and nominal amounts of derivatives in a continued hedge relationship as at 30 September:

	30 September 2025 €000	30 September 2024 €000
Derivative financial assets at beginning of period	(17,980)	(44,437)
Recognised in the income statement - cost of sales	44,249	(85,240)
Recognised in the income statement - other finance income/(expense)	435	2,688
Recognised in other comprehensive income	(72,926)	121,518
Cash flow hedge adjustment to inventory	(22,930)	(14,350)
Translation differences	(1,634)	1,842
Derivative financial (liabilities)/assets at end of period	**(70,786)**	(17,979)

The following table represents the net carrying values and nominal amounts of derivatives in a continued hedge relationship as at 30 September:

	FY25				FY24			
	Asset		**Liability**		Asset		Liability	
	Notional	**Fair value**	**Notional**	**Fair value**	Notional	Fair value	Notional	Fair value
Derivatives held for cash flow hedging	(761,286)	14,025	1,001,539	(84,376)	(1,062,696)	34,506	1,176,395	(52,486)
Derivatives not in a formal hedge relationship	(171,500)	2,587	33,349	(3,022)	–	–	–	–
Total	**(932,786)**	**16,612**	**1,034,888**	**(87,398)**	(1,062,696)	34,506	1,176,395	(52,486)

The below table illustrates the notional value of the hedged exposure.

	30 September 2025				
	EUR €000	**USD €000**	**CNY €000**	**Other €000**	**Total €000**
Maturing in less than one year	(690,590)	614,889	719,889	(398,245)	**245,943**
Maturing in greater than one year	(123,400)	91,858	77,066	(51,213)	**(5,689)**
Total	**(813,990)**	**706,747**	**796,955**	**(449,458)**	**240,254**

	30 September 2024				
	EUR €000	USD €000	CNY €000	Other €000	Total €000
Maturing in less than one year	(1,190,314)	683,074	865,745	(324,011)	34,494
Maturing in greater than one year	(115,000)	114,862	114,506	(10,000)	104,368
Total	(1,305,314)	797,936	980,251	(334,011)	138,862

17. Financial instruments and related disclosures *continued*

The following tables provide an analysis of the anticipated contractual cash flows for the Group's derivative contracts:

EUR	30 September 2025 Payable €000	30 September 2025 Receivable €000	30 September 2024 Payable €000	30 September 2024 Receivable €000
Due in less than one year	(1,255)	13,199	(824)	21,957
Expiring between one and two years	(3)	545	(68)	506
Contractual cash flows	**(1,258)**	**13,744**	(892)	22,463
Fair value	**(1,251)**	**13,604**	(892)	22,463

USD	30 September 2025 Payable €000	30 September 2025 Receivable €000	30 September 2024 Payable €000	30 September 2024 Receivable €000
Due in less than one year	(37,417)	219	(25,172)	129
Expiring between one and two years	(969)	23	(952)	81
Contractual cash flows	**(38,386)**	**242**	(26,124)	210
Fair value	**(38,087)**	**238**	(26,124)	210

CNY	30 September 2025 Payable €000	30 September 2025 Receivable €000	30 September 2024 Payable €000	30 September 2024 Receivable €000
Due in less than one year	(41,607)	204	(24,931)	2,697
Expiring between one and two years	(69)	35	(207)	962
Contractual cash flows	**(41,676)**	**239**	(25,138)	3,659
Fair value	**(41,421)**	**236**	(25,138)	3,659

Other	30 September 2025 Payable €000	30 September 2025 Receivable €000	30 September 2024 Payable €000	30 September 2024 Receivable €000
Due in less than one year	(6,145)	2,546	(333)	7,958
Expiring between one and two years	(555)	–	–	218
Contractual cash flows	**(6,700)**	**2,546**	(333)	8,176
Fair value	**(6,639)**	**2,533**	(333)	8,176

Total	30 September 2025 Payable €000	30 September 2025 Receivable €000	30 September 2024 Payable €000	30 September 2024 Receivable €000
Due in less than one year	(86,423)	16,167	(51,260)	32,741
Expiring between one and two years	(1,596)	603	(1,227)	1,766
Contractual cash flows	**(88,019)**	**16,770**	(52,487)	34,507
Fair value	**(87,398)**	**16,612**	(52,487)	34,507

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Lease liabilities €000	Borrowings from credit institutions €000	Total liabilities from financing activities €000
At 30 September 2024	(1,428,864)	(612,980)	(2,041,844)
Financing cash flows[1]	290,885	–	290,885
Interest cash flows[1]	41,181	–	41,181
Other changes[2]	26,463	(13,650)	12,813
Foreign exchange	4,025	–	4,025
At 30 September 2025	**(1,066,310)**	**(626,630)**	**(1,692,940)**

	Lease liabilities (Restated) €000	Borrowings from credit institutions €000	Total liabilities from financing activities (Restated) €000
At 30 September 2023	(1,293,171)	(729,064)	(2,022,235)
Financing cash flows[1]	373,914	120,000	493,914
Interest cash flows[1]	67,671	56,184	123,855
Other changes[2]	(604,493)	(60,100)	(664,593)
Foreign exchange	27,215	–	27,215
At 30 September 2024	(1,428,864)	(612,980)	(2,041,844)

1. The financing cash flows from borrowings from credit institutions make up the net amount of proceeds from borrowings and repayments of borrowings and are presented in the cash flow statement on a gross basis. Interest cash flows for these liabilities are presented separately.
2. Other changes include interest accruals and lease additions accounted for within lease liabilities.

17. Financial instruments and related disclosures *continued*

Financial assets and liabilities by category as at 30 September 2025

	Amortised cost	Fair value through OCI	Fair value through income statement
Non-current financial assets			
Derivative financial instruments	–	589	–
Trade and other receivables	64	–	–
	64	**589**	**–**
Current financial assets			
Trade and other receivables	43,614	–	–
Derivative financial instruments	–	13,436	2,587
Cash and cash equivalents	464,357	–	–
	507,971	**13,436**	**2,587**
Non-current financial liabilities			
Borrowings	195,693	–	–
Lease liabilities	781,514	–	–
Derivative financial instruments	–	1,559	–
Trade and other payables	3,404	–	–
	980,611	**1,559**	**–**
Current financial liabilities			
Borrowings	430,937	–	–
Lease liabilities	284,796	–	–
Derivative financial instruments	–	82,817	3,022
Trade and other payables	949,582	–	–
	1,665,315	**82,817**	**3,022**

Financial assets and liabilities by category as at 30 September 2024

	Amortised cost	Fair value through OCI	Fair value through income statement
Non-current financial assets			
Derivative financial instruments[1]	–	1,766	–
Trade and other receivables	52	–	–
	52	1,766	–
Current financial assets			
Trade and other receivables	32,175	–	–
Derivative financial instruments[1]	–	32,741	–
Cash and cash equivalents	362,881	–	–
	395,056	32,741	–
Non-current financial liabilities			
Borrowings	612,980	–	–
Lease liabilities	1,034,395	–	–
Derivative financial instruments[1]	–	1,227	–
Trade and other payables	3,396	–	–
	1,650,771	1,227	–
Current financial liabilities			
Borrowings	–	–	–
Lease liabilities	394,469	–	–
Derivative financial instruments[1]	–	51,259	–
Trade and other payables	1,357,908	–	–
	1,752,377	51,259	–

1. Derivative financial instruments relate to cash flow hedges.

18. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30 September 2025 €000	30 September 2024 (Restated) €000
Net deferred tax assets at beginning of period	86,418	116,621
Recognised in the income statement (note 9)	21,581	22,960
Recognised in other comprehensive income (note 9)	5,267	(8,238)
Discontinued operations	(1,010)	(49,270)
Exchange differences	988	4,345
Net deferred tax assets at end of period	**113,244**	86,418

	Deferred tax assets		Deferred tax liabilities		Net	
	30 September 2025 €000	30 September 2024 (Restated) €000	**30 September 2025 €000**	30 September 2024 (Restated) €000	**30 September 2025 €000**	30 September 2024 (Restated) €000
Property, plant and equipment	6,403	33,993	–	(1,306)	6,403	32,687
Intangible assets	20	–	–	(27,901)	20	(27,901)
Right-of-use assets & lease liabilities (IFRS 16)	203,514	197,595	(190,274)	(190,649)	13,240	6,946
Provisions	57,232	48,058	(8)	–	57,224	48,058
Financial assets and liabilities	4,797	2,566	–	–	4,797	2,566
Tax losses and other temporary differences	31,560	24,062	–	–	31,560	24,062
	303,526	306,274	**(190,282)**	(219,856)	**113,244**	86,418

A deferred tax asset is recognised by the Group where future recoverability is considered probable. Deferred tax assets and liabilities are not discounted. A restatement has been recognised in relation to the opening deferred tax asset position for the Group. This has been disclosed further in note 25.

	1 October 2024 (Restated) €000	Recognised in income statement €000	Recognised in other comprehensive income €000	Discontinued operations €000	Exchange differences €000	**30 September 2025 €000**
Property, plant and equipment	32,687	1,962	–	(28,339)	93	**6,403**
Intangible assets	(27,901)	18	–	27,901	2	**20**
Right-of-use assets & lease liabilities (IFRS 16)	6,946	4,671	–	236	1,387	**13,240**
Provisions	48,058	9,084	–	2	80	**57,224**
Financial assets and liabilities	2,566	(1,855)	5,267	(915)	(266)	**4,797**
Tax losses and other temporary differences	24,062	7,701	–	105	(308)	**31,560**
	86,418	21,581	5,267	(1,010)	988	**113,244**

Due to the previously announced exit of the Group's operations in Austria and following the sale of Poundland by the Group, no amounts are disclosed for deferred tax not recognised in these operations as of 30 September 2025

	1 October 2023 (Restated) €000	Recognised in income statement (Restated) €000	Recognised in other comprehensive income €000	Discontinued operations (Restated) €000	Exchange differences (Restated) €000	30 September 2024 (Restated) €000
Property, plant and equipment	35,680	1,442	–	(7,890)	3,455	32,687
Intangible assets	(28,167)	–	–	1,011	(745)	(27,901)
Right-of-use assets & lease liabilities (IFRS 16)	6,699	532	–	(448)	163	6,946
Provisions	24,625	21,649	–	(3,301)	5,085	48,058
Financial assets and liabilities	13,051	790	(8,238)	(2,200)	(837)	2,566
Tax losses and other temporary differences	64,733	(1,453)	–	(36,442)	(2,776)	24,062
	116,621	22,960	(8,238)	(49,270)	4,345	86,418

Deferred tax not recognised

Deferred tax assets have not been recognised in respect of net temporary differences of €159.8m (2024: €247.2m). Gross temporary differences equate to €686.3m (2024: €1,018.9m). These temporary differences primarily relate to tax losses and disallowed interest amounts under the Corporate Interest Restriction rules in the UK, recoverability of which is uncertain. In the UK, Germany, Spain and France, these temporary differences have no expiry date and may be carried forward indefinitely. In Poland and Greece the temporary differences as relating to tax losses may only be carried forward for five consecutive tax years.

19. Provisions

	Property provisions		Other provisions		Total	
	30 September 2025 €000	30 September 2024 (Restated) €000	**30 September 2025 €000**	30 September 2024 (Restated) €000	**30 September 2025 €000**	30 September 2024 (Restated) €000
At beginning of period	58,729	51,890	26,917	17,773	85,646	69,663
Provisions made during the period	3,146	8,952	31,789	27,120	34,935	36,072
Provisions utilised during the period	–	–	(16,398)	(4,263)	(16,398)	(4,263)
Provisions reversed during the period	(625)	(6,259)	(6,299)	(15,348)	(6,924)	(21,607)
Translation differences	(856)	4,146	(1)	1,635	(857)	5,781
Movements due to discontinued operations	(11,502)	–	860	–	(10,642)	–
	48,892	58,729	**36,868**	26,917	**85,760**	85,646
Current	6,685	9,523	31,183	16,518	37,868	26,041
Non-current	42,207	49,206	5,685	10,399	47,892	59,605
	48,892	58,729	**36,868**	26,917	**85,760**	85,646

Provision is made for the exit costs of properties no longer occupied by the Group where there is a contractual obligation to restore the property back to its original condition.

Other provisions include long-term employee benefits where cash settlement is based on the Directors' best estimate of future cash flows of the Pepco business. The utilisation is expected within the following five years.

20. Share capital, share premium and treasury shares

	30 September 2025 €000	30 September 2024 €000
Ordinary share capital		
Allotted, issued, and fully paid		
577,451,935 (2024: 576,027,342) A ordinary shares of €0.01 each	**5,775**	5,760

	Nominal value €	Shares ('000)	Share capital €000	Share premium €000	Merger reserve €000
At 30 September 2024	€0.01	576,027	5,760	13	(751)
At 30 September 2025	**€0.01**	**577,452**	**5,775**	**13**	**(562)**

During the year ended 30 September 2025, the Company purchased 9,382,732 of its own shares under the share buyback programme for total consideration of €49.9m. These shares are held as treasury shares to satisfy obligations under employee share schemes. These shares do not carry voting rights, are not entitled to dividend, and are presented as a deduction from equity in accordance with IAS 32.

21. Share-based payments

Value Creation Plan

During the period ended 30 September 2025, the Group operated six equity-settled share-based payment arrangements, summarised as follows:

- The Value Creation Plan
- The Long Term Incentive Plan
- The CFO Award
- The Chair Award
- The NED Award
- Share matching plan award

The estimated weighted average fair value of awards granted in the period was €2.25, and the weighted average exercise price of awards granted in the period was nil. The awards outstanding as at 30 September 2025 had a weighted average exercise price of nil, and a weighted average remaining contractual life of 4.97 years.

No cash-settled share-based payment arrangements were operated in the period.

In the period ended 30 September 2025, the Group recognised a total share-based payment expense of €15.2m (2024: €7.9m), including employer's social security accrual of €2.9m (2024: €1.0m).

Value Creation Plan

The Value Creation Plan (VCP) was adopted on 3 March 2020. The VCP aligns the remuneration of Executive Directors with the value generated for shareholders. The VCP was originally granted by Pepco Group Limited, which was acquired by Pepco Group N.V. on 13 May 2021, and awards novated to Pepco Group N.V. at that time.

Nature of Conditional Award

Under the VCP, participants are granted a "Conditional Award" giving the potential right to be granted nil-cost options based on the absolute Total Shareholder Return (TSR) generated above a hurdle (the Threshold TSR) at the end of each plan year (the "Measurement Date") over a seven-year period.

At each Measurement Date, up to 6.5% of the value created above the hurdle may be "banked" in the form of a grant of nil-cost options. For any Measurement Date since 18 April 2023, the maximum value of nil-cost options which may be granted for each performance period is €52m (based on a full 6.5% Conditional Award allocation).

The Initial Price for the VCP is based on a proxy for the average valuation for the Group on 1 October 2022. Participants may receive a grant of nil-cost options at the end of each year of the performance period with a value representing a proportion of the Company's TSR above the Threshold TSR at the relevant Measurement Date.

21. Share-based payments *continued*

The Threshold TSR or hurdle which has to be exceeded before share awards can be earned by participants is the higher of:

- the highest previous measurement of TSR (for any Measurement Date on or after 18 April 2023 the reference point is not earlier than 1 October 2022); and
- the Initial Price compounded by 10% p.a. (re-based with effect from 1 October 2022).

If the value created at the end of a given plan year does not exceed the Threshold TSR, no nil-cost options will be granted on the Measurement Date following that year under the VCP.

The next Measurement Date will be in January 2026, 30 days after publication of the 2025 full-year results.

Vesting of nil-cost options

Under the VCP, nil-cost options may vest in three tranches of 50%, 50% and 100% (in each case, with the percentage applying to the unvested nil-cost options held).

Vesting schedule for nil-cost options granted prior to 18 April 2023

The vesting schedule provides that 50% of the cumulative number of nil-cost options may vest following the third Measurement Date, 50% following the fourth Measurement Date and 100% following the fifth Measurement Date. At each vesting date, vesting of awards is subject to:

a. a minimum Threshold TSR of 10% CAGR on the Initial Price being maintained:

- where the TSR has been achieved at the third Measurement Date, 50% of the cumulative balance of nil-cost options will vest. If the TSR has not been achieved no nil-cost options will vest at this point but they will not lapse;
- where the TSR has been achieved at the fourth Measurement Date, 50% of the cumulative balance of nil-cost options will vest. If the TSR has not been achieved no nil-cost options will vest at this point but they will not lapse; and
- where the TSR has been achieved at the fifth Measurement Date, 100% of the cumulative balance of nil-cost options will vest. If the TSR has not been achieved no nil-cost options will vest at this point and the remaining cumulative balance will lapse;

b. shares allocated as a result of the vesting of nil-cost options are subject to a two-year post-vesting holding period from the first vesting date; and

c. a personal annual cap on vesting of €20m for the CEO and a proportionate limit for other participants:

- in the event that in any year vesting as described above would exceed the personal annual cap, any nil-cost options above the cap will be designated as deferred nil-cost options and will be rolled forward and allowed to vest in subsequent years provided the cap is not exceeded in those years, until the VCP is fully paid out or after five years after the fifth Measurement Date when any deferred nil-cost options will vest. Such deferred nil-cost options are not subject to further underpins, performance conditions or service conditions.

Vesting schedule for nil-cost options granted on or after 18 April 2023

The vesting schedule provides that 50% of the cumulative number of nil-cost options may vest following the fifth Measurement Date, 50% following the sixth Measurement Date and 100% following the seventh Measurement Date. At each vesting date, vesting of awards is subject to:

a. a minimum Threshold TSR of 10% CAGR on the Initial Price being maintained:

- where the TSR has been achieved at the fifth Measurement Date, 50% of the cumulative balance of nil-cost options will vest. If the TSR has not been achieved no nil-cost options will vest at this point but they will not lapse;
- where the TSR has been achieved at the sixth Measurement Date, 50% of the cumulative balance of nil-cost options will vest. If the TSR has not been achieved no nil-cost options will vest at this point but they will not lapse; and
- where the TSR has been achieved at the seventh Measurement Date, 100% of the cumulative balance of nil-cost options will vest. If the TSR has not been achieved no nil-cost options will vest at this point and the remaining cumulative balance will lapse;

b. shares allocated as a result of the vesting of nil-cost options are subject to a two-year post-vesting holding period from the first vesting date;

c. a personal annual cap on vesting of €20m, €14m and €10m respectively for Trevor Masters, Andy Bond and any other Executive Director at the time of grant:

- in the event that in any year vesting as described above would exceed the personal annual cap, any nil-cost options above the cap will be designated as deferred nil-cost options and will be rolled forward and allowed to vest in subsequent years provided the cap is not exceeded in those years, until the VCP is fully paid out or after two years after the seventh Measurement Date when any deferred nil-cost options will vest. Such deferred nil-cost options are not subject to further underpins, performance conditions or service conditions; and

d. no nil-cost options may be exercised until 1 October 2025.

Valuation of awards

The fair value of awards granted under the VCP was initially calculated at €45.3m and employer social security liability of €9.7m spread over the initial five-year period. An expense of €2.0m was recognised during the period (FY24: €3.5m).

21. Share-based payments *continued*

Long-term awards

VCP replacement awards

On 30 September 2023, the Board approved the grant of restricted stock units (RSUs) and nil-cost options under the Pepco Group N.V. Long Term Incentive Plan (LTIP) to replace selected existing awards granted under the VCP. These awards were granted on 22 December 2023.

The terms of this award are set out in the new LTIP rules approved by the Board on 27 January 2022 and subsequently amended on 15 March 2024. The RSUs are subject to an EBITDA performance condition and a service condition lasting until 30 September 2024 for 50% of the award, and 30 September 2025 for the remaining 50% of the award. The nil-cost options are subject to four non-market-based performance conditions (EBIT, EBITDA, CO_2 emissions and ethical sourcing), and a service condition lasting until 30 September 2026.

In addition, the shares underpinning the RSU awards granted to an Executive Director are subject to a holding period running until 30 September 2026 and the shares underpinning the nil-cost option awards granted to Executive Directors are subject to a holding period running until 22 December 2028. As these holding periods extend beyond the service completion dates, they represent post-vesting restrictions for the purposes of IFRS 2.

Management have identified the LTIP awards granted to the holders of VCP awards who agreed to surrender their existing awards as replacement awards and have applied the principles of modification accounting to this transaction. As such, the underlying expense associated with the VCP awards is continuing to be recognised over the original service period. An additional expense is recognised over the vesting period of the replacement awards to reflect the increase in fair value of the replacement awards over the fair value of the VCP awards at the modification date.

The VCP replacement awards were valued using a Black Scholes methodology with a discount to reflect the impact of post-vesting holding periods, where applicable. For the purposes of determining the increase in fair value resulting from the modification, the VCP awards were valued as at the modification date using a Monte Carlo methodology. During the period, an expense of €0.2m (FY24: €0.2m) was recognised in relation to the VCP replacement awards, which reflected the likelihood of the non-market-based performance conditions being achieved.

CFO Award

On 12 October 2023, a one-off share-based payment award was granted to the CFO in the form of a nil-cost option over 156,888 shares. The CFO Award is not subject to any performance conditions, but has a service condition lasting until 1 April 2026. The CFO left the Group in FY25 and the award was settled in full during the period. Subsequently the full IFRS 2 charge was accelerated during the period.

The CFO Award was valued using a Black Scholes methodology which resulted in a fair value equal to the share price on the date of grant. During the period, a charge of €0.3m was recognised in the income statement (FY24: credit of €0.3m).

Chair Award

On 11 April 2024, a one-off share-based payment award was granted to the Chair in the form of a nil-cost option over a total of 1.6 million shares.

The Chair Award is subject to various EBITDA performance conditions and a service condition lasting until 30 September 2024 for 50% of the award, and 30 September 2025 for the remaining 50% of the award.

The Chair Award was valued using a Black Scholes methodology which resulted in a fair value equal to the share price on the date of grant. During the period, no charge to the P&L was required as the performance conditions were not achieved (FY24: charge of €2.6m).

Other LTIP awards

There have been grants of LTIP awards in the form of RSUs and nil-cost options on 22 December 2023 and 11 April 2024 over a total of 1.5 million shares.

The RSUs are subject to an EBITDA performance condition and a service condition lasting until 30 September 2024 for 50% of the award, and 30 September 2025 for the remaining 50% of the award. The nil-cost options are subject to four non-market-based performance conditions (EBIT, EBITDA, CO_2 emissions and ethical sourcing), and a service condition lasting until either 30 September 2025 or 30 September 2026.

Additional grants of these awards were performed on 24 December 2024, 21 January 2025 and 7 April 2025 for a total of 3.4 million shares.

The LTIP awards were valued using a Black Scholes methodology which resulted in a fair value equal to the share price on the date of grant. During the period, an expense of €4.6m (FY24: €0.3m) was recognised in relation to the new LTIP awards, which reflected the likelihood of the non-market-based performance conditions being achieved.

Share matching plan awards

During FY25, the Group implemented the share matching plan (SMP) to align the incentives of selected senior employees (including the Chief Executive Officer, who is also a Director) and the Company's shareholders to grow the underlying equity value of the Company. To participate in the SMP, participants are required to acquire up to a specified number of Company shares ("Invested Shares") by 30 September 2025. In return for acquiring their Invested Shares, participants are granted a conditional share right to acquire 11.5 nil-cost matching shares ("Matching Shares") for each Invested Share, subject to the achievement of annual performance conditions over the period to the final performance measurement date. The Group granted a total of 14.1 million shares between the period of 14 April 2025 and 22 August 2025.

For a participant's SMP to vest, they must continue to hold their Invested Shares until the final performance measurement date, which is defined as the date on which the Board assesses whether the performance condition for FY29 has been satisfied. While a participant may sell their Invested Shares at any time, disposal before the final performance measurement date will reduce the number of Matching Shares delivered.

21. Share-based payments *continued*

The award is subject to both Company share price performance (a market-based performance condition) and continued employment (a service condition). The performance condition assessment is based on the Company's 60-day volume weighted average price (VWAP) immediately following the announcement of the Company's audited full-year financial results for each financial year.

As the SMP awards are subject to a market-based performance condition, the valuation model is required to consider the achievement of this performance condition. We have therefore adopted a Monte Carlo simulation option pricing methodology. This results in a charge of €6.3m to the income statement in FY25.

Non-Executive Director (NED) awards

On 9 April 2025, the Group granted awards under the NED Plan. The NED Plan awards are structured as NSOs and RSUs over a maximum of 457,929 shares with no performance conditions and with a service condition which vests in three equal tranches on the AGM dates for FY26, FY27 and FY28. The awards are subject to a holding period which runs until the FY28 AGM date.

The NED Award was valued using a Black Scholes methodology which resulted in a fair value equal to the share price on the date of grant. During the period, a charge of €0.5m to the P&L was recognised.

22. Capital commitments

Capital commitments for which no provision has been made in the financial statements of the Group were as follows:

	30 September 2025 €000	30 September 2024 €000
Acquisition of property, plant and equipment and intangible assets	**33,795**	74,944

23. Pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme for continuing operations and amounted to €35.6m (2024: €29.9m).

24. Transactions with related parties

Please refer to note 8 for remuneration paid to key management. In FY25, payments totalling £24,207.19 were made to Woodcliffe Associates Limited, a company that Andy Bond has a related party interest in.

25. Discontinued operations

The Group has classified certain operations as discontinued operations in accordance with the requirements of IFRS 5. The financial performance of discontinued operations has been separately disclosed in the consolidated statement of comprehensive income. No related assets and liabilities have been classified as held for sale as the operation has been disposed of during the period. In line with prior year, when presenting the results of the discontinued operation, intercompany revenue and costs are accounted for consistent with IFRS 10 consolidation principles and IFRS 5 presentation requirements, intragroup transactions have been eliminated in full.

The discontinued operations relate to the Group's business in Austria and Poundland.

In February 2024, Pepco Group announced an exit out of the Austrian market and the liquidation of Pepco Austria. The decision to discontinue these operations was made as part of the Group's strategic review to focus on profitable markets

The discontinued operations in the year to 30 September 2025 relate to the Poundland business. In June 2025, Pepco Group completed the sale of its entire shareholding in Poundland Limited. The disposal reflects the Group's strategy to simplify the Group structure and focus on its core Pepco-branded operations. As a result of the sale, the Group no longer controls Poundland and subsequently all assets and liabilities related to Poundland are not consolidated in the Group financial statements. The financial results of discontinued operations have been disclosed separately to provide users of the financial statements with clarity regarding the Group's ongoing operations and its financial performance.

The following table highlights the results of the discontinued operations:

	Year to 30 September 2025			Year to 30 September 2024		
	Poundland disposal €000	**Pepco Austria disposal €000**	**Total €000**	Poundland disposal €000	Pepco Austria disposal €000	Total €000
Discontinued operations						
Revenue	1,333,208	–	1,333,208	2,006,333	26,279	2,032,612
Cost of sales	(912,060)	–	(912,060)	(1,241,725)	(13,304)	(1,255,029)
Gross profit	**421,148**	**–**	**421,148**	764,608	12,975	777,583
Administrative expenses	(518,588)	2,996	(515,592)	(782,992)	(21,903)	(804,895)
Impairment in other non-financial assets	(119,336)	-	(119,336)	(157,055)	-	(157,055)
Operating (loss)/gain	**(216,776)**	**2,996**	**(213,780)**	(175,439)	(8,928)	(184,367)
Financial income	578	–	578	896	187	1,083
Financial expense	(16,509)	–	(16,509)	(24,019)	(623)	(24,642)
Loss before taxation for the period	**(232,707)**	**2,996**	**(229,711)**	(198,562)	(9,364)	(207,926)
Taxation	2	–	2	(36,416)	7	(36,409)
(Loss)/gain for the period	**(232,705)**	**2,996**	**(229,709)**	(234,978)	(9,357)	(244,335)

25. Discontinued operations *continued*

In addition to the results of Pepco Austria and Poundland highlighted above, there have been additional costs and impairments recognised as a result of disposing of the entities. In line with IFRS 5, these costs have also been included within the loss on discontinued operations within the income statement and are categorised as follows:

	Year to 30 September 2025			Year to 30 September 2024		
	Poundland disposal €000	**Pepco Austria disposal €000**	**Total €000**	Poundland disposal €000	Pepco Austria disposal €000	Total €000
Total costs included in total loss on discontinued operations						
Loss for the period from discontinued operations (as per the prior page)	(232,705)	2,996	(229,709)	(234,978)	(9,357)	(244,335)
Impairment of receivables and loans payable to fellow subsidiaries	–	–	–	–	(73,106)	(73,106)
Gain on extinguishment of Pepco Austria	–	–	–	–	40,633	40,633
Gain on disposal of Poundland[1]	387,045	–	387,045	–	–	–
Additional impairment of loans associated with the disposal	(332,028)	–	(332,028)	–	–	–
Additional costs and provisions associated with the disposal	(25,780)	–	(25,780)	–	(6,700)	(6,700)
Impairment of Poundland goodwill	(146,726)	–	(146,726)	(578,098)	-	(578,098)
Loss on discontinued operations	**(350,194)**	**2,996**	**(347,198)**	(813,076)	(48,530)	(861,606)

1. Included in the gain on disposal of Poundland is nominal consideration of €1, the derecognition of total assets of €561.7 and total liabilities of €921.4 m, and the recycling of net reserves of €27.3 million.

26. Restatement note

The Group identified a number of prior period adjustments, impacting the opening position at 1 October 2023, 1 October 2024 and the year ended 30 September 2024. The impact of the prior period adjustments on the primary statements is presented in the tables below.

	At 1 October 2023			
	FY23 Reported €000	Pepco dilapidations €000	Poundland aged AP items €000	FY23 Restated €000
Balance sheet				
Non-current assets				
Right-of-use asset	1,225,683	21,154	–	**1,246,837**
Deferred tax asset	113,414	3,207	–	**116,621**
Current liabilities				
Trade and other payables	1,270,302	–	27,643	**1,297,945**
Non-current liabilities				
Provisions	28,319	39,090	–	**67,409**
Equity				
Translation reserve	(23,407)	(1,918)	96	**(25,229)**
Retained earnings	1,155,471	(12,810)	(27,740)	**1,114,921**

26. Restatement note *continued*

	Year to 30 September 2024											
		Adjustments from discontinued operations					Adjustments from continuing operations					
	FY24 Reported €000	Poundland AP write-offs €000	Poundland store impairment €000	Deferred tax adjustment €000	Other Poundland adjustments €000	Total adjustments from discontinued operations €000	Pepco dilapidations €000	Pepco leases adjustment €000	Pepco stock adjustment €000	Other adjustments Dealz €000	Total adjustments from continuing operations €000	FY24 Restated €000
Balance sheet												
Non-current assets												
Property, plant and equipment	742,833	–	(70,456)	–	–	(70,456)	–	–	–	(280)	(280)	**672,097**
Right-of-use asset	1,304,678	–	(75,299)	–	–	(75,299)	21,019	40,133	–	–	61,152	**1,290,531**
Goodwill and other intangible assets	107,316	–	185,031	–	–	185,031	–	–	–	–	–	**292,347**
Deferred tax asset	106,434	–	(52,994)	29,210	–	(23,784)	4,501	–	(733)	–	3,768	**86,418**
Current assets												
Cash and cash equivalents	363,336	–	–	–	–	–	–	–	–	(455)	(455)	**362,881**
Inventories	1,235,457	–	–	–	(3,627)	(3,627)	–	–	(55,235)	(1,919)	(57,154)	**1,174,676**
Current liabilities												
Trade and other payables	1,380,519	28,608	–	–	4,070	32,678	–	–	(63,152)	7,863	(55,289)	**1,357,908**
Current tax liabilities	21,683	–	–	–	–	–	–	–	12,422	–	12,422	**34,105**
Lease liabilities	346,594	–	–	–	–	–	–	47,875	–	–	47,875	**394,469**
Provisions	20,504	–	–	–	5,027	5,027	510	–	–	–	510	**26,041**
Non-current liabilities												
Provisions	13,767	–	–	–	–	–	44,201	–	–	1,637	45,838	**59,605**
Equity												
Translation reserve	25,535	(868)	(1,217)	168	(72)	(1,989)	(2,141)	6	(1,466)	36	(3,565)	**19,981**
Retained earnings	445,302	(27,740)	(12,501)	29,042	(12,652)	(23,851)	(17,050)	(7,748)	(3,772)	(12,190)	(40,760)	**380,691**

26. Restatement note *continued*

	Year to 30 September 2024												
		Adjustments from discontinued operations						Adjustments from continuing operations					
	FY24 Reported €000	Discontinued operations reclassification in income statement[1] €000	Poundland AP write-offs €000	Poundland store impairment €000	Deferred tax adjustment €000	Other Poundland adjustments €000	Total adjustments from discontinued operations €000	Pepco dilapidations €000	Pepco leases adjustment €000	Pepco stock adjustment €000	Other adjustments Dealz €000	Total adjustments from continuing operations €000	FY24 Restated €000
Income statement													
Revenue	6,166,749	(2,006,333)	–	–	–	–	(2,006,333)	–	–	–	–	–	**4,160,416**
Cost of sales	(3,460,720)	1,234,113	–	–	–	–	1,234,113	–	–	28,757	(9,186)	19,571	**(2,207,036)**
Gross profit	2,706,029	(772,220)	–	–	–	–	(772,220)	–	–	28,757	(9,186)	19,571	**1,953,380**
Administrative expenses	(2,371,764)	779,342	–	–	–	–	779,342	(3,719)	(4,635)	(21,112)	(2,976)	(32,442)	**(1,624,864)**
Goodwill impairment	(724,824)	724,824	–	–	–	–	724,824	–	–	–	–	–	**–**
Impairment in other non-financial assets	(54,578)	49,103	–	–	–	–	49,103	–	–	–	–	–	**(5,475)**
Finance expense	(140,785)	24,047	–	–	–	–	24,047	(1,735)	9,639	–	(28)	7,876	**(108,862)**
Finance income	31,803	(896)	–	–	–	–	(896)	–	(12,752)	1,745	–	(11,007)	**19,900**
Taxation	(107,520)	12,765	–	–	–	–	12,765	1,214	–	(13,162)	–	(11,948)	**(106,703)**
Profit/(loss) from continuing operations for the year	(661,639)	816,965	–	–	–	–	816,965	(4,240)	(7,748)	(3,772)	(12,190)	(27,950)	**127,376**
Loss on discontinued operations	(48,530)	(816,965)	–	(12,501)	29,042	(12,652)	(813,076)	–	–	–	–	–	**(861,606)**
Loss for the year	(710,169)	–	–	(12,501)	29,042	(12,652)	3,889	(4,240)	(7,748)	(3,772)	(12,190)	(27,950)	**(734,230)**

1. FY24 reported results have been adjusted to exclude Poundland, which has been presented as a discontinued operation in accordance with IFRS 5. Refer to Note 25 for further details.

	FY24 Reported	Adjustments	FY24 Restated
Earnings per share			
Basic earnings per share from continuing operations	(114.9)	137.0	**22.1**
Basic earnings per share from discontinued operations	(8.4)	(141.2)	**(149.6)**
Basic earnings per share	(123.3)	(4.2)	**(127.5)**
Diluted earnings per share from continuing operations	(114.9)	136.9	**22.0**
Diluted earnings per share from discontinued operations	(8.4)	(140.1)	**(148.5)**
Diluted earnings per share	(123.3)	(3.2)	**(126.5)**

26. Restatement note *continued*

Below we have provided details of the restatements noted in these financial statements. These have been categorised in relation to continuing and discontinued operations for transparency.

Restatements from continuing operations

Dilapidations

During the current year, the Group identified that provisions for dilapidation costs relating to certain properties had not been recognised in prior periods. These costs represent the estimated obligations to restore leased properties to their original condition upon exit, as required under lease agreements. Accordingly, the Group has restated the opening statement of financial position as at 1 October 2023, including retained earnings to reflect the impact on profit or loss of €12.8m in FY23 and €4.2m in FY24. This adjustment has no impact on cash flows.

Pepco leases adjustment

Throughout FY25, Pepco has transitioned to a new IFRS 16 lease system. As a result of this transition to the new system, errors were noted in relation to how IFRS 16 leases were calculated in prior periods and a transition adjustment was made in FY24. Accordingly, the Group has restated the right-of-use assets and corresponding lease liabilities as at 30 September 2024, as presented in the table above. The adjustment also impacted depreciation, finance costs and finance income within the income statement to reflect the cumulative effect of depreciation and interest that would have been recorded in prior periods. The income statement impact was €7.7m in FY24.

Pepco stock adjustment

The Group identified an error in the calculation of the value of inventory in the prior period arising from the incorrect application of the Group's inventory valuation policy relating to a weighted average cost basis. In addition, the Group has booked a provision for current tax on stock losses which have historically been claimed as tax deductible, pending further review and validation. The correction has been applied retrospectively, and comparative figures have been restated to reflect the appropriate valuation methodology in accordance with Group policy and IFRS requirements as well as correcting the FY24 tax charge. The combined income statement impact was €3.8m in FY24.

Other adjustments

In preparing the FY25 financial statements, the Group identified and corrected other individually immaterial prior period errors in addition to minor presentational changes. These adjustments are reflected in the "Other adjustments" column of the restatement tables and do not have a material impact on the Group's financial position or performance. The total income statement impact was €12.2m in FY24.

Restatements from discontinued operations

Aged debit balances within accounts payable

Following a detailed review of aged debit balances within Poundland's accounts payable ledger, the Group determined that certain historical supplier accounts, comprising overpayments, credit notes and other reconciling items, were no longer recoverable or claimable. Consequently, these balances were written off. The total amount written off was €27.7m, which has been recognised as an adjustment to retained earnings. This adjustment does not affect cash flows.

Poundland store impairment

During the current year, the Group undertook a review of asset impairments at an individual store level. This review identified certain property, plant and equipment and right-of-use assets that had not been impaired in accordance with IAS 36 Impairment of Assets. As a result, the Group has recorded a prior period adjustment to reflect the appropriate impairment charges for these assets. The adjustment primarily relates to the carrying value of store-level assets, including leasehold improvements and right-of-use assets, which were overstated in previous financial statements. All impairments relating to these store assets have been included in the loss on discontinued operations within the income statement.

As a result of this restatement, a further impact was noted on the Group's assessment of impairment for goodwill and intangibles relating to the Poundland CGU. The impact of the store impairments significantly reduced the level of impairment of goodwill and intangible assets booked previously in FY24 at a Group level. The impairment of goodwill and intangible assets relating to the Poundland CGU has also been included in the loss on discontinued operation line within the income statement.

As part of the review, the Group also concluded that deferred tax assets held by Poundland at 30 September 2024 should not have been recognised based on judgement that there were not sufficient evidence to support future profitability to realise these assets.

The total impact of these adjustments was a charge to the income statement of €12.5m.

Deferred tax adjustment

In accordance with IAS 12, a deferred tax asset has been recognised in Poundland Limited in respect of deductible temporary differences to the extent that it can be offset against a deferred tax liability arising from taxable temporary differences. The total income statement impact was €29.0m in FY24.

Other Poundland adjustments

During the current year, the Group identified a number of other individually immaterial adjustments relating to the Poundland balance sheet. Three specific areas were noted. Firstly, management considered the stock provision to be understated by €3.6m. Secondly, within trade and other payables, it was identified that a balance in a debit position relating to stock should also be released totalling €4.1m. Finally, the dilapidation provision was considered to be understated and subsequently an additional provision of €5.0m has been recognised.

27. Alternative Performance Measures (APMs)

Introduction

The Group Executive Committee assesses the performance of the Group using a variety of performance measures; some are IFRS Accounting Standards and some are adjusted and therefore termed ''non-GAAP'' measures or "Alternative Performance Measures" (APMs). The rationale for using adjusted measures is explained below. The Group Executive Committee principally discusses the Group's results on an ''underlying'' basis. Results on an underlying basis are presented before exceptional items (material, unusual and other items). These APMs help stakeholders assess the Group's performance on a like-for-like underlying basis, excluding one-off items and exchange rate fluctuations to improve transparency and comparability of performance across geographies and reporting periods. They provide a basis for measuring sustainable core operating performance, and the Group's ability to retire debt and invest in new business opportunities, by excluding items that do not reflect ongoing business operations.

27. Alternative Performance Measures (APMs) *continued*

The APMs used in this Annual Report are outlined in detail throughout this note. A reconciliation from these non-GAAP measures to the nearest measure prepared in accordance with IFRS Accounting Standards is presented below where practical. The APMs we use may not be directly comparable with similarly titled measures used by other companies.

All of the IFRS measures and APMs listed within this note where referencing income statement balances, relate only to continuing operations.

Exceptional and other items

The Directors believe that presentation of the Group's results on an underlying basis provides a useful alternative analysis of the Group's financial performance, as exceptional and other items are identified by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and assists in providing a relevant analysis of the trading results of the Group. In determining whether events or transactions are treated as exceptional and other items, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

The following charges and credits have been included within exceptional and other items for the year ended 30 September 2025; see note 4 for more details:

- impact of implementation of IFRIC interpretation on SaaS arrangements and expensing significant ERP programme costs incurred; and
- business restructuring programmes.

Revenue growth metrics

The Group utilises two APMs in relation to revenue and revenue growth. Like-for-like revenue growth is a measure which seeks to reflect the underlying performance of the Group's stores. The measure is defined as year-on-year revenue growth for stores open beyond their trading anniversary, with stores relocated in a catchment and/or upsized included within LFL provided the enlarged store footprint is less than 50% bigger than the existing store. In addition, annual revenue growth is measured at constant currency (defined as "Constant currency revenue growth") to provide a reflection of the annualised revenue growth without exchange rate impacts across the various geographical markets.

	Year to 30 September 2025	Year to 30 September 2024 (Restated)
Reported revenue growth	8.7%	15.7%
Impact of constant currency translation	(0.3)%	(0.2)%
Constant currency revenue growth	**8.4%**	15.5%
Like-for-like revenue growth	**2.6%**	(3.0)%

Gross margin

Gross margin is also considered an APM and represents gross profit divided by revenue. These are both directly reported IFRS figures included in the consolidated income statement. The Group uses gross margin in its business operations, among other things, as a means of comparing the underlying profitability of the Group from period to period and the performance of its sourcing model. Gross margin is expressed as a percentage.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Reported Gross profit	2,166,526	1,953,380
Exceptional items	5,754	–
Underlying Gross profit	**2,172,280**	1,953,380
Revenue	4,523,463	4,160,416
Underlying Gross margin %	**48.0%**	47.0%

Underlying P&L metrics

The Group considers various P&L metrics which have been adjusted from the IFRS reported balances by excluding exceptional costs. The table below highlights how key metrics in the reported financial statements have been adjusted (by excluding exceptional items) to arrive at an underlying P&L metric. Please note that in arriving at reported EBITDA, a reconciliation is provided in note 2 of these financial statements.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Underlying EBITDA		
Reported EBITDA	840,092	737,780
Exceptional items	25,180	46,098
Underlying EBITDA	**865,272**	783,878
Underlying EBIT		
Operating profit from continuing operations	319,874	323,041
Exceptional items	51,127	43,845
Underlying EBIT	**371,001**	366,886
Underlying profit before tax		
Reported profit before tax	251,474	234,079
Exceptional items	51,127	43,845
Underlying profit before tax	**302,601**	277,924
Underlying profit after tax		
Reported profit after tax	171,395	127,376
Exceptional items	47,601	55,455
Underlying profit after tax	**218,996**	182,831

27. Alternative Performance Measures (APMs) *continued*

Underlying P&L metrics (pre-IFRS 16)

The Group considers various P&L metrics on a pre-IFRS 16 basis which have been adjusted from the IFRS reported balances by excluding exceptional costs and removing the impact of IFRS 16 accounting. The table below highlights how key metrics in the reported IFRS financial statements have been adjusted to arrive at an underlying P&L (pre-IFRS 16) metric.

	Year to 30 September 2025 €000	Year to 30 September 2024 €000 (Restated)
Underlying EBITDA (pre-IFRS 16)		
Reported EBITDA	840,092	737,780
Exceptional items	25,180	46,098
IFRS 16 adjustments	(334,280)	(304,077)
Underlying EBITDA (pre-IFRS 16)	**530,992**	479,801
Underlying EBIT (pre-IFRS 16)		
Operating profit from continuing operations	319,874	323,041
Exceptional items	51,127	43,845
IFRS 16 adjustments	(9,153)	(36,359)
Underlying EBIT (pre-IFRS 16)	**361,848**	330,527
Underlying profit before tax (pre-IFRS 16)		
Reported profit before tax	251,474	234,079
Exceptional items	51,127	43,845
IFRS 16 adjustments	30,296	7,541
Underlying profit before tax (pre-IFRS 16)	**332,897**	285,465
Underlying profit after tax (pre-IFRS 16)		
Reported profit after tax	171,395	127,376
Exceptional items	47,601	55,455
IFRS 16 adjustments	25,625	7,006
Underlying profit after tax (pre-IFRS 16)	**244,621**	189,837

EBITDA margin

EBITDA margin is considered an APM and is equal to EBITDA divided by the Group's revenue. The Group considers various EBITDA margins based on the reported EBITDA, underlying EBITDA and underlying EBITDA (pre-IFRS 16) in line with the P&L metrics highlighted above.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Revenue	4,523,463	4,160,416
Reported EBITDA	840,092	737,780
Reported EBITDA margin %	**18.6%**	17.7%
Underlying EBITDA	865,272	783,878
Underlying EBITDA margin %	**19.1%**	18.8%
Underlying EBITDA (pre-IFRS 16)	530,992	479,801
Underlying EBITDA margin (pre-IFRS 16) %	**11.7%**	11.5%

Operating cost margin

Operating cost margin is considered an APM and is equal to operating costs divided by the Group's revenue. To arrive at operating costs the Group calculates the difference between reported EBITDA and gross margin. The Group also excludes exceptional costs when considering the operating cost margin.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Reported Administrative expenses	1,781,236	1,624,864
less Depreciation and Amortisation	(455,022)	(409,537)
less Gains on disposal of PPE	220	272
less Exceptional items in Reported EBITDA	(25,180)	(46,098)
exclude Exceptional items in gross profit	5,754	–
Underlying Operating costs	**1,307,008**	1,169,501
Revenue	4,523,463	4,160,416
Underlying Operating costs %	**28.9%**	28.1%

27. Alternative Performance Measures (APMs) *continued*

Operating cash flow and free cash flow

Operating cash flow is considered to be equal to cash generated by operations, less taxes paid, being the net cash inflow from continuing operating activities. Free cash flow is defined as cash generated by operations, deducted with tax paid, capital expenditure items, and IFRS 16 cash flows shown by the reconciliation below:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Cash generated by operations	847,598	819,964
Tax paid	(77,256)	(85,449)
Operating cash flow (Net cash inflow from continuing operating activities)	**770,342**	734,515
Additions to property, plant and equipment	(89,338)	(144,380)
Additions to other intangible assets	(6,463)	(4,552)
Payment of interest on lease liabilities	(41,181)	(53,436)
Repayment of lease liabilities	(290,885)	(250,938)
Free cash flow	**342,475**	281,209

The Group calculates operating cash flow conversion as a percentage of underlying EBITDA to provide a metric on how the Group has generated cash from operations from the core business during the period. This is calculated as highlighted below.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Net cash inflow from continuing operating activities	770,342	734,515
Underlying EBITDA	865,272	783,878
Operating cash flow conversion	**89.0%**	**93.7%**

The Group also calculates a free cash flow conversion as a percentage of underlying PAT to provide a metric on how efficiently the Group has converted profit after tax into unlevered free cash flow. This is calculated as highlighted below.

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Free cash flow	342,475	281,209
Underlying profit after tax	218,996	182,831
Free cash flow conversion %	**156%**	154%

Net debt

The Group uses net debt because it believes this measure provides an indicator of the overall strength of its balance sheet and can be used to assess its earnings as compared to its indebtedness as defined by the Group's financing agreements. The Group calculates net debt on a pre-IFRS 16 basis by excluding all IFRS 16 balances such as lease liabilities. This is in line with the reporting requirements relating to the external loan arrangements which the Group utilised as at 30 September 2025 and 2024. The Group also calculates net debt on an IFRS 16 basis. Both calculations have been provided below.

	Year to 30 September 2025	Year to 30 September 2024 (Restated)
Borrowings	626,630	612,980
Obligations under finance leases	612	6,785
Gross debt	**627,242**	619,765
Closing cash balance	(464,357)	(362,881)
Net debt (pre-IFRS 16)	**162,885**	256,884
IFRS 16 lease liabilities	1,065,698	1,422,079
Net debt	**1,228,583**	1,678,963

The Group calculates a leverage ratio of the debt on both an IFRS 16 and pre-IFRS 16 basis by comparing the calculated net debt to underlying EBITDA. See calculations below.

	Year to 30 September 2025	Year to 30 September 2024 (Restated)
Net debt	1,228,583	1,678,963
Underlying EBITDA	865,272	783,878
Leverage: Net debt to EBITDA	**1.4x**	2.1x
Net debt (pre-IFRS 16)	162,885	256,884
Underlying EBITDA (pre-IFRS 16)	530,992	479,801
Leverage (pre-IFRS 16): Net debt to EBITDA	**0.3x**	0.5x

	Year to 30 September 2025	Year to 30 September 2024 (Restated)
Financial income	57,110	19,900
Financial expense	(125,510)	(108,862)
Reported net financial expense	**(68,400)**	(88,962)
Less interest on lease liabilities	41,181	43,678
Foreign exchange monetary assets and liabilities revaluation	(1,733)	221
Net financial expense (pre-IFRS 16)	**(28,952)**	(45,063)
Underlying EBITDA (pre-IFRS 16)	530,992	479,801
Interest cover ratio (pre-IFRS 16)	**18.3x**	10.6x

27. Alternative Performance Measures (APMs) *continued*

Return on invested capital

This provides an annual measure of return based on the capital invested. The calculation is based on the following inputs:

NOPAT/IC, where IC (invested capital) = Property, plant and equipment + intangibles (excl. goodwill)

+ net working capital (current assets – current liabilities excluding IFRS 16 lease liabilities) and where NOPAT is defined as net underlying operating profit after tax.

	Year to 30 September 2025	Year to 30 September 2024 (Restated)
ROIC	**38.5**	23.7

28. Subsequent events

In the fourth quarter, the Group initiated a debt-refinancing strategy and on 24 September called €175 million of the €375 million corporate bond, which was repaid after the year end.

In November 2025, the Group completed a significant refinancing, of €770 million in committed credit facilities provided by a syndicate of 10 relationship banks. The new financing comprises a 3-year term loan of €235 million maturing November 2028, a 5-year term loan of €235 million maturing November 2030, and a 5-year multicurrency revolving credit facility of €300 million. Opening margins for the three new facilities range from 1.35% to 1.70% over EURIBOR.

During December, an existing lender re-joined the syndicate for the committed credit facilities allowing the Group to increase the RCF, and therefore the total committed credit facilities, by €30m to €330m (RCF) and €800m (Total committed credit facilities).

These facilities refinanced existing indebtedness including the April 2026 term loan (€250 million), the April 2027 revolving credit facility (€390 million), and the remaining 7.25% July 2028 senior secured notes (€200 million). Complementing this, the Group completed a PLN 600 million (approximately €141 million) bond issuance under its PLN 2 billion programme, converted to fixed rate EUR at 4.4% through cross-currency swaps.

This dual-track refinancing strengthened the Group's capital structure and enhanced financial flexibility through extending debt maturities out to November 2028 and beyond, while significantly lowering financing costs with an effective initial interest rate of 3.90%.

29. Ultimate parent company

IBEX Retail Investments (Europe) Limited ("IRIEL") owned 71.97% of the Company's outstanding shares as of 30 September 2025. As such, the Company is classified, from a Dutch law perspective pursuant to section 2:24a of the Dutch Civil Code, as a direct subsidiary of IRIEL, which is registered in England. IRIEL's registered address is The Space (Floor 3), 120 Regent Street, London, W1B 5FE.

At the reporting date, the Company's ultimate parent company was IBEX Topco B.V. an entity registered in the Netherlands.

30. Earnings per share

	Year to 30 September 2025 ¢	Year to 30 September 2024 (Restated) ¢
Basic earnings per share		
Earnings per share from continuing operations	**29.8**	22.1
Earnings per share from discontinued operations	**(60.4)**	(149.6)
Earnings per share	**(30.6)**	(127.5)
Earnings per share from continuing operations adjusted for non-underlying items	**38.1**	31.7
Diluted earnings per share		
Diluted earnings per share from continuing operations	**28.9**	22.0
Diluted earnings per share from discontinued operations	**(58.6)**	(148.5)
Diluted earnings per share	**(29.7)**	(126.5)
Diluted earnings per share from continuing operations adjusted for non-underlying items	**37.0**	31.5

30. Earnings per share *continued*

Basic earnings per share is based on the profit for the year attributable to equity holders of the Company divided by the number of shares ranking for dividend.

Diluted earnings per share is calculated by adjusting the weighted average number of shares used for the calculation of basic earnings per share as increased by the dilutive effect of potential ordinary shares. The only potentially dilutive instrument in issue is share awards under the VCP scheme. Please see note 21 for further details of this scheme.

The following table reflects the profit data used in the basic and diluted earnings per share calculations:

	Year to 30 September 2025 €000	Year to 30 September 2024 (Restated) €000
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company	171,395	127,376
Add back non-underlying items:	51,127	43,845
Add back tax on non-underlying items	(3,526)	11,610
Adjusted profit attributable to the ordinary equity holders of the Company	**218,996**	182,831

The following table reflects the share data used in the basic and diluted earnings per share calculations:

	Year to 30 September 2025 '000	Year to 30 September 2024 '000
Weighted average number of shares		
Weighted average number of ordinary shares in issue	**575,288**	576,000
Weighted average number of shares for basic earnings per share		
Weighted average of dilutive potential shares	**16,911**	4,113
Weighted average number of shares for diluted earnings per share	**592,199**	580,113

The weighted average number of shares used in the EPS calculation has been adjusted to exclude treasury shares held by the Group during the period, in accordance with IAS 33 Earnings per Share.

31. Other information

Distribution of profit

The Board of Directors declared a dividend of 6.2 Euro Cents per share on 12 March 2025. The total amount of dividend paid was €35.7m. A dividend of 9.6 Euro Cents per share has been recommended by the Board subject to approval of the shareholders at the Annual General Meeting on 11 March 2026.

Approval and signatories

London (United Kingdom), 14 January 2026

Management

Stephan Borchert, Chief Executive Officer (and Executive Director)

Willem Eelman, Chief Financial Officer

Non-Executive Directors

Frederick Arnold, Independent Non-Executive Director

Brendan Connolly, Independent Non-Executive Director

Sean Mahoney, Non-Executive Director

Grazyna Piotrowska-Oliwa, Independent Non-Executive Director

Separate income statement

Parent company (Pepco Group N.V.) - income statement

for the year ended 30 September 2025

	Note	Period to 30 September 2025 €000	Period to 30 September 2024 €000
Administrative expenses		(11,527)	(658)
Impairment expense	7	(4,728)	–
Operating loss for the year	2	**(16,255)**	(658)
Financial income	3	164	4
Financial expense	4	(490)	(6)
Dividend income	5	39,365	–
Profit before taxation for the year		**22,784**	(660)
Taxation	6	2,868	166
Profit/loss for the year		**25,652**	(494)

The above results were derived from continuing operations.

There was no other comprehensive income for the period.

The notes on pages 208 to 213 form part of these financial statements.

Separate statement of financial position

Parent company (Pepco Group N.V.) - statement of financial position

at 30 September 2025

	Note	30 September 2025 €000	30 September 2024 €000
Non-current assets			
Investment in subsidiary companies	7	718,467	709,199
Trade and other receivables	8	63	57
		718,530	709,256
Current assets			
Trade and other receivables	8	3,906	812
Cash and cash equivalents		77	13
		3,983	825
Total assets		**722,513**	710,081
Equity and liabilities			
Capital and reserves			
Share capital	10	5,775	5,760
Treasury shares	10	(49,912)	–
Share premium reserve	10	663,599	663,599
Share-based payment reserve		53,887	39,908
Accumulated losses		(11,852)	(1,760)
Total shareholders' equity		**661,497**	707,507
Non-current liabilities			
Trade and other payables	9	46,422	–
Current liabilities			
Trade and other payables	9	14,594	2,574
Total equity and liabilities		**722,513**	710,081

The notes on pages 208 to 213 form part of these financial statements.

Separate statement of changes in equity

Parent company (Pepco Group N.V.) - statement of changes in equity

for the year ended 30 September 2025

	Share capital €000	Treasury shares €000	Share premium reserve €000	Share-based payment reserve €000	Accumulated losses €000	Total equity €000
Balance at 1 October 2023	5,760	–	663,599	33,013	(1,266)	701,106
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(494)	(494)
Total comprehensive income for the year	–	–	–	–	(494)	(494)
Transactions with owners, recorded directly in equity						
Equity-settled share-based payments	–	–	–	6,895	–	6,895
New shares issued	–	–	–	–	–	–
Total contributions by and distributions to owners	–	–	–	6,895	–	6,895
Balance at 30 September 2024	5,760	–	663,599	39,908	(1,760)	707,507

	Share capital €000	**Treasury shares €000**	**Share premium reserve €000**	**Share-based payment reserve €000**	**Accumulated losses €000**	**Total equity €000**
Balance at 1 October 2024	5,760	–	663,599	39,908	(1,760)	707,507
Total comprehensive income for the year						
Profit for the year	–	–	–	–	25,652	25,652
Total comprehensive income for the year	–	–	–	–	25,652	25,652
Transactions with owners, recorded directly in equity						
Equity-settled share-based payments	–	–	–	13,979	–	13,979
New shares issues	15	–	–	–	–	15
Dividends declared	–	–	–	–	(35,744)	(35,744)
Treasury shares	–	(49,912)	–	–	–	(49,912)
Total contributions by and distributions to owners	15	(49,912)	–	13,979	(35,744)	(71,662)
Balance at 30 September 2025	**5,775**	**(49,912)**	**663,599**	**53,887**	**(11,852)**	**661,497**

Refer to note 10 for a description of each reserve held within equity and details of movements in the period. The notes on pages 208 to 213 form part of these financial statements.

Separate statement of cash flows

Parent company (Pepco Group N.V.) - statement of cash flows

for the year ended 30 September 2025

	Note	**30 September 2025 €000**	30 September 2024 €000
Cash flows from operating activities			
Cash generated by operations	11	261	1
Net cash inflow from operating activities		**261**	1
Cash flows from investing activities			
Interest received		–	–
Dividends received		39,365	–
Net cash inflow from investing activities		**39,365**	–
Cash flows from financing activities			–
Proceeds from the issue of share capital		15	
Purchase of own shares		(49,912)	–
Dividends paid		(35,744)	–
Proceeds from loans from Group undertakings		46,422	–
Repayment of loans from Group undertakings		–	–
Interest paid		–	–
Net cash inflow from financing activities		**(39,219)**	–
Effect of exchange rate fluctuations on cash held		(343)	(1)
Cash and cash equivalents at beginning of period		13	13
Net (decrease)/increase in cash and cash equivalents		64	–
Cash and cash equivalents at end of period		**77**	13

The notes on pages 208 to 213 form part of these financial statements.

Notes to the separate financial statements

Parent company (Pepco Group N.V.)

1. Significant accounting policies

Pepco Group N.V. (the Company) is a public limited liability company incorporated in the Netherlands (registration number 81928491) and domiciled in the United Kingdom. The Company has a primary listing on the Warsaw Stock Exchange. The registered address is 14th Floor, Capital House, 25 Chapel Street, London, NW1 5DH, United Kingdom.

As part of a Group reorganisation undertaken prior to the IPO, the Company acquired the entire shareholding of Pepco Group Limited from Flow Newco Limited on 13 May 2021 (the acquisition date), in a share for share exchange by issuing its ordinary shares. Consequently the Company became the immediate holding company of Pepco Group Limited.

The Group reorganisation has been accounted for as a common control transaction whereby the cost of investment in Pepco Group Limited has been determined based on its net asset value on the acquisition date. Please see note 6 for details of the Group reorganisation.

These separate financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the EU and with part 9 of Book 2 of the Dutch Civil Code and are presented in addition to the consolidated financial statements of Pepco Group N.V.

Unless otherwise stated, the accounting policies applied are the same as those in the consolidated financial statements.

1.1 Measurement convention

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

1.2 Going concern

The separate financial statements have been prepared on a going concern basis.

In the 2025 reporting period, the Company's current liabilities exceed the current assets.

Refer to the Going concern section of the consolidated financial statements for a detailed going concern assessment of the Group, including the Company.

1.3 Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment provisions. Investments in subsidiaries are impaired to their recoverable amount. Where a common control transaction takes place, an investment is recognised at a value equivalent to the net assets of the acquired entity on the acquisition date. Please see note 6 for more details surrounding the common control acquisition made during 2021.

1.4 Shareholders' equity

The reserves are recognised in accordance with the Dutch Civil Code.

1.5 Changes in accounting policies

Refer to note 1 of the consolidated financial statements for disclosures regarding new accounting standards adopted by the Company and the Group.

1.6 Accounting estimates and judgements

The preparation of these financial statements requires the exercise of judgement, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and various other factors, including expectations of the future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period impacted.

The Company makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates will seldom equal the related actual results. The Directors continually evaluate the estimates, assumptions and judgements based on available information and experience.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Impairment of investments

The Company assesses whether there are any indicators of impairment as at the reporting date for all investments in subsidiaries. Investments are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, the Directors must estimate the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The Company assesses the recoverability of this investment by comparing the recoverable amount to the value of the Group as listed on the stock exchange. Refer to note 1 of the consolidated financial statements for detailed disclosures.

Key judgements

There are no key judgements made in preparation of these financial statements.

1.7 Standards issued but not effective

For a list of new standards issued but not yet effective, please refer to note 1.28 of the consolidated financial statements.

2. Operating loss

The Company does not have any employees. Details of Directors' remuneration can be found in note 8 of the consolidated financial statements. The Company does not receive a charge for these costs as these are borne by another Group entity.

Auditors' remuneration is borne by another Group entity. Please refer to note 5 of the consolidated financial statements for details of total Group auditors' remuneration.

Note in FY25, the company was recharged costs from a fellow Group entity to reflect services performed for this company. In addition, an impairment was identified in relation to an investment in Poundland Limited was sold during the year as highlighted in the Group Financial statements.

3. Financial income

	Year to 30 September 2025 €000	Year to 30 September 2024 €000
Interest income on loans to Group undertakings	164	4
	164	4

4. Financial expense

	Year to 30 September 2025 €000	Year to 30 September 2024 €000
Interest expense on loans to Group undertakings	331	–
Bank fees	103	–
Foreign exchange losses	56	6
	490	6

5. Dividend income

During the year, the Company recognised dividend income of €39.4 million (2024: nil) in profit or loss. The dividend income relates to distributions received from an investments in a subsidiary.

6. Taxation

Analysis of tax (charge)/credit for the year recognised in the income statement

	Year to 30 September 2025 €000	Year to 30 September 2024 €000
Current tax (charge)/credit		
Current tax for the year	**2,869**	165
Adjustments in respect of prior periods	**(1)**	1
Total current tax (charge)/credit	**2,868**	166
Deferred tax (charge)/credit		
Origination and reversal of temporary differences	**–**	–
Adjustments in respect of prior periods	**–**	–
Total deferred tax (charge)/credit	**–**	–
Total tax (charge)/credit for the year	**2,868**	166

The current tax credit is recoverable via group relief.

Factors affecting the tax (charge)/credit for the year recognised in the income statement

The tax credit for the year differs from the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%). The differences are explained below.

	Year to 30 September 2025 €000	Year to 30 September 2024 €000
Profit/(loss) before tax	22,784	(660)
Expected tax (charge)/credit at the UK statutory rate of 25.0% (2024: 25.0%)	(5,696)	165
Effects of:		
Income not taxable	8,660	
Adjustments in respect of prior periods	(1)	1
Expenses not deductible	(95)	–
Total tax (charge)/credit for the year	**2,868**	166

The Company is UK tax resident based on the Company being managed and controlled in the UK and as such is subject to UK corporation tax with the expected tax (charge)/credit reconciled to the UK statutory rate.

Deferred tax not recognised

The Company has no temporary differences (2024: nil) and therefore no deferred tax assets have been recognised.

7. Investments in subsidiaries

	Country of incorporation	Issued share capital	Shareholding %	Total carrying value €000
Pepco Group Limited	United Kingdom	£1,801	100	669,291

On 13 May 2021 the Company acquired the entire share capital of Pepco Group Limited in exchange for issuing its own shares. As a common control transaction, the deemed cost of the investment was the net asset value of Pepco Group Limited on the acquisition date of €669,291,000.

	30 September 2025 €000	30 September 2024 €000
Historical cost	669,291	669,291
Group share-based payments[1]	53,887	39,908
Impairments[2]	(4,711)	–
	718,467	709,199

1. The Company's subsidiaries recognise the amounts relating to awards to their employees as a share-based payment expense in their financial statements. As Pepco Group N.V. will settle the share awards, this is recognised as an increase in the investment in relevant subsidiaries in accordance with IFRS 2 "Share-based Payment". For details of the share-based payments which have increased the Company's investments, see note 21 to the consolidated financial statements.
2. During the period, the company impaired an investment in Poundland Limited.

8. Trade and other receivables

	30 September 2025 €000	30 September 2024 €000
Non-current trade and other receivables		
Loans to Group undertakings	63	57
Current trade and other receivables		
Interest due from Group undertakings	6	10
Amounts due from Group undertakings	418	532
Prepayments	3,482	270
	3,906	812

9. Trade and other payables

	30 September 2025 €000	30 September 2024 €000
Non-current trade and other payables		
Loans from Group undertakings	46,422	–
Current trade and other payables		
Interest due to Group undertakings	331	–
Amounts due to Group undertakings	14,141	2,445
Trade payables	122	129
	14,594	2,574

10. Share capital and reserves

	30 September 2025 €000	30 September 2024 €000
Authorised share capital		
1,725,000,000 ordinary shares of €0.01 each	17,250	17,250
Issued share capital		
577,451,935 (2024: 576,027,342) ordinary shares of €0.01 each	5,775	5,760

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company.

Share premium reserve

The closing share premium reserve on 30 September 2025 was €663,599,000 (2024: €663,599,000).

Share-based payment reserve

This reserve comprises the cumulative value of shares to be issued as a result of the Group equity-settled share-based payment scheme. Upon the issue of any shares resulting from the scheme, a transfer will be made out of the share-based payment reserve to share capital and share premium as applicable. Please see note 21 of the consolidated financial statements for details about the share-based payment scheme.

Treasury shares

During the year ended 30 September 2025, the Company purchased 9,382,732 of its own shares under the share buyback programme for total consideration of €49.9m. These shares are held as treasury shares to satisfy obligations under employee share schemes. These shares do not carry voting rights, are not entitled to dividend, and are presented as a deduction from equity in accordance with IAS 32.

11. Cash flow information

Cash utilised in operations

	30 September 2025 €000	30 September 2024 €000
Loss before tax	**22,784**	(660)
Adjusted for:		
Impairment of investment in subsidiaries	4,728	–
Dividend income	(39,365)	–
Financial income	(164)	(4)
Financial expense	490	6
Changes in working capital:		
Increase in trade and other receivables	(3,100)	(54)
Increase in trade and other payables	12,020	548
Impact of group relief not yet received	2,868	165
Net changes in working capital	**11,788**	659
Cash generated from operations	**261**	1

Net debt reconciliation

	30 September 2025 €000	30 September 2024 €000
Cash and cash equivalents	77	13
Loans receivable from Group undertakings	63	57
Loans payable to Group undertakings	(46,422)	–
	(46,282)	70

12. Transactions with related parties

The following is a summary of transactions with Group companies during the period and balances at the end of the period:

	Year to 30 September 2025 €000	Year to 30 September 2024 €000
Interest income		
Peu (Fin) Plc	13	5
Peu (Tre) Limited	151	–
Interest expense		
Peu (Tre) Limited	(331)	–
Dividend income		
Pepco Group Limited	39,365	–
Loans receivable		
Peu (Fin) Plc	63	57
Interest accrued on loans		
Peu (Fin) Plc	6	10
Amounts due from Group undertakings		
Peu (Fin) Plc	–	360
Peu (Tre) Limited	3,482	–
Poundland Limited	–	52
Poundland Elgin Limited	–	77
Pepkor Europe Limited	–	43
Loans payable		
Peu (Tre) Limited	(46,422)	–
Interest accrued on loans		
Peu (Tre) Limited	(331)	–
Amounts owed to Group undertakings		
Peu (Fin) Plc	(159)	–
Peu (Tre) Limited	(1,122)	(958)
Pepco Group Services Limited	(12,860)	(1,488)

Interest is charged on the loans receivable at the gross effective interest rate of the Group's external debt, plus an appropriate transfer pricing mark-up where appropriate. Loans are unsecured and repayable in line with the maturity of the Group's external debt.

13. Financial risk management

The Management Board and Executive team are responsible for implementing the risk management strategy to ensure that an appropriate risk management framework is operating effectively within the Company. The Company does not speculate in the trading of derivative or other financial instruments.

Total financial assets and liabilities

	30 September 2025 €000	30 September 2024 €000
Related party loans receivable	63	57
Non-current financial assets	**63**	57
Related party loans receivable	6	10
Amounts due from Group undertakings	3,482	532
Cash and cash equivalents	77	13
Current financial assets	**3,565**	555
Related party loans payable	(46,422)	–
Non-current financial liabilities	**(46,422)**	–
Amounts owed to Group undertakings	(14,141)	(2,445)
Trade payables	(122)	(129)
Current financial liabilities	**(14,263)**	(2,574)

No items were classified as "at fair value through profit or loss" or "at fair value through other comprehensive income" during the 2025 and 2024 reporting period.

The carrying amount of financial assets and liabilities approximates its fair value.

The fair value calculation of the financial assets and liabilities was performed at the reporting date. Between the reporting date and the date of this report, the fair values reported may have fluctuated with changing market conditions and therefore the fair values are not necessarily indicative of the amounts the Company could realise in the normal course of business subsequent to the reporting date.

Foreign currency risk

The financial assets and liabilities of the Company are denominated in the functional currency except for the following British Pound denominated related party loans receivable, cash and cash equivalents and amounts owed to Group undertakings.

	30 September 2025 €000	30 September 2024 €000
Related party loans receivable	57	52
Cash and cash equivalents	1	1
Amounts owed to Group undertakings	(7,337)	(316)
Trade payables	(107)	(87)
	(7,386)	(350)

The following significant exchange rates applied during the period and were used in calculating sensitivities:

	Forecast rate	Spot rate
Euro:British Pound	1.14	1.19

Sensitivity analysis

The table below indicates the Company's sensitivity at the reporting date to the movements in the British Pound that the Company is exposed to on its financial instruments. The percentage given below represents a weighting of foreign currency rates forecasted by the major banks that the Company transacts with regularly. This analysis assumes that all other variables, in particular interest rates, remain constant. The impact on the reported numbers, using the forecast rates as opposed to the reporting date spot rates, is set out below.

	30 September 2025 €000	30 September 2024 €000
Through profit/(loss)		
British Pound strengthening by 10% against the Euro	**(739)**	(35)
British Pound weakening by 10% against the Euro	**739**	35

If the foreign currencies were to weaken/strengthen against the Euro, by the same percentages as set out in the table above, it would have an equal, but opposite, effect on profit or loss.

Interest rate risk

At the reporting date the interest rate profile of the Company's financial instruments was:

	30 September 2025			30 September 2024		
	Variable €000	Non-interest bearing €000	Total €000	Variable €000	Non-interest bearing €000	Total €000
Non-current financial assets	63	–	63	57	–	57
Non-current financial liabilities	(46,422)	–	(46,422)	–	–	–
Current financial assets	–	3,565	3,565	–	23	23
Current financial liabilities	–	(14,263)	(14,263)	–	–	–
	(46,359)	**(10,698)**	**(57,057)**	57	23	80

Sensitivity analysis

For assets and liabilities which hold variable interest rates, a 1% increase/decrease would increase/decrease profit by EUR 464k.

13. Financial risk management *continued*

Credit risk

Potential concentration of credit risk consists principally of related party loans receivable. At 30 September 2025, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

The carrying amounts of financial assets represent the maximum credit exposure.

The maximum remaining exposure to credit risk at the reporting date, without taking account of the value of any collateral obtained, was €3.6m (2024: €0.1m). All exposure to credit risk is within the United Kingdom.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected. The Company is not exposed to significant liquidity risk on the basis that its only financial liabilities are owed to other Group companies.

14. Reconciliation of net profit and shareholders' equity of the Company with the consolidated results

	30 September 2025		30 September 2024	
	Total equity €000	**Net profit for the period €000**	Total equity (Restated) €000	Net profit for the period (Restated) €000
Shareholders' equity and net profit for the period according to separate financial statements	**661,497**	**25,652**	707,507	(494)
Share of subsidiaries' consolidated (loss)/profit for the period	(201,455)	(201,455)	(733,736)	(733,736)
Share of subsidiaries' consolidated other comprehensive income for the period	(1,754)	–	73,250	–
Share of subsidiaries' consolidated movements due to discontinued operations	(27,325)	–	–	–
Prior period share of subsidiaries' consolidated total comprehensive income for the period and other reserve movements	(267,951)	–	394,230	–
Equity and profit after tax for the period according to consolidated financial statements	**163,012**	**(175,803)**	441,251	(734,230)

This note has been restated for FY24 to reflect the restatements that have taken place in the consolidated financial statements. Please see note 26 in the consolidated financial statements for further details.

15. Subsequent events

There are no reportable subsequent events.

16. Principal subsidiaries

The statutory list of all subsidiaries and affiliated companies is included on pages 224 to 225.

17. Ultimate parent company

IBEX Retail Investments (Europe) Limited ("IRIEL") owned 71.97% of the Company's outstanding shares as of 30 September 2025. As such, the Company is classified, from a Dutch law perspective pursuant to section 2:24a of the Dutch Civil Code, as a direct subsidiary of IRIEL, which is registered in England. IRIEL's registered address is The Space (Floor 3), 120 Regent Street, London, W1B 5FE.

At the reporting date, the Company's ultimate parent company was IBEX Topco B.V., an entity registered in the Netherlands.

18. Approval and signatories

London (United Kingdom), 14 January 2026

Management

Stephan Borchert, Chief Executive Officer (and Executive Director)

Willem Eelman, Chief Financial Officer

Non-Executive Directors

Frederick Arnold, Independent Non-Executive Director

Brendan Connolly, Independent Non-Executive Director

Sean Mahoney, Non-Executive Director

Grazyna Piotrowska-Oliwa, Independent Non-Executive Director

Independent auditor's report

To: the shareholders and the board of directors of Pepco Group N.V.

Report on the audit of the financial statements for the year ended 30 September 2025 included in the annual report

Our qualified opinion

We have audited the accompanying financial statements for the year ended 30 September 2025 of Pepco Group N.V. based in Amsterdam, the Netherlands.

In our opinion, except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, the financial statements give a true and fair view of the financial position of Pepco Group N.V. as at 30 September 2025 and of its result and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted in the European Union (IFRS Accounting Standards) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and separate statement of financial position as at 30 September 2025
- The following statements for the year ended 30 September 2025: the consolidated and separate income statement, the consolidated and separate statements of other comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

Basis for our qualified opinion

Note 1.29 "Uncertainties related to disclosure notes 25 (Discontinued operations) and 26 (Restatement note) related to the former Poundland segment" to the consolidated financial statements, discloses that Pepco Group N.V. sold Poundland on 12 June 2025. Following the sale the board of directors was unable to require Poundland to undertake the required analysis and produce the required information on opening balances restatements, in particular relating to the required adjustments for IFRS 16 lessee accounting and possibly other Poundland adjustments related to trade payables, prepayments and deferred income. With regard to the required adjustment for IFRS 16 lease accounting, the board was not able to require Poundland to undertake the extensive recalculations, system reconfiguration of the IFRS 16 tool, and data extraction work that would be necessary to investigate any required adjustment to the previously published IFRS 16 lease liability and right of use asset balances as at 1 October 2024 and other possible adjustments from discontinued operations disclosed in Note 26 "Restatement note" to the consolidated financial statements. As a result, we were unable to perform our planned audit procedures relating to Poundland's lessee accounting in accordance with IFRS 16. Therefore, we were also unable to obtain sufficient and appropriate audit evidence on the adjustments from discontinued operations disclosed in Note 25 "Discontinued operations" and any potential further adjustments required as discussed in Note 1.29. We concluded that the possible effects of undetected misstatements, if any, could be material but not pervasive for the financial statements as a whole.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Pepco Group N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Pepco Group N.V. (the company) and, together with its consolidated subsidiaries, "the group", offers its clients products as a discount retailer. The group is mainly active in Central and Eastern Europe with sourcing in Asia. We paid specific attention in our audit to a number of areas driven by the operations of the Company and our risk assessment.

Materiality

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	€22 million
Benchmark applied	2.65% of Reported EBITDA from continuing operations
Explanation	Based on our analyses of the common financial information needs of users of the financial statements, we presume EBITDA is an appropriate benchmark to determine materiality.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee of the board of directors (the audit committee) that misstatements in excess of €1.1 million, which are identified during the audit, would be reported to the audit committee, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Pepco Group N.V. is at the head of a group of entities. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures. Based on this risk assessment, we determined the nature, timing and extent of audit work performed, including the entities or business units within the group (components) at which to perform audit work. For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group.

We have worked closely with together with our regional component team in Poland, in performing audit work in respect of the restatements of opening balances and comparative information (including IFRS 16 lessee accounting adjustments) and our audit approach related to fraud risks and non-compliance with laws and regulations; as well in directing, supervising, reviewing or coordinating the work of component teams. We communicated the audit work to be performed and identified risks through instructions for component auditors, who are familiar with local laws and regulations. We requested component auditors to communicate matters related to the financial information of the component that is relevant to identifying and assessing risks.

This resulted in a coverage of 99,2% of Reported EBITDA from continuing operations, 99,5% of revenue and 99,8% of total assets.

For other components, we performed specified procedures and analytical procedures to corroborate that our risk assessment and scoping remained appropriate throughout the audit.

We performed site visits to meet with local management and the regional and component teams and to observe the components operations. We have had several (virtual) meetings during each phase of the audit to discuss the group risk assessment and the risks of material misstatements and ultimately we discussed the outcome of audit procedures with all component auditors and attended closing meetings with local management. In addition we visited our component auditors in the United Kingdom, Poland and Hong Kong and reviewed and evaluated the adequacy of the deliverables and their electronic audit files to address the risks of material misstatement.

By performing the audit work mentioned above at the entities or business units within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the retail industry. We included specialists in the areas of IT audit, income tax, pensions, derivatives, share based payments, legal and forensics.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO_2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO_2 footprint.

The board of director's summarized the group's commitments and obligations, and reported in the Sections "Sustainability strategy" and "Environment" of the annual report how the company is addressing climate-related and environmental risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company's commitments and obligations, are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures. Furthermore, we read the annual report and considered whether there is any material inconsistency between the sustainability information in Sections "Sustainability strategy" and "Environment" and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 30 September 2025.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to Chapter "Our approach to risk management" of the annual report for the board of directors' (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the Pepco Group N.V. Prevention of Bribery and Corruption Policy, the Supplier Code of Conduct and whistleblowing policy. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic and legal specialists. We specifically considered fraud risk factors relating to non-compliance with anti-fraud and bribery laws and regulations through agent deals and purchasing agreements (the supply side). We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have, amongst other things, performed procedures to evaluate whether the selection and application of accounting policies by the company, particularly those relating to subjective measurements and complex transactions, as disclosed in Note 1.29 'Accounting estimates and judgements' to the consolidated financial statements. We have also used data analysis to identify and address high-risk journal entries and other adjustments made in the financial reporting process. We evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

The following fraud risk identified required significant attention during our audit.

Presumed risks of fraud in revenue recognition	
Fraud risk	We presumed that there are risks of fraud in revenue recognition. We mainly relate this risk to management its unique position to adjust the financial statements through inappropriate journal entries and other adjustments made in the financial reporting process related to revenue recognition.
Our audit approach	We describe the audit procedures responsive to this fraud risk in the description of our audit approach for the key audit matter Revenue recognition.

We considered available information and made enquiries of relevant members of the board of directors, internal audit, legal, compliance, local management.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Basis of preparation in Note 1.2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional scepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern or the board of directors' use of the going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters discussed.

In addition to the matter described in the 'Basis for our qualified opinion' section we identified the following key audit matters.

Revenue recognition

Risk	The regular sale transactions of Pepco Group are typically smaller amounts and paid for when the products are sold to the customers. As disclosed in Note 1.16 Revenue, it is the group's policy to sell its products to customers with a right of return. However, the level of returns is not considered material and therefore no right of return asset or refund liability is recognised. On the basis of materiality revenue is therefore recognised at the full value of the consideration received. We presumed that there are risks of fraud in revenue recognition as part of the financial reporting process, given that revenue is considered one of the key performance indicators of the group. The reported revenues and EBITDA from continuing operations could be manipulated by recording inappropriate manual journal entries and other adjustments in the preparation of the financial statements. We therefore considered revenue recognition to be a key audit matter.
Our audit approach	Our audit procedures related to this key audit matter included, amongst others, evaluating the appropriateness of the group's revenue recognition policies in accordance with IFRS 15, "Revenue from Contracts with Customers" and whether these policies have been applied consistently or whether changes, if any, are appropriate in the circumstances. We have obtained an understanding and evaluated the design of the processes and key controls implemented by the group in connection with revenue recognition, including the financial reporting process. Furthermore, we performed the following audit procedures to address the matter in our audit: • We evaluated reconciliations between sales systems and cash • We challenged management position on manual revenue adjustments based on supporting documentation and the group's accounting policy. • Performed test of details on transactions close to year-end Finally, we evaluated the adequacy of the related disclosure in the consolidated financial statements.
Key observations	Based on the audit procedures performed, we did not identify any material misstatements in the revenue recognized in the financial statements.

Restatements of opening balances and comparative information

Risk	As disclosed in note 26 'Restatement note' of the consolidated financial statements, the group identified a number of prior year adjustments, impacting the opening balances as at 1 October 2023, 1 October 2024 and the year ended 30 September 2024. The prior period adjustments impact both the reported financial position and income statement for the year ended 30 September 2024. We considered the restatements of opening balances and comparative information a key audit matter because of the effect on our audit of the financial statements. The restatements related to 'Pepco Leases adjustment' (IFRS 16 lessee accounting) in particular required significant attention from both the group and the auditor. As part of the implementation of a new leasing system to replace the legacy system, the group noted errors in relation to how leases were calculated in prior periods and a restatement was made.
Our audit approach	Our audit procedures related to this key audit matter included, amongst others, evaluating the appropriateness of the restatements, including related disclosures, in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors", in particular the restatements relating to the group's lessee accounting in accordance with IFRS 16 and whether these restatements are appropriate in the circumstances. Our audit procedures included obtaining an understanding of the methods and models used by the group in determining the valuation of right of use assets and liabilities, including an understanding of relevant controls. We have evaluated the measurement of the right of use assets and liabilities and challenged the reasonableness and consistency of the assumptions used by management.
Key observations	Based on our procedures performed, we consider the restatements to prior year appropriate, including the restatements related to IFRS 16 lessee accounting in accordance with IFRS Accounting Standards.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code for the remuneration report

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee, consisting of non-executive directors, is responsible for monitoring the integrity of the financial statements of the company.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the board of directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the shareholders meeting as auditor of Pepco Group N.V. on 21 March 2025, as of the audit for the year 2025..

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

Pepco Group N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by Pepco Group N.V., complies in all material respects with the RTS on ESEF.

The executive board is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the executive board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others

- Obtaining an understanding of the Company's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF

Utrecht, 14 January 2026

EY Accountants B.V.

Signed by J.L. Geutjes

Limited assurance report of the independent auditor on the sustainability statement

To: the shareholders and the Board of Directors of Pepco Group N.V.

Our qualified conclusion

We have performed a limited assurance engagement on the consolidated sustainability statement for the year ended 30 September 2025 of Pepco Group N.V. based in Amsterdam, the Netherlands (hereinafter: the company) in section Sustainability Statement of the accompanying Annual Report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, except for the possible effects of the matter described in the 'Basis for our qualified conclusion', nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Our qualified conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our qualified conclusion

As disclosed in paragraph 'Uncertainties related to the Capex taxonomy disclosure related to the former Poundland segment' in EU Taxonomy as part of the sustainability statement, due to the sale of Poundland on 12 June 2025, the company no longer has access to sufficient and appropriate information about adjustments required for IFRS 16 lessee accounting, if any, related to the former Poundland segment. The reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) include KPIs related to capital expenditure (CapEx KPIs) for which the denominator and numerator include additions based on IFRS 16 Leases, paragraph 53 (h). As result, we were unable to determine whether adjustments were required, if any, to the CapEX KPIs, including the required disclosures under Article 8(2) of Regulation (EU) 2020/852 (Taxonomy Regulation), for additions relating to the former Poundland segment for the period from 1 October 2024 to 12 June 2025.

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving" (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information".

Our assurance engagement was aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of Pepco Group N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement and we are not involved in the preparation of the sustainability statement, as doing so may compromise our independence. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements of public interest entities in the European Union.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Emphasis on future improvements in the double materiality assessment process

We draw attention to section 'Conducting our Double Materiality Assessment' in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process requires the company to make key judgments and use thresholds.

Our conclusion is not modified in respect of this matter.

Inherent limitations associated with measurement or evaluation of sustainability information

Significant uncertainties affecting the quantitative metrics

Section 'Sources of estimation and uncertainty' (part of the 'General basis for the preparation of the Sustainability Statement') in the sustainability statement identifies the quantitative metrics that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

Comparability may be limited for entity-specific sustainability information

The company provides additional entity-specific sustainability information in Section 'S2: Workers in the value chain' in the sustainability statement. The comparability of entity-specific sustainability information between entities and over time may be affected by the absence of a uniform practice or availability of external information sources to measure or evaluate this information that can support comparability. This allows for the application of different, but acceptable, measurement techniques.

Inherent limitations of a double materiality assessment process

The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Inherent limitations of forward-looking information

In reporting forward-looking information in accordance with the ESRS, the Board of Directors describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that it reflects the actual plans or decisions made by the company (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Comparative information not assured

Sustainability information for Financial Years up to and including the year ended 30 September 2024 included in the sustainability statement, has not been part of this limited assurance engagement. Consequently, we do not provide any assurance on the comparative information and thereto related disclosures in the sustainability statement for Financial Years up to and including the year ended 30 September 2024.

Our conclusion is not modified in respect of this matter.

Responsibilities of Board of Directors for the sustainability statement

The Board of Directors is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the Board of Directors is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The Board of Directors is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The audit committee, consisting of non-executive directors, is responsible for monitoring the integrity of the sustainability statement.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our qualified conclusion.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.

- Considering whether the description of the double materiality assessment process in the sustainability statement made by the Board of Directors appears consistent with the process carried out by the company
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Board of Directors' estimates
- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy delegated acts, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented
- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

Communication

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amsterdam, 14 January 2026

EY Accountants B.V.

Signed by R.T.H. Wortelboer

Articles of Association provisions governing the distribution of profit

The holders of ordinary shares are entitled to one vote per share and to participate in the distribution of dividends and liquidation proceeds. Pursuant to Article 26 of the Articles of Association, a dividend may be declared provided that the Company's equity exceeds the amount of the paid-up and called-up part of the issued capital, increased by the reserves which must be kept by virtue of the law. The Board shall determine the amount of profits to be reserved. The general meeting is authorised to, in whole or in part, distribute the profits remaining thereafter and to declare a distribution in kind. The Board is authorised to declare interim distributions of profits or on account of a freely distributable reserve.

List of branches

The table below lists all branches of the Company as well as all subsidiaries whose results were consolidated during the reporting period.

Branch	Place of branch	Country of branch	Register of branch	Origin entity	Country of origin entity
Fully Sun China Limited – Bangladesh	Bangladesh	Bangladesh	TIN- 4404-3933-6667	Fully Sun China Limited	China (Hong Kong)

Statutory list of all subsidiaries and affiliated companies

List of direct and indirect subsidiaries as at 30 September 2025

Country of incorporation	Entity name	Registered no.	Shareholding	Principal place of business
Austria	Pepco Austria GmbH	FN 534293a	100%	Gertrude-Fröhlich-Sandner-Straße 2-4/ Turm 9/7. Stock, 1100 Wien
Bosnia and Herzegovina	Pepco B-H d.o.o.	4203144510006	100%	Sarajevo, street Skenderpašina no. 1, Municipality Centar Sarajevo, 71 000 Sarajevo, Bosnia
Bulgaria	Pepco Bulgaria EOOD	205119149	100%	Mladost 4, Bul./Ul. Ul. Biznes Park Sofiya 1, Bl. Sgrada 8, ET. 6 Sofia 1766, Bulgaria
China	Pepco Global Sourcing Shanghai Co., Ltd	913100007914	100%	8th Floor, H Zone (East), 666 Beijing East Road, Huangpu District, Shanghai
China (Hong Kong)	Fully Sun China Limited	CR 1075298	100%	Rm 1006-8, 10/F, Sun House, 181, Des Voeux Road Central Sheung Wan, Hong Kong
Croatia	Pepco Croatia d.o.o.	MBS 081038164	100%	Zagreb (Grad Zagreb), Damira Tomljanovića Gavrana 11
Czechia	Pepco Czech Republic s.r.o.	24294420	100%	Prague 4 – Nusle, Hvězdova 1716/2b, PSČ 14078
England and Wales	Pepco Group International Limited	14772767	100%	14th Floor Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
	Pepco Group Limited	9127609	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Pepco Group Services Limited	10972213	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Pepco Vaucluse Limited	3484379	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Peu (Fin) Plc	11808114	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
	Peu (Tre) Limited	11808312	100%	14th Floor, Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
Estonia	Pepco Estonia OÜ	14249111	100%	Sõpruse Pst 145, Kristiine District, Tallinn, 13417, Estonia
France	Pepkor France S.A.S.	RCS 805 402 104	100%	1 Place Boieldieu, 75002, Paris, France
	Vaucluse Diffusion S.A.S.	RCS 306 487 075	100%	19 Rue du Musée 13001 Marseille, France
Germany	Pepco Germany GmbH	HRB 224064	100%	c/o WeWork, Kemperplatz 1, DE-10785, Berlin
Greece	Pepco Greece IKE	162515401000	100%	Municipality of Nikaia – Agios Ioannis Renti, at Petrou Ralli Street No 97, PC 18233
Hungary	Pepco Hungary Kft	Cg. 01-09-192750	100%	H-1138 Budapest, Váci út 187
	Pepco Ingatlan Kft	Cg. 01-09-300734	100%	H-1138 Budapest, Váci út 187
India	PGS Partner India Private Limited	U74999HR2018 FTC073537	100%	Unit No-128, Suncity Success Tower Sector, 65, Gold Course Extn Road, Gurugram, Gurgaon HR, 122005

Country of incorporation	Entity name	Registered no.	Shareholding	Principal place of business
Italy	Pepco Italy S.r.l	MI-2568153	100%	Via Michelangelo Buonarroti 39, 20145 Milano (MI), Italy
Latvia	Pepco Latvia SIA	40203062113	100%	Strelnieku iela 9 – 7, Riga, LV-1010, Latvia
Lithuania	Pepco Lithuania UAB	304488450	100%	Vilnius, Upės g. 9-2, LT-09308, Lithuania
North Macedonia	PEPCO DOOEL Skopje	7869932	100%	Naum Naumovski-Borche St. No. 40/5-8, Skopje – Centar
Netherlands	Konopacka Holdings B.V.	KvK 58864504	100%	Noord Brabantlaan 265, 5652LD Eindhoven
	Pepkor Import B.V.	KvK 61649112	100%	Noord Brabantlaan 265, 5652LD Eindhoven
	Rawksa Holdings B.V.	KvK 58864385	100%	Noord Brabantlaan 265, 5652LD Eindhoven
Poland	Cardina Investments Sp z.o.o.	KRS 0000424893	100%	ul. Strzeszyńska 73B lok. 4, 60-479 Poznań
	Dealz Poland Sp z.o.o.	KRS 0000692949	100%	Ul. Jasielska 16A, 60-476 Poznan, Wielkopolskie
	Evarts Investments Sp z.o.o.	KRS 0000471011	100%	ul. Strzeszyńska 73B lok. 4, 60-479 Poznań
	Pepco Distribution Sp. z o.o.	1042265	100%	ul. Strzeszyńska 75, 60 – 479 Poznań
	Pepco Holdings Sp z.o.o.	791461	100%	ul. Strzeszyńska 73A, 60-479 Poznań
	Pepco Poland Sp z.o.o.	KRS 0000111962	100%	ul. Strzeszyńska 73A, 60-479 Poznań
	Pepco Properties Sp z.o.o.	KRS 0000356422	100%	ul. Strzeszyńska 73A, 60-479 Poznań
Portugal	Pepco Portugal Unipessoal LDA	3453-7748-7417	100%	Rua Hermano Neves 18, piso 3, E7, 1600-477 Lisbon (Portugal)
Republic of Ireland	Dealz Retailing (Ireland) Limited	541977	100%	Unit 3 Westend Retail Park, Blanchardstown, Dublin 15
Romania	Pepco Retail SRL	J40/4655/2013	100%	17 Ceasornicului street, 3rd floor, District 1, Bucharest, Romania
Serbia	Pepco d.o.o. Beograd-Novi Beograd	21457345	100%	Bulevar Mihaila Pupina 10L, 11000 Novi Beograd, Serbia
Slovakia	Pepco Slovakia s.r.o.	46 868 674	100%	Nevädzova 6, Ružinov, Bratislava, 821 01, Slovakia
Slovenia	Pepco d.o.o.	7176457000	100%	Tržaška cesta 515, Brezovica pri Ljubljani, 1351, Slovenia
Spain	Dealz España S.L	B86867512	100%	C/Bravo Murillo 192, Madrid, Spain
	Pepco Logistics S.L	773439	100%	C/Bravo Murillo 192, Madrid, Spain
	Pepco Retail España S.L	B86283751	100%	Avda. Baix Llobregat 1-3, Módulo A, Planta Baja Par No., Esc. P, El Prat de Llobregat
Switzerland	Pepkor Europe GmbH	CHE-194.732.602	100%	c/o Kanzlei Pilatushof, Hirschmattstrasse 15, 6003 Luzern

Glossary of terms

Term	Definition
AGM	Annual General Meeting of shareholders
APM	Alternative Performance Measure
Annual Report	Management report (bestuursverslag) as referred to in Section 2:391 of the Dutch Civil Code
Articles	Articles of Association of the Company, as amended from time to time
BCI	Better Cotton Initiative
Board	Directors of the Company
Board Rules	Board of Directors' Rules of Procedure
CAGR	Compound Annual Growth Rate
Capex	Capital expenditure
CEE	Central and Eastern Europe
CEO	Chief Executive Officer of the Company
CFO	Chief Financial Officer of the Company
CGU	Cash-generating unit
CODB	Cost of doing business
Company/PGNV	Pepco Group N.V.
Company Secretary	Company secretary of the Company
CSRD	Corporate Sustainability Reporting Directive
DC	Distribution centre
Dutch Code	Dutch Corporate Governance Code
Dealz	FMCG-led price-anchored retailer (non-UK)
EAP	Equity Award Plan
EBITDA	Operating profit or loss before depreciation and amortisation adjusted for capital and reclassification items
EGM	Extraordinary General Meeting of shareholders
EPS	Earnings per share
ERP	Enterprise resource planning
ESG	Environmental, social and governance
EU	European Union
External Auditor	EY
EY	EY, the Company's External Auditor
FMCG	Fast-moving consumer goods
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
FY19	1 October 2018 to 30 September 2019
FY20	1 October 2019 to 30 September 2020
FY21	1 October 2020 to 30 September 2021
FY22	1 October 2021 to 30 September 2022
FY23	1 October 2022 to 30 September 2023
FY24	1 October 2023 to 30 September 2024
FY25	1 October 2024 to 30 September 2025
GM	General merchandise
GOTS	Global Organic Textile Standard
Group/Pepco Group	The Company and its subsidiaries
IAS	International Accounting Standards
IBEX/ITBV	IBEX Topco B.V.
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering – on 26 May 2021 the Company was admitted for listing on the Warsaw Stock Exchange
LFL	Like-for-like revenue growth
LTIP	Long Term Incentive Plan
NED	Non-Executive Director
New Pepco	Pepco and Dealz operations, excluding Poundland
NOPAT	Net underlying operating profit after tax
Opex	Operating expenditure
PAT	Profit after tax
PBT	Profit before tax
Pepco	Clothing-led variety discount retailer
PGS	Pepco Global Sourcing
Poundland	FMCG-led price-anchored retailer (UK)
Poundland Group	Poundland companies
RCF	Revolving credit facility
Relationship Agreement	Agreement between affiliates of ITBV and the Company
ROIC	Return on invested capital
SaaS	Software-as-a-Service
Share	A share in the capital of the Company
Shareholder	Holder of one or more shares
STIP	Short Term Incentive Plan
Subsidiary	Subsidiary of the Company as referred to in Section 2:24a of the Dutch Civil Code
VCP	Value Creation Plan
WE	Western Europe
WSE	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie)
Warsaw Code	Code of Best Practice for GPW Listed Companies 2021
YoY	Year on year

Shareholder information

The Board values the insight gained from shareholder engagement and places significant importance on maintaining close relationships with shareholders, taking account of and responding to their views. The Group's CEO, CFO and investor relations team communicate on a regular basis with shareholders and analysts and endeavour to facilitate open engagement. In FY25, frequent investor meetings were held alongside a focused Capital Markets Day in March 2025.

The Group has an investor relations website at www.pepcogroup.eu/investors where all regulatory news as well as other information on the Pepco Group is available.

We aim to maintain strong dialogue with our shareholders and regularly collect feedback. Please contact investorrelations@pepcogroup.eu.

The Company's Annual General Meeting will be held on 11 March 2026.

Contact details

General enquiries

14th Floor, Capital House, 25 Chapel Street, London, NW1 5DH,
United Kingdom

0203 735 9210

Investor relations

investorrelations@pepcogroup.eu

General media enquiries

media@pepcogroup.eu

Financial and corporate media enquiries

PEPCOGroup-LON@finsbury.com

Pepco Annual Report

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Pepco Group N.V.

14th Floor

Capital House

25 Chapel Street, London

NW1 5DH

United Kingdom

VII. ADDITIONAL INFORMATION

Neither the Issuer nor its debt instruments have been allocated credit ratings at the request of the Issuer or in cooperation with the Issuer.

VIII. APPENDICES

1. **Current excerpt from the register relevant to the Issuer**

Companies House

PEU (FIN) PLC
11808114

Created: 3 March 2026 09:10:13 (UTC)

Companies House does not check the accuracy of the information filed

Overview

- Registered office address: 14th Floor Capital House, 25 Chapel Street, London, United Kingdom NW1 5DH
- Company type: Public limited company
- Incorporated on: 5 February 2019
- Status: Active

Key filing dates

- Accounting reference date: 28 September
- Last accounts made up to: 30 September 2024
- Next accounts due: 28 March 2026
- Last confirmation statement date: 4 February 2026
- Next confirmation statement due: 18 February 2027

Nature of business (SIC)

- 64209 Activities of other holding companies not elsewhere classified

Previous company names

Name	Period
PEU (FIN) LIMITED	19 June 2023

People

Officers:
15 officers / 11 resignations

- Secretary FREEMAN, Susanna Elizabeth ACTIVE
- Appointed: 11 September 2025
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH

- Director CHITTY, Alan ACTIVE
- Nationality: British
- Appointed: 16 May 2022
- Date of birth: July 1974
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
- Country/State of Residence: United Kingdom
- Identity verification status: Verification requirements complete

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- Director CLOSE, Katie Helen ACTIVE
- Nationality: British
- Appointed: 14 August 2025
- Date of birth: May 1973
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
- Country/State of Residence: England
- Identity verification status: Verification requirements complete

---

- Director EELMAN, Willem ACTIVE
- Nationality: Dutch
- Appointed: 28 February 2025
- Date of birth: April 1964
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
- Country/State of Residence: Netherlands
- Identity verification status: Verification requirements complete
- Identity authorised by an Authorised Corporate Service Provider (ACSP): CRO CORPORATE SERVICES LIMITED ACSP has confirmed that they have verified the identity of Willem Eelman to the standard set by

Companies House and is satisfied that the required personal information is true.
The verification checks were completed on 13 February 2026.
CRO CORPORATE SERVICES LIMITED ACSP is supervised by: HMRC.

- Secretary AL AZAM, Mohammed **RESIGNED**
- Appointed: 31 July 2023
- Resigned: 19 December 2023
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH

- Secretary KNOX, Jacqueline Michelle **RESIGNED**
- Appointed: 19 June 2023
- Resigned: 31 July 2023
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH

- Secretary LAMBERT, Rochelle **RESIGNED**
- Appointed: 19 December 2023
- Resigned: 20 May 2024
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH

- Secretary PARR, Kirstie **RESIGNED**
- Appointed: 20 May 2024
- Resigned: 11 September 2025
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH

- Director ANKERS, Mathew David **RESIGNED**
- Nationality: British
- Appointed: 14 December 2021
- Date of birth: September 1986
- Resigned: 16 June 2023
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
- Country/State of Residence: England

- Director BOND, Andrew James **RESIGNED**
- Nationality: British

- Appointed: 5 February 2019
- Date of birth: March 1965
- Resigned: 31 March 2022
- Correspondence address: Unit B, 120 Weston Street, London, United Kingdom, SE1 4GS
- Country/State of Residence: United Kingdom

- Director CARDINAAL, Sean Nicolas Nennens **RESIGNED**
- Nationality: British
- Appointed: 5 February 2019
- Date of birth: December 1967
- Resigned: 14 December 2021
- Correspondence address: Unit B, 120 Weston Street, London, United Kingdom, SE1 4GS
- Country/State of Residence: United Kingdom

- Director GALLOWAY, Neil John **RESIGNED**
- Nationality: British
- Appointed: 31 July 2023
- Date of birth: December 1968
- Resigned: 28 February 2025
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
- Country/State of Residence: Scotland

- Director KNOX, Jacqueline Michelle **RESIGNED**
- Nationality: Australian
- Appointed: 30 April 2022
- Date of birth: February 1977
- Resigned: 31 July 2023
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
- Country/State of Residence: United Kingdom

- Director SWALES, Robert Paul **RESIGNED**
- Nationality: British
- Appointed: 16 May 2022
- Date of birth: September 1982
- Resigned: 14 August 2025
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH

- Country/State of Residence: England

- Director WHARTON, Nicholas Barry Edward RESIGNED
- Nationality: British
- Appointed: 7 June 2019
- Date of birth: August 1966
- Resigned: 30 April 2022
- Correspondence address: Unit B, 120 Weston Street, London, United Kingdom, SE1 4GS
- Country/State of Residence: England

Persons with significant control:
1 active person with significant control / 0 active statements

- Pepco Group Limited ACTIVE
- Correspondence address: 14th Floor, Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH
- Notified on: 5 February 2019
- Governing law: United Kingdom (England)
- Legal form: Corporate
- Place registered: Register Of Companies For England And Wales
- Registration number: 09127609
- Incorporated in: England

Nature of control:

- Ownership of shares – 75% or more
- Ownership of voting rights - 75% or more
- Right to appoint or remove directors

Recent Filing History

Date	Form	Description

Date	Form	Description
17 Feb 2026	CS01	Confirmation statement made on 4 February 2026 with no updates
25 Nov 2025	MR04	Satisfaction of charge 118081140003 in full
25 Nov 2025	MR04	Satisfaction of charge 118081140004 in full
25 Nov 2025	MR04	Satisfaction of charge 118081140002 in full
12 Nov 2025	MR01	Registration of charge 118081140005, created on 6 November 2025
12 Nov 2025	MR01	Registration of charge 118081140006, created on 6 November 2025
23 Sep 2025	TM02	Termination of appointment of Kirstie Parr as a secretary on 11 September 2025
23 Sep 2025	AP03	Appointment of Susanna Elizabeth Freeman as a secretary on 11 September 2025
18 Aug 2025	AP01	Appointment of Mrs Katie Helen Close as a director on 14 August 2025

Date	Form	Description
18 Aug 2025	TM01	Termination of appointment of Robert Swales as a director on 14 August 2025
13 May 2025	AA	Full accounts made up to 30 September 2024
3 Mar 2025	AP01	Appointment of Willem Eelman as a director on 28 February 2025
3 Mar 2025	TM01	Termination of appointment of Neil John Galloway as a director on 28 February 2025
5 Feb 2025	CS01	Confirmation statement made on 4 February 2025 with no updates
11 Jun 2024	TM02	Termination of appointment of Rochelle Lambert as a secretary on 20 May 2024
11 Jun 2024	AP03	Appointment of Kirstie Parr as a secretary on 20 May 2024
11 Apr 2024	AA	Full accounts made up to 30 September 2023
7 Feb 2024	CS01	Confirmation statement made on 4 February 2024 with no updates
22 Dec 2023	TM02	Termination of appointment of Mohammed Al Azam as a secretary on

Date	Form	Description
		19 December 2023
22 Dec 2023	AP03	Appointment of Rochelle Lambert as a secretary on 19 December 2023
1 Aug 2023	TM02	Termination of appointment of a secretary
31 Jul 2023	AP03	Appointment of Mohammed Al Azam as a secretary on 31 July 2023
31 Jul 2023	TM01	Termination of appointment of Jacqueline Michelle Knox as a director on 31 July 2023
31 Jul 2023	AP01	Appointment of Mr Neil John Galloway as a director on 31 July 2023
17 Jul 2023	MR01	Registration of charge 118081140004, created on 12 July 2023
5 Jul 2023	MR01	Registration of charge 118081140003, created on 4 July 2023
19 Jun 2023	BS	Balance Sheet
19 Jun 2023	AUDR	Auditor's report

Date	Form	Description
19 Jun 2023	AUDS	Auditor's statement
19 Jun 2023	CERT5	Certificate of re-registration from Private to Public Limited Company
19 Jun 2023	RR01	Re-registration from a private company to a public company including appointment of secretary(s)
19 Jun 2023	MAR	Re-registration of Memorandum and Articles
19 Jun 2023	RESOLUTIONS	Resolutions • RES02 - Resolution of re-registration
19 Jun 2023	TM01	Termination of appointment of Mathew Ankers as a director on 16 June 2023
17 May 2023	AA	Full accounts made up to 30 September 2022
15 Feb 2023	CS01	Confirmation statement made on 4 February 2023 with updates
10 Feb 2023	AD03	Register(s) moved to registered inspection location C/O Dwf Company Secretarial Services Limited 1 Scott Place 2 Hardman Street Manchester M3 3AA

Date	Form	Description
10 Feb 2023	AD02	Register inspection address has been changed to C/O Dwf Company Secretarial Services Limited 1 Scott Place 2 Hardman Street Manchester M3 3AA
19 Jul 2022	CH01	Director's details changed for Mr Mathew Ankers on 16 March 2022
30 Jun 2022	AA	Full accounts made up to 30 September 2021
17 May 2022	AP01	Appointment of Mr Robert Swales as a director on 16 May 2022
17 May 2022	AP01	Appointment of Mr Alan Chitty as a director on 16 May 2022
4 May 2022	TM01	Termination of appointment of Nicholas Barry Edward Wharton as a director on 30 April 2022
4 May 2022	AP01	Appointment of Ms Jacqueline Michelle Knox as a director on 30 April 2022
29 Apr 2022	PSC05	Change of details for Pepco Group Limited as a person with significant control on 28 April 2022
28 Apr 2022	AD01	Registered office address changed from Unit B 120 Weston Street London SE1

Date	Form	Description
		4GS United Kingdom to 14th Floor Capital House 25 Chapel Street London NW1 5DH on 28 April 2022
31 Mar 2022	TM01	Termination of appointment of Andrew James Bond as a director on 31 March 2022
8 Feb 2022	CS01	Confirmation statement made on 4 February 2022 with no updates
24 Dec 2021	TM01	Termination of appointment of Sean Nicolas Nennens Cardinaal as a director on 14 December 2021
17 Dec 2021	TM01	Termination of appointment of a director
17 Dec 2021	AP01	Appointment of Mr Mathew Ankers as a director on 14 December 2021
16 Aug 2021	MR04	Satisfaction of charge 118081140001 in full
30 Jun 2021	AA	Full accounts made up to 30 September 2020
4 Jun 2021	MR01	Registration of charge 118081140002, created on 27 May 2021

Date	Form	Description
10 Mar 2021	CS01	Confirmation statement made on 4 February 2021 with no updates
7 Jul 2020	AA	Full accounts made up to 30 September 2019
10 Feb 2020	CS01	Confirmation statement made on 4 February 2020 with updates
10 Feb 2020	PSC05	Change of details for Pepkor Europe Limited as a person with significant control on 26 September 2019
7 Oct 2019	AA01	Previous accounting period shortened from 28 February 2020 to 28 September 2019
23 Aug 2019	MR01	Registration of charge 118081140001, created on 21 August 2019
2 Aug 2019	SH20	Statement by Directors
2 Aug 2019	SH19	Statement of capital on 2 August 2019 EUR 724,977.88743
2 Aug 2019	CAP-SS	Solvency Statement dated 02/08/19
2 Aug 2019	RESOLUTIONS	Resolutions

Date	Form	Description
		• RES06 - Resolution of reduction in issued share capital
2 Aug 2019	SH01	Statement of capital following an allotment of shares on 1 August 2019 EUR 724,977,887.43
7 Jun 2019	AP01	Appointment of Mr Nicholas Barry Edward Wharton as a director on 7 June 2019
28 Mar 2019	AD01	Registered office address changed from Taper Studios Unit B 175 Long Lane London SE1 4GT England to Unit B 120 Weston Street London SE1 4GS on 28 March 2019
26 Mar 2019	AD01	Registered office address changed from 5 Deansway Worcester Worcestershire WR1 2JG United Kingdom to Taper Studios Unit B 175 Long Lane London SE1 4GT on 26 March 2019
5 Feb 2019	NEWINC	Incorporation Statement of capital on 2019-02-05 EUR .01

Charges

6 charges registered

2 outstanding, 4 satisfied, 0 part satisfied

Charge code 118081140006

Created	Delivered	Status
6 November 2025	**12 November 2025**	**Outstanding**

Persons entitled

Ing Bank N.V., Bijlmerdreef 106, 1102CT Amsterdam (As Security Agent for the Secured Parties)

Brief description

Contains fixed charge.
Contains negative pledge.

Charge code 118081140005

Created	Delivered	Status
6 November 2025	**12 November 2025**	**Outstanding**

Persons entitled

Ing Bank N.V., Bijlmerdreef 109, 1102 Bw Amsterdam (As Security Trustee for Itself and the Other Secured Parties)

Brief description

Contains fixed charge.
Contains negative pledge.

Charge code 118081140004

Created	Delivered	Status
12 July 2023	**17 July 2023**	**Satisfied** on **25 November 2025**

Persons entitled

Lloyds Bank PLC, 25 Gresham Street, London EC2V 7HN as Security Agent

for the Secured Parties

Brief description
Contains fixed charge.
Contains negative pledge.

Charge code 118081140003

Created	Delivered	Status
4 July 2023	**5 July 2023**	**Satisfied** on **25 November 2025**

Persons entitled
Lloyds Bank PLC, 25 Gresham Street, London EC2V 7HN as Security Agent for the Secured Parties

Brief description
Contains fixed charge.
Contains negative pledge.

Charge code 118081140002

Created	Delivered	Status
27 May 2021	**4 June 2021**	**Satisfied** on **25 November 2025**

Persons entitled
Lloyds Bank PLC, 25 Gresham Street, London, EC2V 7HN as Security Agent (Acting as Security Trustee for Itself and the Other Secured Parties)

Brief description
Contains fixed charge.
Contains negative pledge.

Charge code 118081140001

Created	Delivered	Status
21 August 2019	**23 August 2019**	**Satisfied** on **16 August 2021**

Persons entitled

Glas Trust Corporation Limited (As Security Agent)

Brief description

Not applicable.
Contains fixed charge.
Contains floating charge.
Contains negative pledge.
Floating charge covers all the property or undertaking of the company.

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2. Consolidated current articles of association of the Issuer

COMPANY NO. 11808114

COMPANIES ACT 2006

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PEU (FIN) PLC

Signature valid

Digitally signed by Alan Chitty
Date: 2023.10.20 17:54:30 GMT

ALAN CHITTY
DIRECTOR

TUESDAY

AC5M3Y36
A33 13/06/2023 #59
COMPANIES HOUSE

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COMPANY NO. 11808114

COMPANIES ACT 2006

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PEU (FIN) PLC

(adopted by special resolution passed on 9 June 2023)

PRELIMINARY

Relevant model articles

1. The regulations in the Companies (Model Articles) Regulations 2008 as in force at the date of incorporation of the Company shall not apply to the Company.

Definitions

2. In these Articles, except where the subject or context otherwise requires:

Act means the Companies Act 2006 including any modification or re-enactment of it for the time being in force;

Articles means these articles of association as altered from time to time by special resolution;

auditors means the auditors of the Company;

the board means the directors or any of them acting as the board of directors of the Company;

clear days in relation to the sending of a notice means the period excluding the day on which a notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

director means a director of the Company;

dividend means dividend or bonus;

entitled by transmission means, in relation to a share in the capital of the Company, entitled as a consequence of the death or bankruptcy of the holder or otherwise by operation of law;

Group Company means (i) the Company, (ii) any subsidiary of the Company from time to time, and (iii) any company of which the Company is a subsidiary from time to time (its holding company) and any other subsidiaries of any such holding company from time to time;

holder in relation to a share in the capital of the Company means the member whose name is entered in the register as the holder of that share;

member means a member of the Company;

office means the registered office of the Company;

paid means paid or credited as paid;

register means the register of members of the Company;

seal means the common seal of the Company (if any) and includes any official seal kept by the Company by virtue of section 49 or 50 of the Act;

secretary means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

Secured Institution has the meaning given in Article 37(a);

share means a share in the capital of the Company; and

United Kingdom means Great Britain and Northern Ireland.

Construction

References to a document or information being ***sent, supplied or given*** to or by a person mean such document or information, or a copy of such document or information, being sent, supplied, given, delivered, issued or made available to or by, or served on or by, or deposited with or by that person by any method authorised by these Articles, and ***sending, supplying*** and ***giving*** shall be construed accordingly.

References to ***writing*** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether in electronic form or otherwise, and ***written*** shall be construed accordingly.

Nothing in these Articles shall preclude the holding and conducting of a meeting in such a way that persons who are not present together at the same place may by electronic means attend and speak and vote at it.

References to a person's ***participation*** in the business of any general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly appointed representative) to speak, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Companies Acts or these Articles to be made available at the meeting and ***participate*** and ***participating*** shall be construed accordingly.

References to ***electronic facility*** mean a device, system, procedure, method or facility providing an electronic means of attendance at or participation in (or both attendance at and participation in) a general meeting determined by the board pursuant to Article 56.

References to a ***meeting*** mean a meeting convened and held in any manner permitted by these Articles, including without limitation a general meeting of the Company at which some persons entitled to be present attend and participate by means of electronic facility or facilities, and such persons shall be deemed to be ***present*** at that meeting for all purposes of the Act and the Articles and ***attend*** and ***participate***, ***attending*** and ***participating*** and ***attendance*** and ***participation*** shall be construed accordingly.

Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Act have the same meaning as in the Act (but excluding any modification of the Act not in force at the date these Articles took effect) unless inconsistent with the subject or context.

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

Headings and marginal notes are inserted for convenience only and do not affect the construction of these Articles.

In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them; (b) the word ***board*** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director, any other officer of the Company and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

SHARE CAPITAL AND LIMITED LIABILITY

Limited liability 3. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Shares with special rights 4. Subject to the provisions of the Companies Acts and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued

with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the board shall determine.

Residual allotment powers

5. Subject to the provisions of the Companies Acts relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant to those provisions, and, in the case of redeemable shares, the provisions of Article 6:

(a) the board has general authority to exercise all the powers of the Company to allot shares and to grant rights to subscribe for and to convert any security into shares;

(b) all shares shall be at the disposal of the board; and

(c) the board may reclassify, allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of shares to such persons on such terms and conditions and at such times as it thinks fit.

Redeemable shares

6. Subject to the provisions of the Companies Acts, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder. The board may determine the terms, conditions and manner of redemption of shares provided that it does so before the shares are allotted.

Commissions

7. The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

Trusts not recognised

8. Except as required by law, the Company shall recognise no person as holding any share on any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any share (or in any fractional part of a share) except the holder's absolute right to the entirety of the share (or fractional part of the share).

VARIATION OF RIGHTS

Method of varying rights

9. Subject to the provisions of the Companies Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of allotment of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either:

(a) with the written consent of the holders of three-quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), which consent shall be in hard copy form or in electronic form sent to such address (if any) for the time being specified by or on behalf of the Company for that purpose, or in default of such specification to the office, and may consist of several documents, each

executed or authenticated in such manner as the board may approve by or on behalf of one or more holders, or a combination of both; or

(b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class,

but not otherwise.

When rights deemed to be varied

10. For the purposes of Article 9, if at any time the capital of the Company is divided into different classes of shares, unless otherwise expressly provided by the rights attached to any share or class of shares, those rights shall be deemed to be varied by:

(a) the reduction of the capital paid up on that share or class of shares otherwise than by a purchase or redemption by the Company of its own shares; and

(b) the allotment of another share ranking in priority for payment of a dividend or in respect of capital or which confers on its holder voting rights more favourable than those conferred by that share or class of shares,

but shall not be deemed to be varied by the creation or issue of another share ranking equally with, or subsequent to, that share or class of shares or by the purchase or redemption by the Company of its own shares.

SHARE CERTIFICATES

Members' rights to certificates

Every member, on becoming the holder of a share shall be entitled, without payment, to one certificate for all the shares of each class held by the member (and, on transferring a part of the member's holding of shares of any class, to a certificate for the balance of the member's holding of shares). The member may elect to receive one or more additional certificates for any of the member's shares if the member pays a reasonable sum determined from time to time by the board for every certificate after the first. Every certificate shall:

(c) be executed in such manner as the board may approve; and

(d) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

The Company shall not be bound to issue more than one certificate for shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

Replacement certificates

11. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the

board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

LIEN

Company to have lien on shares

12. Subject to Article 13, the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The board may at any time (generally or in a particular case) waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount (including without limitation dividends) payable in respect of it.

13. Notwithstanding Article 12, the Company shall have no lien on any shares which have been charged by way of security to a Secured Institution.

Enforcement of lien by sale

14. The Company may sell, in such manner as the board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the share may be sold.

Giving effect to sale

15. To give effect to that sale the board may authorise any person to execute an instrument of transfer in respect of the share sold to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase money and their title to the share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

Application of proceeds

16. The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable. Any residue shall (on surrender to the Company for cancellation of the certificate in respect of the share sold and subject to a like lien for any moneys not presently payable as existed on the share before the sale) be paid to the person entitled to the share at the date of the sale.

CALLS ON SHARES

Power to make calls

17. Subject to the terms of allotment, the board may from time to time make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium). Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called on their shares as required by the notice. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the board may determine. A person on whom a call is made shall remain liable for calls made on that person even if the shares in respect of which the call was made are subsequently transferred.

Time when call made

18. A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

Liability of joint holders

19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.

Interest payable

20. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, the rate determined by the board, not exceeding 15 per cent per annum, or, if higher, the appropriate rate (as defined in the Act), but the board may in respect of any individual member waive payment of such interest wholly or in part.

Deemed calls

21. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment. If it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

Differentiation on calls

22. Subject to the terms of allotment, the board may make arrangements on the issue of shares for a difference between the allottees or holders in the amounts and times of payment of calls on their shares.

Payment of calls in advance

23. The board may, if it thinks fit, receive from any member all or any part of the moneys uncalled and unpaid on any share held by the member. Such payment in advance of calls shall extinguish the liability on the share in respect of which it is made to the extent of the payment. The Company may pay on all or any of the moneys so advanced (until they would but for such advance become presently payable) interest at such rate agreed between the board and the member not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent per annum or, if higher, the appropriate rate (as defined in the Act).

FORFEITURE AND SURRENDER

Notice requiring payment of call

24. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

Forfeiture for non-compliance

25. If that notice is not complied with, any share in respect of which it was sent may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited share which have not been

paid before the forfeiture. When a share has been forfeited, notice of the forfeiture shall be sent to the person who was the holder of the share before the forfeiture. An entry shall be made promptly in the register opposite the entry of the share showing that notice has been sent, that the share has been forfeited and the date of forfeiture. No forfeiture shall be invalidated by the omission or neglect to send that notice or to make those entries.

Sale of forfeited shares

26. Subject to the provisions of the Companies Acts, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines, either to the person who was the holder before the forfeiture or to any other person. At any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the board may authorise any person to execute an instrument of transfer of the share to that person. The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.

Liability following forfeiture

27. A person shall cease to be a member in respect of any share which has been forfeited and shall surrender the certificate for any forfeited share to the Company for cancellation. The person shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by them to the Company in respect of that share with interest on that amount at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the rate determined by the board, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act), from the date of forfeiture until payment. The board may waive payment wholly or in part or enforce payment without any allowance for the value of the share at the time of forfeiture or for any consideration received on its disposal.

Surrender

28. The board may accept the surrender of any share which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

Extinction of rights

29. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only those rights and liabilities expressly saved by these Articles, or as are given or imposed in the case of past members by the Companies Acts.

Evidence of forfeiture or surrender

30. A statutory declaration by a director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. The person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, and their title to the share shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

Form and execution of transfer

31. Without prejudice to any power of the Company to register as shareholder a person to whom the right to any share has been transmitted by operation of law, the instrument of transfer may be in any usual form or in any other form which the board may approve. An instrument of transfer shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

Transfers of partly paid shares

32. The board may, in its absolute discretion, refuse to register the transfer of a share which is not fully paid.

33. The board may also refuse to register the transfer of a share unless the instrument of transfer:

(a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the board accompanied by the certificate for the share to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer;

(b) is in respect of only one class of shares; and

(c) is in favour of not more than four transferees.

Notice of refusal to register

34. If the board refuses to register a transfer of a share, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee payable on registration

35. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Retention of transfers

36. The Company shall be entitled to retain an instrument of transfer which is registered, but an instrument of transfer which the board refuses to register shall be returned to the person lodging it when notice of the refusal is sent.

37. Notwithstanding any provisions of these Articles, the board shall not refuse to register any transfer of shares, nor suspend registration thereof, where such transfer is:

(a) to any bank, institution or other person (or to any nominee, agent or security trustee of, any bank, institution or other person) to which such shares have been charged (each a ***Secured Institution***);

(b) delivered to the Company for registration by a Secured Institution in order to perfect its security over the shares;

(c) executed by a Secured Institution pursuant to a power of sale or other power existing under such security; or

(d) executed by an administrator, receiver or manager appointed by or on behalf of a Secured Institution under any such security,

and the board shall register any such transfer of shares upon receipt and furthermore notwithstanding anything to the contrary contained in these Articles: (i) no transferor or proposed transferor of any shares to a Secured Institution, (ii) no Secured Institution, and (iii) no administrator, receiver or manager appointed by or on behalf of a Secured Institution, shall (in any such case) be required to offer the shares which are or are to be the subject of any transfer as aforesaid to the shareholders for the time being of the Company or any of them and no such shareholder shall have any right under these Articles or otherwise howsoever to require such shares to be transferred to them whether for any valuable consideration or otherwise.

TRANSMISSION OF SHARES

Transmission

38. If a member dies, the survivor or survivors where the member was a joint holder, and their personal representatives where the member was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to the member's interest. Nothing in these Articles shall release the estate of a deceased member (whether a sole or joint holder) from any liability in respect of any share held by that member.

Elections permitted

39. A person becoming entitled by transmission to a share may, on production of any evidence as to their entitlement properly required by the board, elect either to become the holder of the share or to have another person nominated by them registered as the transferee. If the person elects to become the holder, they shall send notice to the Company to that effect. If the person elects to have another person registered, they shall execute an instrument of transfer of the share to that person. If the person elects to be registered or to have another person registered, they shall take any action the board may require (including without limitation the execution of any document) to enable the person or that other person to be registered as the holder of the share. All the provisions of these Articles relating to the transfer of shares apply to that notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

Elections required

40. The board may at any time send a notice requiring any such person to elect either to be registered or to transfer the share. If the notice is not complied with within 60 days, the board may after the expiry of that period withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Rights of persons entitled by transmission

41. A person becoming entitled by transmission to a share shall, on production of any evidence as to their entitlement properly required by the board and subject to the requirements of Article 39, have the same rights in relation to the share as the person would have had if they were the holder of the share, subject to Article 150. That person may give a discharge for all dividends and other moneys payable in respect of the share, but they shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of, or to attend or participate in, any meeting of the Company or to receive notice

of, or to attend or participate in, any separate meeting of the holders of any class of shares.

ALTERATION OF SHARE CAPITAL

New shares subject to these Articles

42. All shares created by increase of the Company's share capital, by consolidation, division or sub-division of its share capital or the conversion of stock into paid-up shares shall be subject to all the provisions of these Articles, including without limitation provisions relating to payment of calls, lien, forfeiture, transfer and transmission.

Fractions arising

43. Whenever any fractions arise as a result of a consolidation or sub-division of shares, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, without limitation, the board may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members. The board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase moneys and the buyer's title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale.

GENERAL MEETINGS

Annual general meetings

44. The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

Class meetings

45. All provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply to every separate general meeting of the holders of any class of shares, except that:

(a) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or, at any adjourned meeting of such holders, one holder present in person or by proxy, whatever the amount of their holding, who shall be deemed to constitute a meeting;

(b) any holder of shares of the class present in person or by proxy may demand a poll; and

(c) each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by the holder.

For the purposes of this Article, where a person is present by proxy or proxies, the person is treated only as holding the shares in respect of which those proxies are authorised to exercise voting rights.

Convening general meetings

46. The board may call general meetings whenever and at such times as it shall determine. On the requisition of members pursuant to the provisions of the Companies Acts, the board shall promptly convene a general meeting in

accordance with the requirements of the Companies Acts. If there are insufficient directors in the United Kingdom to call a general meeting any director of the Company may call a general meeting, but where no director is willing or able to do so, any two members of the Company may summon a meeting for the purpose of appointing one or more directors.

47. The board shall determine in relation to each general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the general meeting shall be enabled to do so by simultaneous attendance and participation at a physical place (or places, in accordance with Article 55) anywhere in the world determined by it, or in addition by means of electronic facility or facilities determined by it in accordance with Article 56, or partly in one way and partly in another.

NOTICE OF GENERAL MEETINGS

Period of notice

48. An annual general meeting shall be called by at least 21 clear days' notice, but an annual general meeting may be called by shorter notice if it is so agreed by all the members entitled to attend and vote at the meeting. All other general meetings shall be called by at least 14 clear days' notice but such general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

Recipients of notice

49. Subject to the provisions of the Companies Acts, to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be sent to every member and every director. The auditors are entitled to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive.

Contents of notice: general

50. Subject to the provisions of the Companies Acts, the notice shall specify the time and date of the meeting and the general nature of the business to be dealt with.

Contents of notice: additional requirements

51. In the case of an annual general meeting, the notice shall specify the meeting as such. In the case of a meeting to pass a special resolution, the notice shall specify the intention to propose the resolution as a special resolution.

Determination of place of meeting

52. The notice shall specify the physical place or places at which the general meeting shall be held (wholly or partly) (and any satellite meeting place determined in accordance with Article 55 shall be identified as such in the notice).

Meeting by means of electronic facility

53. If the board determines that a general meeting shall be held partly by means of electronic facility or facilities, the notice shall specify the means, or all different means, of attendance and participation determined in accordance with Article 56 and any access, identification and security arrangements determined in accordance with Article 63.

Article 62 arrangements

54. The notice shall specify any arrangements made for the purpose of Article 58 (making clear that participation in those arrangements will not amount to attendance at the meeting to which the notice relates).

General meeting at more than one place

55. The board may resolve to enable persons entitled to attend and participate in a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The members present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending at all the meeting places are able to:

(a) participate in the business for which the meeting has been convened;

(b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and

(c) be heard and seen by all other persons so present in the same way.

General meeting by means of electronic facility

56. The board may resolve to enable persons entitled to attend and participate in a general meeting to do so by simultaneous attendance and participation by means of electronic facility or facilities and determine the means, or all different means, of attendance and participation used in relation to a general meeting. The members present in person or by proxy by means of electronic facility or facilities shall be counted in the quorum for, and entitled to participate in, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including by means of electronic facility or facilities) are able to:

(a) participate in the business for which the meeting has been convened;

(b) hear all persons who speak at the meeting; and

(c) be heard by all other persons present at the meeting.

A member seeking to be present in person or by proxy at a general meeting by means of electronic facility or facilities is responsible for ensuring they have access to and can use the facility or facilities. That meeting shall be duly constituted and its proceedings valid notwithstanding the inability of the member to gain access to or use the facility or facilities, or the loss of access to or use of the facility or facilities during the meeting.

Interruption or adjournment where facilities inadequate

57. If it appears to the chair of the general meeting that:

(a) the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 55; or

(b) an electronic facility has become inadequate for the purposes referred to in Article 56,

then the chair may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid. The provisions of Article 69 shall apply to that adjournment.

Other arrangements for viewing and hearing proceedings

58. The board may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world not being a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue. The inability for any reason of any member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

Controlling level of attendance

59. The board may from time to time make any arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to Article 58 (including without limitation the issue of tickets or the imposition of some other means of selection) it in its absolute discretion considers appropriate, and may from time to time change those arrangements. If a member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, the member shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 58. The entitlement of any member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

Change in time and/or place of meeting

60. If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the board decides in its absolute discretion that it is impracticable or unreasonable to hold the meeting at a declared place (including a satellite meeting place to which Article 55 applies), and/or by means of a declared electronic facility, and/or at the declared time, it may change any place and/or electronic facility and/or postpone the time at which the meeting is to be held. If such a decision is made, the board may then change again any place and/or electronic facility and/or postpone the time if it decides that it is reasonable to do so. In any case:

(a) no new notice of the meeting need be sent, but the board shall take reasonable steps to advertise the date and time of the meeting, and the means of attendance and participation (including any place and/or electronic facility) for the meeting, which may include advertising that information by means of a notice on the Company's website or an

announcement to a regulatory information service (and those means, if both are used in relation to the board's decision, shall be deemed to constitute reasonable steps to advertise for the purpose of this Article) and shall, if practicable, make arrangements for notices of the change of place or places and/or electronic facility or facilities and/or postponement to appear at the original place or places and/or on the original electronic facility or facilities, in each case at the original time; and

(b) a proxy appointment in relation to the meeting may, if by means of a document in hard copy form, be delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 88(a) or, if in electronic form, be received at the address (if any) specified by or on behalf of the Company in accordance with Article 88(b), at any time not less than 48 hours before the postponed time appointed for holding the meeting provided that the board may specify, in any case, that in calculating the period of 48 hours, no account shall be taken of any part of a day that is not a working day.

Accidental omission to send notice etc.

61. The accidental omission to send a notice of a meeting or resolution, or to send any notification where required by the Companies Acts or these Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Companies Acts or these Articles, to any person entitled to receive it, or the non-receipt for any reason of any such notice, resolution or notification or form of proxy by that person, whether or not the Company is aware of such omission or non-receipt, shall not invalidate the proceedings at that meeting.

Security, health and safety at physical meetings

62. The board (and, at a general meeting, the chair) may make any arrangement and impose any requirement or restriction it or they consider appropriate to ensure the security of a general meeting held at a physical place, or the health, safety and security of those attending the meeting at a physical place, including, without limitation:

(a) requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property; and

(b) the restriction of items that may be taken into the meeting place.

The board and, at any general meeting, the chair are entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.

Security at electronic meetings

63. If a general meeting is held partly by means of electronic facility or facilities, the board (and, at a general meeting, the chair) may make any arrangement and impose any requirement or restriction that is:

(a) necessary to ensure the identification of those taking part and the security of the electronic communication; and

(b) proportionate to the achievement of those objectives.

PROCEEDINGS AT GENERAL MEETINGS

Quorum

64. No business shall be dealt with at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chair, which shall not be treated as part of the business of the meeting. If the Company only has one member, one qualifying person present at a general meeting and entitled to vote on the business shall constitute a quorum. Save as otherwise provided by these Articles, two qualifying persons present at a meeting and entitled to vote on the business to be dealt with are a quorum, unless:

(a) each is a qualifying person only because they are authorised under the Companies Acts to act as a representative of a corporation in relation to the meeting, and they are representatives of the same corporation; or

(b) each is a qualifying person only because they are appointed as proxy of a member in relation to the meeting, and they are proxies of the same member.

For the purposes of this Article a 'qualifying person' means (i) an individual who is a member of the Company, (ii) a person authorised under the Companies Acts to act as a representative of a corporation in relation to the meeting, or (iii) a person appointed as proxy of a member in relation to the meeting.

If quorum not present

65. If such a quorum is not present within five minutes (or such longer time not exceeding 30 minutes as the chair of the meeting may decide to wait) from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time and with such means of attendance and participation (including at such place and/or by means of such electronic facility) as the chair of the meeting may, subject to the provisions of the Companies Acts, determine. The adjourned meeting shall be dissolved if a quorum is not present within 15 minutes after the time appointed for holding the meeting.

Chair

66. The chair, if any, of the board or, in their absence, any deputy chair of the Company or, in their absence, some other director nominated by the board, shall preside as chair of the meeting. If neither the chair, deputy chair nor such other director (if any) is present within five minutes after the time appointed for holding the meeting or is not willing to act as chair, the directors present shall elect one of their number to be chair. If there is only one director present and willing to act, they shall be chair. If no director is willing to act as chair, or if no director is present within five minutes after the time appointed for holding the meeting, the members present in person or by proxy and entitled to vote shall choose a member or a proxy of a member or a person authorised to act as a representative of a corporation in relation to that meeting to be chair.

Directors entitled to speak

67. A director shall, notwithstanding that they are not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares.

Adjournment: chair's powers

68. The chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time. In addition (and without prejudice to the chair's power to adjourn a meeting conferred by Article 57), the chair may adjourn the meeting without such consent, if it appears to them that it would facilitate the conduct of the business of the meeting to do so.

Adjournment: procedures

69. Any such adjournment may, subject to the provisions of the Companies Acts, be for such time and with such means of attendance and participation (including at such place and/or by means of such electronic facility) as the chair may in their absolute discretion determine, notwithstanding that by reason of such adjournment some members may be unable to attend or participate in the adjourned meeting. Any such member may nevertheless appoint a proxy for the adjourned meeting either in accordance with Article 88 or by means of a document in hard copy form which, if delivered at the meeting which is adjourned to the chair or the secretary or any director, shall be valid even though it is given at less notice than would otherwise be required by Article 88(a). When a meeting is adjourned for 30 days or more or for an indefinite period, notice shall be sent at least seven clear days before the date of the adjourned meeting specifying the time of, and means, or all different means, of attendance and participation (including any place and/or electronic facility) for, the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to send any notice of an adjournment or of the business to be dealt with at an adjourned meeting. No business shall be dealt with at an adjourned meeting other than business which might properly have been dealt with at the meeting had the adjournment not taken place.

Methods of voting at general meetings

70. A resolution put to the vote at a general meeting held partly by means of electronic facility or facilities shall, unless the chair of the meeting determines that it shall (subject to the remainder of this Article) be decided on a show of hands, be decided on a poll. Subject thereto, a resolution put to the vote at a general meeting shall be decided on a show of hands unless before, or on the declaration of the result of, a vote on the show of hands, or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

(a) the chair of the meeting; or

(b) (except on the election of the chair of the meeting or on a question of adjournment) at least five members present in person or by proxy having the right to vote on the resolution; or

(c) any member or members present in person or by proxy representing not less than 10 per cent of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares held as treasury shares); or

(d) any member or members present in person or by proxy holding shares conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10 per cent of the total sum paid up on all the shares conferring that right (excluding any shares conferring a right to vote on the resolution which are held as treasury shares).

The appointment of a proxy to vote on a matter at a meeting authorises the proxy to demand, or join in demanding, a poll on that matter. In applying the provisions of this Article, a demand by a proxy counts (i) for the purposes of paragraph (b) of this Article, as a demand by the member, (ii) for the purposes of paragraph (c) of this Article, as a demand by a member representing the voting rights that the proxy is authorised to exercise, and (iii) for the purposes of paragraph (d) of this Article, as a demand by a member holding the shares to which those rights are attached.

Declaration of result

71. Unless a poll is duly demanded (and the demand is not withdrawn before the poll is taken) a declaration by the chair that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Withdrawal of demand for poll

72. The demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chair. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chair or any other member entitled may demand a poll.

Conduct of poll

73. Subject to Article 74, a poll shall be taken as the chair directs and the chair may, and shall if required by the meeting, appoint scrutineers (who need not be members) and fix a time and means for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

When poll to be taken

74. A poll demanded on the election of a chair or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either at the meeting or at such time and by such means of attendance and participation (including at such place and/or by means of such electronic facility) as the chair directs, not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

Notice of poll

75. No notice need be sent of a poll not taken at the meeting at which it is demanded if the time at and means by which it is to be taken are announced at the meeting. In any other case notice shall be sent at least seven clear days before the taking of the poll specifying the time at and means by which the poll is to be taken.

Effectiveness of special resolutions

76. Where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.

VOTES OF MEMBERS

Right to vote on a show of hands

77. Subject to any rights or restrictions attached to any shares, on a vote on a resolution on a show of hands:

(a) every member who is present in person shall have one vote;

(b) subject to paragraph (c) of this Article, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote;

(c) a proxy has one vote for and one vote against the resolution if:

(i) the proxy has been duly appointed by more than one member entitled to vote on the resolution, and

(ii) the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it.

Right to vote on a poll

78. Subject to any rights or restrictions attached to any shares, on a vote on a resolution on a poll every member present in person or by proxy shall have one vote for every share of which the person is the holder.

Votes of joint holders

79. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the register.

Member under incapacity

80. A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by the member's receiver, curator bonis or other person authorised for that purpose appointed by that court or official. That receiver, curator bonis or other person may, on a show of hands or on a poll, vote by proxy. The right to vote shall be exercisable only if evidence satisfactory to the board of the authority of the person claiming to exercise the right to vote has been delivered to the office, or another place specified in accordance with these Articles for the delivery of proxy appointments, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised provided that the Company may specify, in any case, that in calculating the period of 48 hours, no account shall be taken of any part of a day that is not a working day.

Calls in arrears

81. No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by the member unless all moneys presently payable by the member in respect of that share have been paid.

Errors in voting 82. If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of the meeting, and, in the opinion of the chair, it is of sufficient magnitude to vitiate the result of the voting.

Objection to voting 83. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered. Every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chair whose decision shall be final and conclusive.

Voting: additional provisions 84. On a poll, a member entitled to more than one vote need not, if the member votes, use all the member's votes or cast all the votes the member uses in the same way.

PROXIES AND CORPORATE REPRESENTATIVES

Appointment of proxy: form 85. The appointment of a proxy shall be made in writing and shall be in any usual form or in any other form which the board may approve. Subject thereto, the appointment of a proxy may be:

(a) in hard copy form; or

(b) in electronic form, to the electronic address provided by the Company for this purpose.

Execution of proxy 86. The appointment of a proxy, whether made in hard copy form or in electronic form, shall be executed in such manner as may be approved by or on behalf of the Company from time to time. Subject thereto, the appointment of a proxy shall be executed by the appointor or any person duly authorised by the appointor or, if the appointor is a corporation, executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution.

Proxies: other provisions 87. The board may, if it thinks fit, but subject to the provisions of the Companies Acts, at the Company's expense send hard copy forms of proxy for use at the meeting and issue invitations in electronic form to appoint a proxy in relation to the meeting in such form as may be approved by the board. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion, provided that each such proxy is appointed to exercise the rights attached to a different share or shares held by that member.

Delivery/receipt of proxy appointment 88. Without prejudice to Article 60(b) or to the second sentence of Article 69, the appointment of a proxy shall:

(a) if in hard copy form, be delivered by hand or by post to the office or such other place within the United Kingdom and by such time as may be specified by or on behalf of the Company for that purpose:

(i) in the notice convening the meeting; or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting;

provided that:

(iii) the time so specified may not be earlier than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time appointed for holding the meeting pursuant to Article 60) at which the person named in the appointment proposes to vote; and

(iv) if no time is specified, the appointment of a proxy shall be delivered not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time appointed for holding the meeting pursuant to Article 60) at which the person named in the appointment proposes to vote; or

(b) if in electronic form, be received at any address to which the appointment of a proxy may be sent by electronic means pursuant to a provision of the Companies Acts or to any other address and by such time as may be specified by or on behalf of the Company for the purpose of receiving the appointment of a proxy in electronic form:

(i) in the notice convening the meeting; or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting; or

(iii) in any invitation to appoint a proxy issued by the Company in relation to the meeting; or

(iv) on a website that is maintained by or on behalf of the Company and identifies the Company;

provided that:

(v) the time so specified may not be earlier than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time appointed for holding the meeting pursuant to Article 60) at which the person named in the appointment proposes to vote; and

(vi) if no time is specified, the appointment of a proxy shall be received not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time appointed for holding the meeting pursuant to Article 60) at which the person named in the appointment proposes to vote; or

(c) in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(d) if in hard copy form, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chair or to the secretary or to any director.

In calculating the periods mentioned in this Article, the board may specify, in any case, that no account shall be taken of any part of a day that is not a working day.

Authentication of proxy appointment not made by holder

(e) Where the appointment of a proxy is expressed to have been or purports to have been made, sent or supplied by a person on behalf of the holder of a share:

(i) the Company may treat the appointment as sufficient evidence of the authority of that person to make, send or supply the appointment on behalf of that holder; and

(ii) that holder shall, if requested by or on behalf of the Company at any time, send or procure the sending of reasonable evidence of the authority under which the appointment has been made, sent or supplied (which may include a copy of such authority certified notarially or in some other way approved by the board), to such address and by such time as may be specified in the request and, if the request is not complied with in any respect, the appointment may be treated as invalid; and

(iii) whether or not a request under this Article has been made or complied with, the Company may determine that it has insufficient evidence of the authority of that person to make, send or supply the appointment on behalf of that holder and may treat the appointment as invalid.

Validity of proxy appointment

89. A proxy appointment which is not delivered or received in accordance with Article 88 shall be invalid. When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one that was last delivered or received shall be treated as replacing or revoking the others as regards that share, provided that if the Company determines that it has insufficient evidence to decide whether or not a proxy appointment is in respect of the same share, it shall be entitled to determine which proxy appointment (if any) is to be treated as valid. Subject to the Companies Acts, the Company may determine at its discretion when a proxy appointment shall be treated as delivered or received for the purposes of these Articles.

Rights of proxy

90. A proxy appointment shall be deemed to entitle the proxy to exercise all or any of the appointing member's rights to attend and to speak and vote at a meeting

of the Company in respect of the shares to which the proxy appointment relates. The proxy appointment shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

91. The Company shall not be required to check that a proxy or corporate representative votes in accordance with any instructions given by the member by whom they are appointed. Any failure to vote as instructed shall not invalidate the proceedings on the resolution.

Corporate representatives

92. Any corporation which is a member of the Company (in this Article the ***grantor***) may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any separate meeting of the holders of any class of shares. A director, the secretary or other person authorised for the purpose by the secretary may require all or any of such persons to produce a certified copy of the resolution of authorisation before permitting the person to exercise their powers. Such person is entitled to exercise (on behalf of the grantor) the same powers as the grantor could exercise if it were an individual member of the Company. Where a grantor authorises more than one person:

(a) on a vote on a resolution on a show of hands at a meeting of the Company, each authorised person has the same voting rights as the grantor would be entitled to; and

(b) where paragraph (a) of this Article does not apply and more than one authorised person purport to exercise a power in respect of the same shares:

(i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and

(ii) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

Revocation of authority

93. The termination of the authority of a person to act as a proxy or duly authorised representative of a corporation does not affect:

(a) whether they count in deciding whether there is a quorum at a meeting;

(b) the validity of anything they do as chair of a meeting;

(c) the validity of a poll they demand at a meeting; or

(d) the validity of a vote they give at a meeting,

unless notice of the termination was either delivered or received as mentioned in the following sentence at least 24 hours before the start of the relevant meeting or adjourned meeting or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. Such notice of termination shall be either by means of a document in hard copy form delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance

with Article 88(a) or in electronic form received at the address specified by or on behalf of the Company in accordance with Article 88(b), regardless of whether any relevant proxy appointment was effected in hard copy form or in electronic form.

APPOINTMENT OF DIRECTORS

Powers of the Company

94. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director. The appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.

Appointment by board

95. The board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.

No share qualification

96. A director shall not be required to hold any shares by way of qualification.

ALTERNATE DIRECTORS

Power to appoint alternates

97. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the board and willing to act, to be an alternate director and may remove from office an alternate director so appointed.

Alternates entitled to receive notice

98. An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of the board of which their appointor is a member, to attend and vote at any such meeting at which their appointor is not personally present, and generally to perform all the functions of their appointor (except as regards power to appoint an alternate) as a director in the appointor's absence. It shall not be necessary to send notice of such a meeting to an alternate director who is absent from the United Kingdom.

Alternates representing more than one director

99. A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the board or any committee of the board to one vote for every director whom they represent (and who is not present) in addition to their own vote (if any) as a director, but they shall count as only one for the purpose of determining whether a quorum is present.

Expenses and remuneration of alternates

100. An alternate director may be repaid by the Company such expenses as might properly have been repaid to them if they had been a director but shall not be entitled to receive any remuneration from the Company in respect of services as an alternate director except such part (if any) of the remuneration otherwise payable to their appointor as such appointor may by notice to the Company from time to time direct. An alternate director shall be entitled to be indemnified by the Company to the same extent as if they were a director.

Termination of appointment

101. An alternate director shall cease to be an alternate director:

(a) if their appointor ceases to be a director; or

(b) on the happening of any event which, if they were a director, would cause them to vacate office as director; or

(c) if they resign their office by notice to the Company.

Method of appointment and revocation

102. Any appointment or removal of an alternate director shall be by notice to the Company by the director making or revoking the appointment and shall take effect in accordance with the terms of the notice (subject to any approval required by Article 97) on receipt of such notice by the Company which shall be in hard copy form or in electronic form sent to such address (if any) for the time being specified by or on behalf of the Company for that purpose.

Alternate not an agent of appointor

103. Except as otherwise expressly provided in these Articles, an alternate director shall be deemed for all purposes to be a director. Accordingly, except where the context otherwise requires, a reference to a director shall be deemed to include a reference to an alternate director. An alternate director shall alone be responsible for their own acts and defaults and shall not be deemed to be the agent of their appointor.

POWERS OF THE BOARD

Business to be managed by board

104. Subject to the provisions of the Companies Acts and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the board which may pay all expenses incurred in forming and registering the Company and may exercise all the powers of the Company, including without limitation the power to dispose of all or any part of the undertaking of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the board by these Articles. A meeting of the board at which a quorum is present may exercise all powers exercisable by the board.

Exercise by Company of voting rights

105. The board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

DELEGATION OF POWERS OF THE BOARD

Committees of the board

106. The board may delegate any of its powers to any committee consisting of one or more directors. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by the director. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be revoked or altered. The board may co-opt on to any such committee

persons other than directors, who may enjoy voting rights in the committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if:

(a) where the resolution is passed at a meeting of the committee, a majority of the members present are directors; and

(b) where the resolution is passed by the committee in writing pursuant to Article 134, a majority of those who agree to the resolution are directors.

Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.

Local boards etc.

107. The board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made on such terms and subject to such conditions as the board may decide. The board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

Agents

108. The board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the board determines, including without limitation authority for the agent to delegate all or any of the agent's powers, authorities and discretions, and may revoke or vary such delegation.

Offices including title 'director'

109. The board may appoint any person to any office or employment having a designation or title including the word 'director' or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word 'director' in the designation or title of any such office or employment shall not imply that the holder is a director of the Company, and the holder shall not thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

Disqualification as a director

110. A person ceases to be a director as soon as:

(a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;

(b) a bankruptcy order is made against that person;

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts;

(d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(e) notification is received by the Company from the director that the director is resigning or retiring from office, and such resignation or retirement has taken effect in accordance with its terms;

(f) that person has been absent for more than six consecutive months without permission of the board from meetings of the board held during that period and their alternate director (if any) has not attended in their place during that period and the board resolves that their office be vacated; or

(g) that person receives notice executed by not less than three quarters of the other directors stating that that person should cease to be a director. In calculating the number of directors who are required to give such notice to the director, (i) an alternate director appointed by that director acting in their capacity as such shall be excluded; and (ii) a director and any alternate director appointed by that director and acting in their capacity as such shall constitute a single director for this purpose, so that notice by either shall be sufficient.

Power of Company to remove director

111. The Company may, without prejudice to the provisions of the Companies Acts, by ordinary resolution remove any director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim the director may have for damages for breach of any such agreement). No special notice need be given of any resolution to remove a director in accordance with this Article and no director proposed to be removed in accordance with this Article has any special right to protest against his removal. The Company may, by ordinary resolution, appoint another person in place of a director removed from office in accordance with this Article. In default of such appointment the vacancy arising on the removal of a director from office may be filled as a casual vacancy.

REMUNERATION AND EXPENSES

Remuneration

112. The directors shall be entitled to such remuneration for their services as the Company may from time to time by ordinary resolution determine. Subject to and in default of such determination, each such director shall be paid a fee for their services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board.

Directors may be paid expenses

113. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the board or committees of the board, general meetings or separate meetings of the holders

of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

EXECUTIVE DIRECTORS

Appointment to executive office

114. Subject to the provisions of the Companies Acts, the board may appoint one or more of its body to be the holder of any executive office (except that of auditor) in the Company and may enter into an agreement or arrangement with any such director for their employment by the Company or for the provision by them of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms, including without limitation terms as to remuneration, as the board determines. The board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company because of the revocation or variation.

Termination of appointment to executive office

115. Any appointment of a director to an executive office shall terminate if the person ceases to be a director but without prejudice to any rights or claims which they may have against the Company by reason of such cessation. A director appointed to an executive office shall not cease to be a director merely because their appointment to such executive office terminates.

Emoluments to be determined by the board

116. The emoluments of any director holding executive office for their services as such shall be determined by the board, and may be of any description, including without limitation admission to, or continuance of, membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to the director or their dependants on or after retirement or death, apart from membership of any such scheme or fund.

DIRECTORS' INTERESTS

Authorisation under s175 of the Act

117. For the purposes of section 175 of the Act, the board may authorise any matter proposed to it in accordance with these Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation will be effective only if:

(a) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

(b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The board may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted. The board may vary or terminate any such authorisation at any time.

For the purposes of the Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

Director may contract with the Company and hold other offices etc

118. Provided that they have disclosed to the board the nature and extent of their interest (unless the circumstances referred to in section 177(5) or section 177(6) of the Act apply, in which case no such disclosure is required) a director notwithstanding their office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

(b) may act alone or by their firm in a professional capacity for the Company (otherwise than as auditor) and the director or their firm shall be entitled to remuneration for professional services as if they were not a director; and

(c) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate:

(i) in which the Company is (directly or indirectly) interested as shareholder or otherwise; or

(ii) with which they have such a relationship at the request or direction of the Company.

Remuneration, benefits etc.

119. A director shall not, by reason of their office, be accountable to the Company for any remuneration or other benefit which they derive from any office or employment or from any transaction or arrangement or from any interest in any body corporate:

(a) the acceptance, entry into or existence of which has been approved by the board pursuant to Article 117 (subject, in any such case, to any limits or conditions to which such approval was subject); or

(b) which they are permitted to hold or enter into by virtue of paragraph (a), (b) or (c) of Article 118;

nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.

Notification of interests

120. Any disclosure required by Article 118 may be made at a meeting of the board, by notice in writing or by general notice or otherwise in accordance with section 177 of the Act.

Duty of confidentiality to another person

121. A director shall be under no duty to the Company with respect to any information which they obtain or have obtained otherwise than as a director of the Company and in respect of which they owe a duty of confidentiality to another person. However, to the extent that the director's relationship with that other person gives rise to a conflict of interest or possible conflict of interest,

this Article applies only if the existence of that relationship has been approved by the board pursuant to Article 117. In particular, the director shall not be in breach of the general duties they owe to the Company by virtue of sections 171 to 177 of the Act because they fail:

(a) to disclose any such information to the board or to any director or other officer or employee of the Company; and/or

(b) to use or apply any such information in performing their duties as a director of the Company.

Consequences of authorisation

122. Where the existence of a director's relationship with another person has been approved by the board pursuant to Article 117 and the director's relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties they owe to the Company by virtue of sections 171 to 177 of the Act because they:

(a) are absent from meetings of the board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

(b) make arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,

for so long as they reasonably believe such conflict of interest or possible conflict of interest subsists.

123. The members hereby authorise any actual or potential conflict of interest arising solely by virtue of any director also being a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any Group Company.

Without prejudice to equitable principles or rule of law

124. The provisions of Articles 121 and 122 are without prejudice to any equitable principle or rule of law which may excuse the director from:

(a) disclosing information, in circumstances where disclosure would otherwise be required under these Articles; or

(b) attending meetings or discussions or receiving documents and information as referred to in Article 122, in circumstances where such attendance or receiving such documents and information would otherwise be required under these Articles.

GRATUITIES, PENSIONS AND INSURANCE

Gratuities and pensions

125. The board may (by establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee of the

Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of their family (including a spouse, a civil partner, a former spouse and a former civil partner) or any person who is or was dependent on them, and may (as well before as after they cease to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

Insurance

126. Without prejudice to the provisions of Article 178, the board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

(a) a director, officer or employee of the Company, or any body which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the Company or such holding company or subsidiary undertaking is or was in any way allied or associated; or

(b) a trustee of any pension fund in which employees of the Company or any other body referred to in paragraph (a) of this Article are or have been interested,

(c) including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the relevant body or fund.

Directors not liable to account

127. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to these Articles. The receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

Section 247 of the Act

128. The board may make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries other than a director or former director or shadow director in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary. Any such provision shall be made by a resolution of the board in accordance with section 247 of the Act.

PROCEEDINGS OF THE BOARD

Convening meetings

129. Subject to the provisions of these Articles, the board may regulate its proceedings as it thinks fit. A director may, and the secretary at the request of a director shall, call a meeting of the board by giving notice of the meeting to each director. Notice of a board meeting shall be deemed to be given to a director if it is given to the director personally or by word of mouth or sent in hard copy form to the director at their last known address or such other address (if any) as may for the time being be specified by the director or on their behalf to the Company for that purpose, or sent in electronic form to such address (if any) for the time being specified by the director or on their behalf to the

Company for that purpose. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during the director's absence be sent in hard copy form or in electronic form to such address (if any) for the time being specified by the director or on their behalf to the Company for that purpose, but such notices need not be sent any earlier than notices sent to directors not so absent and, if no such request is made to the board, it shall not be necessary to send notice of a board meeting to any director who is for the time being absent from the United Kingdom. No account is to be taken of directors absent from the United Kingdom when considering the adequacy of the period of notice of the meeting. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chair shall have a second or casting vote. Any director may waive notice of a meeting and any such waiver may be retrospective. Any notice pursuant to this Article need not be in writing if the board so determines and any such determination may be retrospective.

Quorum

130. The quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be two. A person who holds office only as an alternate director may, if their appointor is not present, be counted in the quorum. Any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no director objects.

Powers of directors if number falls below minimum

131. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but if the number of directors is less than the number fixed as the quorum the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

Chair and deputy chair

132. The board may appoint one of their number to be the chair, and one of their number to be the deputy chair, of the board and may at any time remove either of them from such office. Unless they are unwilling to do so, the director appointed as chair, or in their stead the director appointed as deputy chair, shall preside at every meeting of the board at which they are present. If there is no director holding either of those offices, or if neither the chair nor the deputy chair is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chair of the meeting.

Validity of acts of the board

133. All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director or alternate director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or any member of the committee or alternate director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.

Resolutions in writing

134. A resolution in writing agreed to by all the directors entitled to vote at a meeting of the board or of a committee of the board (not being less than the number of directors required to form a quorum of the board) shall be as valid and effectual

as if it had been passed at a meeting of the board or (as the case may be) a committee of the board duly convened and held. For this purpose:

(a) a director signifies their agreement to a proposed written resolution when the Company receives from the director a document indicating their agreement to the resolution authenticated in the manner permitted by the Companies Acts for a document in the relevant form;

(b) the director may send the document in hard copy form or in electronic form to such address (if any) for the time being specified by the Company for that purpose;

(c) if an alternate director signifies their agreement to the proposed written resolution, their appointor need not also signify their agreement; and

(d) if a director signifies their agreement to the proposed written resolution, an alternate director appointed by the director need not also signify their agreement in that capacity.

Meetings by telephone etc.

135. Without prejudice to the first sentence of Article 129, a person entitled to be present at a meeting of the board or of a committee of the board shall be deemed to be present for all purposes if the person is able (directly or by electronic communication) to speak to and be heard by all those present or deemed to be present simultaneously. A director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no director is present in that place) where the largest group of those participating is assembled, or, if there is no such group, where the chair of the meeting is. The word ***meeting*** in Articles 129, 130, 132, 133 and 135 shall be construed accordingly.

Directors' power to vote on contracts in which they are interested

136. Except as otherwise provided by these Articles, a director shall not vote at a meeting of the board or a committee of the board on any resolution of the board concerning a matter in which the director has an interest (other than by virtue of interests in shares or debentures or other securities of, or otherwise in or through, the Company) which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless that interest arises only because the resolution concerns one or more of the following matters:

(a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by the director or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

(b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

(c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its

subsidiary undertakings for subscription or purchase, in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;

(d) a contract, arrangement, transaction or proposal concerning any other body corporate in which the director or any person connected with them is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if the director and any persons connected with them do not to the director's knowledge hold an interest (as that term is used in sections 820 to 825 of the Act) representing one per cent or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or any other body corporate through which their interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be likely to give rise to a conflict with the interests of the Company in all circumstances);

(e) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award the director any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and

(f) a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors of the Company or for persons who include directors of the Company.

For the purposes of this Article, in relation to an alternate director, an interest of their appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

137. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a director from voting at a meeting of the board or of a committee of the board.

Division of proposals

138. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately. In such cases each of the directors concerned shall be entitled to vote in respect of each resolution except that concerning their own appointment.

Decision of chair final and conclusive

139. If a question arises at a meeting of the board or of a committee of the board as to the entitlement of a director to vote, the question may, before the conclusion of the meeting, be referred to the chair of the meeting and the chair's ruling in relation to any director other than the chair shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned

have not been fairly disclosed. If any such question arises in respect of the chair of the meeting, it shall be decided by resolution of the board (on which the chair shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chair have not been fairly disclosed.

SECRETARY

Appointment and removal of secretary

140. The secretary shall be appointed by the board for such term, at such remuneration and on such conditions as it may think fit. Any secretary so appointed may be removed by the board, but without prejudice to any claim for damages for breach of any contract of service between the secretary and the Company.

MINUTES

Minutes required to be kept

141. The board shall cause minutes to be recorded for the purpose of:

(a) all appointments of officers made by the board; and

(b) all proceedings at meetings of the Company, the holders of any class of shares, the board and committees of the board, including the names of the directors present at each such meeting.

Conclusiveness of minutes

142. Any such minutes, if purporting to be authenticated by the chair of the meeting to which they relate or of the next meeting, shall be sufficient evidence of the proceedings at the meeting without any further proof of the facts stated in them.

REGISTERS

Overseas and local registers

143. Subject to the provisions of the Companies Acts and the Regulations, the Company may keep an overseas or local or other register in any place, and the board may make, amend and revoke any regulations it thinks fit about the keeping of that register.

Authentication and certification of copies and extracts

144. Any director or the secretary or any other person appointed by the board for the purpose shall have power to authenticate and certify as true copies of and extracts from:

(a) any document comprising or affecting the constitution of the Company, whether in hard copy form or electronic form;

(b) any resolution passed by the Company, the holders of any class of shares, the board or any committee of the board, whether in hard copy form or electronic form; and

(c) any book, record and document relating to the business of the Company, whether in hard copy form or electronic form (including without limitation the accounts).

If certified in this way, a document purporting to be a copy of a resolution, or the minutes or an extract from the minutes of a meeting of the Company, the holders of any class of shares, the board or a committee of the board, whether

in hard copy form or electronic form, shall be conclusive evidence in favour of all persons dealing with the Company in reliance on it or them that the resolution was duly passed or that the minutes are, or the extract from the minutes is, a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS

Declaration of dividends

145. Subject to the provisions of the Companies Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.

Interim dividends

146. Subject to the provisions of the Companies Acts, the board may pay interim dividends if it appears to the board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may:

(a) pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear; and

(b) pay at intervals settled by it any dividend payable at a fixed rate if it appears to the board that the profits available for distribution justify the payment.

If the board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Declaration and payment in different currencies

147. Dividends may be declared and paid in any currency or currencies that the board shall determine. The board may also determine the exchange rate and the relevant date for determining the value of the dividend in any currency.

Apportionment of dividends

148. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purpose of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is allotted or issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Dividends in specie

149. A general meeting declaring a dividend may, on the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, including without limitation paid up shares or debentures of another body corporate. The board may make any arrangements it thinks fit to settle any difficulty arising in connection with the distribution, including without limitation (a) the fixing of the value for distribution of any

assets, (b) the payment of cash to any member on the basis of that value in order to adjust the rights of members, and (c) the vesting of any asset in a trustee.

Permitted deductions and retentions

150. The board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by the member to the Company in respect of that share. If a person is entitled by transmission to a share, the board may retain any dividend payable in respect of that share until that person (or that person's transferee) becomes the holder of that share.

Methods of payment to holders and others entitled

151. Any dividend or other moneys payable in respect of a share may be paid (whether in sterling or foreign currency) by such method or combination of methods as the board, in its absolute discretion, may decide. Different methods of payment may apply to different holders or groups of holders. Without limiting any other method of payment that the board may decide, the board may decide that payment shall be made wholly or partly:

(a) by inter-bank transfer or by electronic means or by any other means to an account (of a type approved by the board) nominated by the holder in writing or in such other manner as the board may decide; or

(b) by cheque or warrant or any similar financial instrument made payable to or to the order of the holder.

Joint entitlement

152. If two or more persons are registered as joint holders of any share, or are entitled by transmission jointly to a share, the Company may (without prejudice to Article 150):

(a) pay any dividend or other moneys payable in respect of the share to any one of them and any one of them may give effectual receipt for that payment; and

(b) for the purpose of Article 151, rely in relation to the share on the written direction, designation or agreement of, or notice to the Company by, any one of them.

Payment by post

153. A cheque or warrant or any similar financial instrument may be sent by post:

(a) if a share is held by a sole holder, to the registered address of the holder of the share; or

(b) if two or more persons are the holders, to the registered address of the person who is first named in the register; or

(c) without prejudice to Article 150, if a person is entitled by transmission to the share, as if it were a notice to be sent under Article 168; or

(d) in any case, to such person and to such address as the person entitled to payment may direct by notice to the Company.

Discharge to Company and risk

154. Payment of a cheque or warrant or any similar financial instrument by the bank on which it was drawn, or the transfer of funds by the bank instructed to make the transfer, or payment by electronic means or by any other means approved by the board directly to an account (of a type approved by the board) shall be a

good discharge to the Company. Every cheque or warrant or similar financial instrument sent, or transfer of funds or payment made, in accordance with these Articles shall be at the risk of the holder or person entitled. The Company shall have no responsibility for any sums lost or delayed in the course of payment by any method used by the Company in accordance with Article 151.

Interest not payable

155. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

Treatment of unclaimed dividends or amounts treated as unclaimed

156. The amount of any unclaimed dividend or other moneys payable in respect of a share that are unclaimed, may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect of it. The Company shall be entitled to cease sending dividend warrants, cheques and similar financial instruments by post or otherwise to a holder if those instruments have been returned undelivered, or left uncashed by that holder, on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the holder's new address. The entitlement conferred on the Company by this Article in respect of any holder shall cease if the holder claims a dividend or cashes a dividend warrant, cheque or similar financial instrument. Any dividend or any other moneys payable in respect of a share, that has or have remained unclaimed for 12 years from the date when it or they became due for payment shall, if the board so resolves, be forfeited and cease to remain owing by the Company.

CAPITALISATION OF PROFITS AND RESERVES

Power to capitalise

157. The board may with the authority of an ordinary resolution of the Company:

(a) subject to the provisions of this Article, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including without limitation the Company's share premium account and capital redemption reserve, if any;

(b) appropriate the sum resolved to be capitalised to the members or any class of members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions;

(c) apply that sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full shares, debentures or other obligations of the Company of a nominal amount equal to that sum but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up shares to be allotted to members credited as fully paid;

(d) allot the shares, debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other;

(e) where shares or debentures become, or would otherwise become, distributable under this Article in fractions, make such provision as they think fit for any fractional entitlements including without limitation authorising their sale and transfer to any person, resolving that the distribution be made as nearly as practicable in the correct proportion but not exactly so, ignoring fractions altogether or resolving that cash payments be made to any members in order to adjust the rights of all parties;

(f) authorise any person to enter into an agreement with the Company on behalf of all the members concerned providing for either:

(i) the allotment to the members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled on the capitalisation; or

(ii) the payment up by the Company on behalf of the members of the amounts, or any part of the amounts, remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under that authority shall be binding on all such members;

(g) generally do all acts and things required to give effect to the ordinary resolution; and

(h) for the purposes of this Article, unless the relevant resolution provides otherwise, if the Company holds treasury shares of the relevant class at the record date specified in the relevant resolution, it shall be treated as if it were entitled to receive the dividends in respect of those treasury shares which would have been payable if those treasury shares had been held by a person other than the Company.

RECORD DATES

Record dates for dividends etc.

158. Notwithstanding any other provision of these Articles, the Company or the board may:

(a) fix any date as the record date for any dividend, distribution, allotment or issue, which may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made;

(b) for the purpose of determining which persons are entitled to attend and vote at a general meeting of the Company, or a separate general meeting of the holders of any class of shares, and how many votes such persons may cast, specify in the notice of meeting a time by which a person must

be entered on the register in order to have the right to attend or vote at the meeting; changes to the register after the time specified by virtue of this Article shall be disregarded in determining the rights of any person to attend or vote at the meeting; and

(c) for the purpose of sending notices of general meetings of the Company, or separate general meetings of the holders of any class of shares, under these Articles, determine that persons entitled to receive such notices are those persons entered on the register at the close of business on a day determined by the Company or the board

ACCOUNTS

Rights to inspect records

159. No member shall (as such) have any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

Sending of annual accounts

160. Subject to the Companies Acts, a copy of the Company's annual accounts and reports for that financial year shall, at least 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the provisions of the Companies Acts, be sent to every member and to every holder of the Company's debentures, and to every person who is entitled to receive notice of meetings from the Company under the provisions of the Companies Acts or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders. A copy need not be sent to a person for whom the Company does not have a current address.

COMMUNICATIONS

When notice required to be in writing

161. Any notice to be sent to or by any person pursuant to these Articles (other than a notice calling a meeting of the board) shall be in writing.

Methods of Company sending notice

162. Subject to Article 161 and unless otherwise provided by these Articles, the Company shall send or supply a document or information that is required or authorised to be sent or supplied to a member or any other person by the Company by a provision of the Companies Acts or pursuant to these Articles or to any other rules or regulations to which the Company may be subject in such form and by such means as it may in its absolute discretion determine provided that the provisions of the Act which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts shall, the necessary changes having been made, also apply to sending or supplying any document or information required or authorised to be sent by these Articles or any other rules or regulations to which the Company may be subject.

Methods of member etc. sending document or information

163. Subject to Article 161 and unless otherwise provided by these Articles, a member or a person entitled by transmission to a share shall send a document or information pursuant to these Articles to the Company in such form and by such means as it may in its absolute discretion determine provided that:

(a) the determined form and means are permitted by the Companies Acts for the purpose of sending or supplying a document or information of that type to a company pursuant to a provision of the Companies Acts; and

(b) unless the board otherwise permits, any applicable condition or limitation specified in the Companies Acts, including without limitation as to the address to which the document or information may be sent, is satisfied.

Unless otherwise provided by these Articles or required by the board, such document or information shall be authenticated in the manner specified by the Companies Acts for authentication of a document or information sent in the relevant form.

Notice to joint holders

164. In the case of joint holders of a share any document or information shall be sent to the joint holder whose name stands first in the register in respect of the joint holding and any document or information so sent shall be deemed for all purposes sent to all the joint holders.

Registered address outside UK

165. A member whose registered address is not within the United Kingdom who sends to the Company an address within the United Kingdom at which a document or information may be sent to the member shall be entitled to have the document or information sent to the member at that address (provided that, in the case of a document or information sent by electronic means, including without limitation any notification required by the Companies Acts that the document or information is available on a website, the Company so agrees, which agreement the Company shall be entitled to withhold in its absolute discretion including, without limitation, in circumstances in which the Company considers that the sending of the document or information to such address using electronic means would or might infringe the laws of any other jurisdiction) but otherwise no such member shall be entitled to receive any document or information from the Company.

Deemed receipt of notice

166. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares shall be deemed to have been sent notice of the meeting and, where requisite, of the purposes for which it was called.

Terms and conditions for electronic communications

167. The board may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic means for the sending of notices, other documents and proxy appointments by the Company to members or persons entitled by transmission and by members or persons entitled by transmission to the Company.

Notice to persons entitled by transmission

168. A document or information may be sent or supplied by the Company to the person or persons entitled by transmission to a share by sending it in any manner the Company may choose authorised by these Articles for the sending of a document or information to a member, addressed to them by name, or by the title of representative of the deceased, or trustee of the bankrupt or by any similar description at the address (if any) in the United Kingdom as may be supplied for that purpose by or on behalf of the person or persons claiming to

be so entitled. Until such an address has been supplied, a document or information may be sent in any manner in which it might have been sent if the death or bankruptcy or other event giving rise to the transmission had not occurred.

Transferees etc. bound by prior notice

169. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before that person's name is entered in the register, has been sent to a person from whom that person derives their title

Proof of sending/when notices etc. deemed sent by post

170. Proof that a document or information was properly addressed, prepaid and posted shall be conclusive evidence that the document or information was sent or supplied. A document or information sent by the Company to a member by post shall be deemed to have been received:

(a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the document or information was posted;

(b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or from an address in another country to an address outside that country (including without limitation an address in the United Kingdom), on the third day following that on which the document or information was posted;

(c) in any other case, on the second day following that on which the document or information was posted.

When notices etc. deemed sent by hand

171. A document or information sent by the Company to a member by hand shall be deemed to have been received by the member when it is handed to the member or left at their registered address or an address notified to the Company in accordance with Article 165.

Proof of sending/when notices etc. deemed sent by electronic means

172. Proof that a document or information sent or supplied by electronic means was properly addressed shall be conclusive evidence that the document or information was sent or supplied. A document or information sent or supplied by the Company to a member in electronic form shall be deemed to have been received by the member on the day following that on which the document or information was sent to the member. Such a document or information shall be deemed received by the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the member.

When notices etc. deemed sent by website

173. A document or information sent or supplied by the Company to a member by means of a website shall be deemed to have been received by the member:

(a) when the document or information was first made available on the website; or

(b) if later, when the member is deemed by Article 170, 171 or 172 to have received notice of the fact that the document or information was available on the website. Such a document or information shall be deemed received by the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the member.

DESTRUCTION OF DOCUMENTS

Power of Company to destroy documents

174. The Company shall be entitled to destroy:

(a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration;

(b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address at any time after the expiration of two years from the date of recording;

(c) all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation;

(d) all paid dividend warrants, cheques and similar financial instruments at any time after the expiration of one year from the date of actual payment;

(e) all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use; and

(f) all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointment relates and at which no poll was demanded.

Presumption in relation to destroyed documents

175. It shall conclusively be presumed in favour of the Company that:

(a) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document destroyed in accordance with Article 174 was duly and properly made;

(b) every instrument of transfer destroyed in accordance with Article 174 was a valid and effective instrument duly and properly registered;

(c) every share certificate destroyed in accordance with Article 174 was a valid and effective certificate duly and properly cancelled; and

(d) every other document destroyed in accordance with Article 174 was a valid and effective document in accordance with its recorded particulars in the books or records of the Company,

but:

(e) the provisions of this Article and Article 174 apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties) to which the document might be relevant;

(f) nothing in this Article or Article 174 shall be construed as imposing on the Company any liability in respect of the destruction of any document earlier than the time specified in Article 174 or in any other circumstances which would not attach to the Company in the absence of this Article or Article 174; and

(g) any reference in this Article or Article 174 to the destruction of any document includes a reference to its disposal in any manner.

WINDING UP

Liquidator may distribute in specie

176. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Insolvency Act 1986:

(a) divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members;

(b) vest the whole or any part of the assets in trustees for the benefit of the members; and

(c) determine the scope and terms of those trusts,

but no member shall be compelled to accept any asset on which there is a liability.

Disposal of assets by liquidator

177. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

INDEMNITY

Indemnity to directors and officers

178. Subject to the provisions of the Companies Acts, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by them for negligence, default, breach of duty or breach of trust in relation to the affairs of any Group Company or any liability incurred in connection with the activities of any Group Company in its capacity as trustee of any occupational pension scheme (as defined in section 235(6) of the Act), in each case provided that this Article 178 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act or otherwise under the Companies Acts.

3. Full text of the resolutions constituting the basis for the issue of debt financial instruments covered by the Information Document

Company No. 11808114

PEU (FIN) PLC
(the "**Company**")

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD TEAMS

ON 2 OCTOBER 2025 AT 4.45 P.M.

Present: **Alan Chitty (Chair)**

Willem Eelman

Katie Close

In attendance: **Susanna Freeman (Secretary)**

Erin Gray

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1. **CHAIR**

IT WAS RESOLVED that Alan Chitty be appointed Chair of the meeting.

2. **NOTICE AND QUORUM**

The Chair declared that the meeting had been properly convened and that a quorum was present.

3. **BACKGROUND**

3.1 The Chair outlined the background to the proposal to issue bonds in the debt capital markets from time to time. It was noted that the proposal was for the bond issuances to be carried out through the establishment of a bond issue programme (the "**Programme**") providing for the issuance of bonds (in one or multiple series) ("**Bonds**") up to a maximum aggregate principal amount outstanding at any time of PLN 2,000,000,000 (in words: two billion zlotys) (or its equivalent in other currencies) (the "**Maximum Programme Value**"). The Programme will allow for the issuance of plain vanilla bonds, green bonds or sustainability bonds. The Bonds may bear a floating or a fixed interest rate.

3.2 The Chair further noted that the Bonds may be issued subject to the following conditions:

(a) the Bonds will be offered by way of public offering addressed solely to "qualified investors" (as defined in the Regulation (EU) 2017/1129 (the **"Prospectus Regulation**");

(b) the Bonds will be dematerialised, bearer bonds issued in series, issued and offered in accordance with: (i) the Article 33 point 1 of the Polish Act on Bonds (*Ustawa o*

Obligacjach) dated 15 January 2015 (as further amended) (the "**Act on Bonds**") and (ii) the Article 1 point 4 (a) of the Prospectus Regulation, i.e. without the obligation to publish a prospectus;

(c) the Bonds will be (i) registered in the Central Securities Depository of Poland (*Krajowy Depozyt Papierów Wartościowych S.A.*); or (ii) registered in the register maintained by the issue agent pursuant to the Polish Act on Trading (*Ustawa o Obrocie Instrumentami Finansowymi*) dated 29 July 2005 (as amended) (the "**Issue Agent**") and subsequently registered by the Issue Agent in the Central Securities Depository of Poland (*Krajowy Depozyt Papierów Wartościowych S.A.*);

(d) the Bonds will be introduced to trading and listed on the Alternative Trading System (*Alternatywny System Obrotu*) operated by the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*);

(e) the Bonds may bear interest at a fixed or floating rate; being acknowledged that the interest rate, interest payment dates, place of payment and any other modalities in relation to interest shall be set out in the terms and conditions of the Bonds for a particular series of Bonds as the Board of Directors may deem necessary or useful; and

(f) the Bonds will be issued as secured within the meaning of the Act on Bonds.

3.3 Consequently, the purpose of the meeting was to consider and, if thought fit, approve:

(a) the establishment of the Programme; and

(b) the entry by the Company into, and/or the execution by the Company of, the Transaction Documents (as defined below).

4. TRANSACTION DOCUMENTS

4.1 It was explained that, in order to establish the Programme a number of documents relating to the Programme would have to be entered into, principally:

(a) a Polish law governed bond programme agreement (together with the attachments thereto) relating to the establishment of the Programme and the issue of Bonds between the Company, Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Santander Bank Polska S.A. as dealers and other capacities as specified therein (the "**Dealers**") (the "**Programme Agreement**");

(b) Polish law governed fee letters between the Company and each of the Dealers; and

(c) the agreement on establishment of the issue agent within the meaning of the Polish Act on Trading (*Ustawa o Obrocie Instrumentami Finansowymi*) dated 29 July 2005 (as amended) between the Company as the issuer and Powszechna Kasa Oszczędności Bank Polski S.A. as Issue Agent (including any annexes, schedules and attachments thereto) (the "**Issue Agent Agreement**").

The documents listed in paragraphs (a) to (c) above are referred to as the "**Programme Documents**".

4.2 The Chair further noted that the Company may proceed to the issuance of one or more series of Bonds under the Programme pursuant to the conditions to be determined by the Board of Directors.

4.3 The current drafts of the Programme Documents were produced to the meeting.

4.4 The Programme Documents and any other agreements, powers of attorney, deed, notices, letters, forms and acknowledgments, instructions, confirmations, schedules, receipts, certificates (including without limitation formalities' certificates or director's certificates), registers, allotment documents, listing documents, including but not limited to listing applications or other listing related agreements or documents, clearing and/or settlement agreements or documents, central securities depositories agreements or documents in relation to the registration of the Bonds by the Central Securities Depository of Poland (*Krajowy Depozyt Papierów Wartościowych S.A.*) or documents as an Authorised Person (as defined below) may consider necessary or desirable in connection with the establishment of the Programme are referred to together as the "**Transaction Documents**".

5. DECLARATION OF INTERESTS

5.1 In accordance with section 177 of the Companies Act 2006 and the Company's articles of association, those of the directors present who were so interested declared their interest in the above matters (if any) to be considered by the meeting.

6. NO BREACH

After due and careful consideration, the Board of Directors was unanimously of the opinion that the Company would not be in breach of:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding on it or on its assets,

by entering into the establishment of the Programme and approving, executing, delivering and performing its obligations under the Transaction Documents, and by performing the transactions contemplated by them.

7. BENEFIT

After due and careful consideration, the Board of Directors was unanimously of the opinion that in resolving that the Company should establish the Programme and enter into the Transaction Documents, the Board of Directors was acting in good faith to promote the success of the Company for the benefit of its members as a whole and in accordance with their other duties and that such actions would benefit the Company.

8. **APPROVAL**

After due and careful consideration, the Board of Directors having considered their duties under the Companies Act 2006, **IT WAS RESOLVED** that:

(a) the Company would establish the Programme;

(b) the terms of, and entry into, the Transaction Documents to which the Company was or would be a party, together with any amendments, updates or supplements thereto, authorised by an Authorised Person, be and are hereby approved; and

(c) the Company's performance of its obligations under the Transaction Documents to which it was or would be a party and the transactions contemplated by them be and are approved and all steps taken or to be taken in connection with the Transaction Documents be and are hereby approved or ratified as applicable.

9. **EXECUTION OF DOCUMENTS AND DELEGATION OF AUTHORITY**

9.1 **IT WAS RESOLVED** that:

(a) in the case of Transaction Documents which place a financial commitment on the Company, Willem Eelman and any other director of the Company (each, a "**Director**") be jointly authorised to agree, execute, deliver, perform and dispatch (by whatever means, including electronically) on behalf of the Company such Transaction Documents;

(b) in the case of any other Transaction Documents, any two Directors or one Director and the Head of Treasury (currently Adam Krajewski), be jointly authorised to agree, execute, deliver, perform and dispatch (by whatever means, including electronically) on behalf of the Company any such Transaction Documents (with the understanding that approval should be sought from any member of the Company's legal team).

The individuals authorised in accordance with this clause 9.1 are each an "**Authorised Person**".

9.2 **IT WAS RESOLVED** that the execution of the Transaction Documents to which the Company is a party by the Authorised Persons in accordance with clause 9.1 or 9.3 shall be conclusive evidence of their approval of the amendments made to them.

9.3 **IT WAS RESOLVED** that, subject to clause 9.1:

(a) the Authorised Persons shall be authorised approve the contents of the Transaction Documents to be issued by the Company in respect of the Programme;

(b) the Authorised Persons shall be authorised to agree, execute, publish and/or dispatch (by whatever means, including electronically) on behalf of the Company any other agreement, certificate, document, letter and notice (except for any document which is required to be executed and delivered as a deed) as they may consider necessary or desirable in connection with the Transaction Documents or the establishment of the Programme;

(c) to the extent actions have already been carried out or implemented by or on behalf of the Company by Authorised Persons in connection with the Transaction Documents or the establishment of the Programme, such actions be and are hereby authorised and ratified; and

(d) the Authorised Persons shall be authorised to do all other acts and things not otherwise the subject of an authorisation in these minutes as they may consider necessary or desirable in connection with the Transaction Documents or the establishment of the Programme.

10. **FILING OF DOCUMENTS**

IT WAS RESOLVED that the secretary of the Company and each Director is severally authorised to dispatch to the relevant facility agents, lenders, managers, noteholders, trustees, paying agents, Warsaw Stock Exchange, WSE ATS, the Central Securities Depository of Poland (*Krajowy Depozyt Papierów Wartościowych S.A.*), professional advisers or other relevant persons a copy of the resolutions passed at this meeting, and/or extract resolutions passed at this meeting, and/or a copy of the minutes of this meeting signed by the Chair and to append such copies or extracts to certificates provided by officers of the Company pursuant to the Transaction Documents or the establishment of the Programme.

11. **CLOSE OF MEETING**

There being no other business, the Chair declared the meeting closed.

Signature valid

Digitally signed by Alan Chitty
Date: 2025.10.02 18:46:16 BST

Chair

Company No. 11808114

PEU (FIN) PLC
(the "**Company**")

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

HELD VIA TEAMS

ON 29 OCTOBER 2025 AT 5.15 P.M. GMT

Present: **Alan Chitty (Chair)**

Katie Close

Willem Eelman

In attendance: **Erin Gray (Secretary)**

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1. **CHAIR**

IT WAS RESOLVED that Alan Chitty be appointed Chair of the meeting and that Erin Gray be appointed secretary of the meeting.

2. **NOTICE AND QUORUM**

The Chair declared that the meeting had been properly convened and that a quorum was present.

3. **BACKGROUND**

3.1 The Chair outlined the background to the proposal to issue bonds in the debt capital markets from time to time. It was noted that the proposal is for the first bond issuance to be carried out through the bond issue programme established on 2 October 2025 (the "**Programme**") which provides for the issuance of bonds (in one or multiple series) ("**Bonds**") up to a maximum aggregate principal amount outstanding at any time of PLN 2,000,000,000 (in words: two billion zlotys) (or its equivalent in other currencies). Under the first issuance carried out through the Programme, the Company will issue up to 600,000 bearer Bonds of 1/2025 series with a nominal value of PLN 1,000 each, denominated in PLN, up to an aggregate nominal value of PLN 600,000,000.

3.2 The Chair further noted that the Bonds will be issued subject to the following conditions:

(a) the Bonds will be offered by way of public offering addressed solely to "qualified investors" (as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**");

(b) the Bonds will be dematerialised, bearer bonds issued in series, issued and offered in accordance with: (i) the Article 33 point 1 of the Polish Act on Bonds (*Ustawa o Obligacjach*) dated 15 January 2015 (as further amended) (the "**Act on Bonds**") and (ii) the Article 1 point 4 (a) of the Prospectus Regulation, i.e. without the obligation to publish a prospectus;

(c) the Bonds will be registered in the register maintained by the issue agent pursuant to the Polish Act on Trading (*Ustawa o Obrocie Instrumentami Finansowymi*) dated 29 July 2005 (as amended) (the "**Issue Agent**") and subsequently registered by the Issue Agent in the Central Securities Depository of Poland (*Krajowy Depozyt Papierów Wartościowych S.A.*);

(d) the Bonds will be introduced to trading and listed on:

(i) the Alternative Trading System (*Alternatywny System Obrotu*) operated by the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*); and

(ii) the Official List of The International Stock Exchange;

(e) the Bonds will bear interest at a floating rate; being acknowledged that the interest rate, interest payment dates, place of payment and any other modalities in relation to interest shall be set out in the terms and conditions of the Bonds for a particular series of Bonds as the Board of Directors may deem necessary or useful; and

(f) the Bonds will be issued as secured within the meaning of the Act on Bonds.

3.3 A memorandum produced by Carey Olsen Corporate Finance Limited in respect of the Company's continuing obligations following the listing of the Bonds on the Official List of The International Stock Exchange (the "**TISE Memorandum**") was produced to the meeting and it was noted that the directors had considered the contents of the TISE Memorandum.

3.4 Consequently, the purpose of the meeting was to consider and, if thought fit, approve:

(a) the first issuance under the Programme, which relates to up to 600,000 bearer Bonds of 1/2025 series with a nominal value of PLN 1,000 each, denominated in PLN, up to an aggregate nominal value of PLN 600,000,000 (the "**Issuance**");

(b) the admission of Bonds issued under the Issuance to trading and listing on the alternative trading system organised by the Warsaw Stock Exchange (the "**WSE ATS**") and the Official List of The International Stock Exchange;

(c) an application to The International Stock Exchange Authority Limited for the listing of and permission to deal in the Bonds on the Official List of The International Stock Exchange;

(d) the entry by the Company into, and/or the execution by the Company of, the Transaction Documents (as defined below).

4. **TRANSACTION DOCUMENTS**

4.1 It was explained that, in order to carry out the Issuance, the Company would need to:

enter into the terms and conditions of bonds issue which will confirm the interest rate, interest payment dates, place of payment and any other modalities in relation to the Bonds (the "**Terms of Issue**").

4.2 The Chair further noted that the Company may proceed to the issuance of Bonds under the Programme pursuant to the conditions to be determined by the Board of Directors.

4.3 The current draft of the Terms of Issue was produced to the meeting.

4.4 The Terms of Issue and any other agreements, powers of attorney, deed, notices, letters, forms and acknowledgments, instructions, confirmations, schedules, receipts, certificates (including without limitation formalities' certificates or director's certificates), registers, allotment documents, listing documents, including but not limited to listing applications or other listing related agreements or documents, clearing and/or settlement agreements or documents, central securities depositories agreements or documents in relation to the registration of the Bonds by the Central Securities Depository of Poland (*Krajowy Depozyt Papierów Wartościowych S.A.*) or documents as an Authorised Person (as defined below) may consider necessary or desirable in connection with the issuance are referred to together as the "**Transaction Documents**".

5. **DECLARATION OF INTERESTS**

5.1 In accordance with section 177 of the Companies Act 2006 and the Company's articles of association, those of the directors present who were so interested declared their interest in the above matters (if any) to be considered by the meeting.

6. **NO BREACH**

After due and careful consideration, the Board of Directors was unanimously of the opinion that the Company would not be in breach of:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding on it or on its assets,

by entering into the Transaction Documents and approving, executing, delivering and performing its obligations under the Transaction Documents, and by performing the transactions contemplated by them.

7. **BENEFIT**

After due and careful consideration, the Board of Directors was unanimously of the opinion that in resolving that the Company should approve the Issuance and enter into the Transaction Documents, the Board of Directors was acting in good faith to promote the success of the Company for the benefit of its members as a whole and in accordance with their other duties and that such action would materially benefit the Company. The

Board of Directors was unanimously of the opinion that (1) it would carry out such action in good faith, (2) it was acting for the purpose of carrying on the Company's business and (3) there are reasonable grounds for believing that such action would benefit the Company.

8. **APPROVAL**

After due and careful consideration, the Board of Directors having considered their duties under the Companies Act 2006, **IT WAS RESOLVED** that:

(a) the Company carry out the Issuance;

(b) the terms of, and entry into, the Transaction Documents to which the Company is a party, together with any amendments, updates or supplements thereto authorised by an Authorised Person, be and are hereby approved; and

(c) the Company's performance of its obligations under the Transaction Documents to which it is a party and the transactions contemplated by them be and are approved and all steps taken or to be taken in connection with the Transaction Documents be and are hereby approved.

9. **EXECUTION OF DOCUMENTS AND DELEGATION OF AUTHORITY**

9.1 **IT WAS RESOLVED** that:

in the case of Transaction Documents which are not required to be executed and delivered as deeds, each director of the Company, the Company Secretary and Adam Krajewski (each an "**Authorised Person**") be severally authorised to agree, execute, deliver, perform and dispatch (by whatever means, including electronically) on behalf of the Company such Transaction Documents.

9.2 **IT WAS RESOLVED** that the execution of the Transaction Documents to which the Company is a party by the relevant authorised signatories in accordance with resolution 9.1 or 9.3 shall be conclusive evidence of their approval of the amendments made to them.

9.3 **IT WAS RESOLVED** that:

(a) each Authorised Person shall be severally authorised to approve the contents of the Transaction Documents to be issued by the Company in respect of the Issuance;

(b) each Authorised Person shall be severally authorised to agree, execute, publish and/or dispatch (by whatever means, including electronically) on behalf of the Company any other agreement, certificate, document, letter and notice (except for any document which is required to be executed and delivered as a deed) as they may consider necessary or desirable in connection with the Transaction Documents or the Issuance;

(c) to the extent actions have already been carried out or implemented by or on behalf of the Company by an Authorised Person in connection with the

Transaction Documents or the Issuance, such actions be and are hereby authorised and ratified; and

(d) each Authorised Person shall be severally authorised to do all other acts and things not otherwise the subject of an authorisation in these minutes as they may consider necessary or desirable in connection with the Transaction Documents or the Issuance.

10. FILING OF DOCUMENTS

IT WAS RESOLVED that the secretary of the Company and each director is severally authorised to dispatch to the relevant facility agents, lenders, managers, noteholders, trustees, paying agents, Warsaw Stock Exchange, WSE ATS, The International Stock Exchange, the Central Securities Depository of Poland (*Krajowy Depozyt Papierów Wartościowych S.A.*), professional advisers or other relevant persons a copy of the resolutions passed at this meeting, and/or extract resolutions passed at this meeting, and/or a copy of the minutes of this meeting signed by the Chair and to append such copies or extracts to certificates provided by officers of the Company pursuant to the Transaction Documents or the Issuance.

11. CLOSE OF MEETING

There being no other business, the Chair declared the meeting closed.



Chair

4. Terms and Conditions

WARUNKI EMISJI OBLIGACJI

Zarządzanie produktami zgodnie z MiFID II - Zarządzanie produktami w ramach dyrektywy 2014/65/UE ("**Dyrektywa MiFID II**") – Grupą docelową są jedynie klienci profesjonalni i uprawnieni kontrahenci. Ocena grupy docelowej dla Obligacji oferowanych przez danego Dealera doprowadziła do wniosku, że: (A) grupą docelową dla obligacji są wyłącznie: (i) osoby lub podmioty, które są wymienione w sekcji I pkt 1–4 załącznika II do Dyrektywy MiFID II lub (ii) podmioty uznawane za uprawnionych kontrahentów zgodnie z art. 30 Dyrektywy MiFID II oraz (B) wszystkie kanały dystrybucji obligacji do osób lub podmiotów stanowiących grupę docelową są odpowiednie. Każda osoba, która następnie oferuje, sprzedaje lub rekomenduje Obligacje (dystrybutor) powinna uwzględnić dokonaną przez Dealera ocenę grupy docelowej; jednak dystrybutor, który podlega Dyrektywie MiFID II, jest odpowiedzialny za dokonanie własnej oceny grupy docelowej dla Obligacji i wyznaczenie odpowiednich kanałów dystrybucji.

Niniejszy dokument ("**Warunki Emisji**"), obejmujący także Suplement (zgodnie z definicją poniżej), określa warunki emisji zabezpieczonych obligacji na okaziciela serii 1/2025 ("**Obligacje**"), których emitentem jest **PEU (FIN) PLC** z siedzibą w Londynie, pod adresem: 14th Floor Capital House, 25 Chapel Street, Londyn, Wielka Brytania, NW15DH, zarejestrowana w Companies House pod numerem spółki: 11808114 ("**Emitent**"), dla której prowadzona jest Strona Internetowa Emitenta.

Emisja Obligacji została zorganizowana w ramach programu emisji obligacji Emitenta, który został ustanowiony na podstawie umowy programowej z dnia 2 października 2025 r. zawartej pomiędzy Emitentem jako emitentem, Bankiem Pekao jako dealerem i organizatorem, PKO BP jako m.in. dealerem i organizatorem oraz Santander jako dealerem, organizatorem i globalnym koordynatorem, i zgodnie z nim Emitent może dokonywać wielokrotnych emisji obligacji denominowanych w PLN, rządzonych prawem polskim, do łącznej wartości nominalnej wyemitowanych i niewykupionych obligacji wynoszącej 2.000.000.000 PLN (słownie: dwa miliardy złotych) ("**Program**").

Emitent oświadcza, że zgodnie z prawem Anglii i Walii posiada pełne uprawnienia do emitowania Obligacji.

Emisja Obligacji prowadzona jest na podstawie: (i) art. 33 pkt 1 ustawy z dnia 15 stycznia 2015 r. o obligacjach, z późn. zm. ("**Ustawa o Obligacjach**"); (ii) art. 1(4) (a) Rozporządzenia (UE) 2017/1129, z późn. zm. ("**Rozporządzenie Prospektowe**"); oraz (iii) uchwały Rady Dyrektorów (ang. *Board of Directors*) z dnia 29 października 2025 roku.

Niniejsze Warunki Emisji należy interpretować wraz z Suplementem, a razem ze wszystkimi załącznikami stanowią one jeden dokument w rozumieniu Ustawy o Obligacjach (zgodnie z definicją tego terminu powyżej).

1. DEFINICJE I WYKŁADNIA

1.1 Definicje

W niniejszych Warunkach Emisji:

1.1.1 "**Administrator Stopy Bazowej**" oznacza podmiot, który nadzoruje opracowywanie i publikację WIBOR, wskazany przez Europejski Urząd Nadzoru Giełd i Papierów Wartościowych (ESMA), ujęty w rejestrze administratorów stóp bazowych dostępnym na stronie internetowej Europejskiego Urzędu Nadzoru Giełd i Papierów Wartościowych (ESMA).

1.1.2 "**Agent Dokumentacyjny**" oznacza podmiot wskazany jako agent dokumentacyjny w punkcie 15 Suplementu.

1.1.3 "**Agent Emisji**" oznacza agenta emisji w rozumieniu art. 7a ust. 1 Ustawy o Obrocie, którego funkcję pełni podmiot wskazany w punkcie 14 Suplementu.

1.1.4 "**Agent Kalkulacyjny**" oznacza podmiot wskazany jako agent kalkulacyjny w punkcie 16 Suplementu.

1.1.5 "**ASO**" oznacza alternatywny system obrotu dłużnymi papierami wartościowymi prowadzony przez GPW.

1.1.6 "**Bank Pekao**" oznacza **Bank Polska Kasa Opieki S.A.** z siedzibą w Warszawie, przy ul. Żubra 1, 01-066 Warszawa, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m.st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod KRS 0000014843, NIP 5260006841, REGON 000010205, o kapitale zakładowym wynoszącym 262.470.034,00 PLN w całości opłaconym.

1.1.7 "**Biuro Maklerskie PKO BP**" oznacza PKO BP działający poprzez swój Oddział – Biuro Maklerskie w Warszawie.

1.1.8 "**Cel Emisji**" ma znaczenie nadane temu terminowi w punkcie 3 (*Cel Emisji*) Warunków Emisji.

1.1.9 "**Certyfikat Rezydencji**" oznacza certyfikat rezydencji, o którym mowa w art. 4a pkt 12 ustawy z dnia 15 lutego 1992 r. o podatku dochodowym od osób prawnych, z późniejszymi zmianami lub art. 5a pkt 21 ustawy z dnia 26 lipca 1991 r. o podatku dochodowym od osób fizycznych, z późniejszymi zmianami.

1.1.10 "**Dealerzy**" oznacza łącznie Bank Pekao, PKO BP i Santander, a "**Dealer**" oznacza dowolny z tych podmiotów.

1.1.11 "**Depozyt**" oznacza system rejestracji zdematerializowanych papierów wartościowych prowadzony przez KDPW.

1.1.12 "**Dodatkowa Marża Odsetkowa**" oznacza dodatkową marżę odsetkową wskazaną w punkcie 12 Suplementu.

1.1.13 "**Dozwoleni Posiadacze**" oznacza:

(i) Steenbok Newco 3 Limited;

(ii) Ibex Topco B.V.; oraz

(iii) pięć holenderskich fundacji powierniczych specjalnego przeznaczenia (*stichtingen*), które łącznie posiadają 100% prawa głosu w Ibex Topco B.V.

1.1.14 "**Dzień Emisji**" oznacza dzień emisji Obligacji wskazany w punkcie 3 Suplementu.

1.1.15 "**Dzień Płatności Kwoty do Zapłaty**" oznacza każdy dzień, w którym dana Kwota do Zapłaty stanie się wymagalna, zgodnie z niniejszymi Warunkami

Emisji, z zastrzeżeniem, że dany dzień może zostać przesunięty zgodnie z Konwencją Zmodyfikowanego Następnego Dnia Roboczego, a także ze względu na natychmiastowy lub wcześniejszy wykup Obligacji.

1.1.16 "**Dzień Płatności Odsetek**" oznacza każdy dzień wyszczególniony w punkcie 9 Suplementu.

1.1.17 "**Dzień Rejestracji**" oznacza dzień rejestracji Obligacji w Depozycie.

1.1.18 "**Dzień Roboczy**" oznacza:

(a) na potrzeby jakichkolwiek zawiadomień dokonywanych przez Emitenta na podstawie niniejszych Warunków Emisji – każdy dzień, z wyjątkiem sobót, niedziel i innych dni ustawowo wolnych od pracy, w którym banki są otwarte i prowadzą ogólną działalność w Polsce i Wielkiej Brytanii; lub

(b) w każdym innym przypadku niż na potrzeby zawiadomień dokonywanych przez Emitenta na podstawie niniejszych Warunków Emisji (w tym, w szczególności, na potrzeby ustalenia Stopy Procentowej lub wypłaty świadczeń z tytułu Obligacji) – każdy dzień, z wyjątkiem sobót, niedziel i innych dni ustawowo wolnych od pracy, w którym banki w Polsce, KDPW oraz podmioty prowadzące rachunki papierów wartościowych i rachunki zbiorcze prowadzą działalność w sposób umożliwiający im podejmowanie czynności na podstawie niniejszych Warunków Emisji.

1.1.19 "**Dzień Ustalenia Praw**" oznacza trzeci (3) Dzień Roboczy przed Dniem Płatności Odsetek lub Dniem Wykupu lub inny dzień określony zgodnie z aktualnie obowiązującymi Regulacjami KDPW w zakresie ustalania praw do Obligacji, przy czym uprawnionych do świadczeń z tytułu wykupu Obligacji, które spełniane są po Dniu Wykupu, ustala się każdorazowo według stanu na 2 (drugi) Dzień Roboczy po dniu, w którym kwota świadczenia została przekazana KDPW.

1.1.20 "**Dzień Ustalenia Stopy Procentowej**" oznacza, o ile z aktualnie obowiązujących regulacji GPW lub KDPW nie wynika obowiązek odmiennego ustalenia daty stopy procentowej, dzień przypadający 3 (trzy) Dni Robocze przed pierwszym dniem Okresu Odsetkowego, w którym ma obowiązywać dana Stopa Procentowa, zaś w przypadku, o którym mowa w punkcie 5.5.5, oznacza dzień wynikający z zasad ustalenia Stopy Bazowej w oparciu o Wskaźnik Alternatywny, w każdym przypadku z uwzględnieniem standardu rynkowego oraz z uwzględnieniem odpowiednich regulacji ASO dotyczących przekazywania informacji o ustalonej Stopie Procentowej i Kwocie Odsetek od Obligacji.

1.1.21 "**Dzień Wejścia w Życie Zdarzenia Regulacyjnego**" oznacza:

(a) w przypadku Braku Zezwolenia Administratora – dzień, w którym Administratorowi Stopy Bazowej cofnięto lub zawieszono zezwolenie; lub

(b) w przypadku Ogłoszenia Końca Publikacji – dzień, w którym Stopa Bazowa przestała być publikowana.

1.1.22 "**Dzień Wcześniejszego Wykupu**" oznacza dzień, w którym nastąpi Wcześniejszy Wykup.

1.1.23 "**Dzień Wykupu**" oznacza dzień wykupu wskazany z punkcie 4 Suplementu.

1.1.24 "**Ewidencja**" oznacza ewidencję osób uprawnionych z Obligacji prowadzoną przez Agenta Emisji, stosownie do treści art. 7a ust. 4 pkt 4 Ustawy o Obrocie.

1.1.25 "**Grupa**" oznacza Poręczyciela (Holandia) i jego Podmioty Zależne.

1.1.26 "**GPW**" oznacza Giełdę Papierów Wartościowych w Warszawie S.A. z siedzibą w Warszawie.

1.1.27 "**Imienne Świadectwo Depozytowe**" oznacza imienne świadectwo depozytowe w rozumieniu art. 9 Ustawy o Obrocie, określające w szczególności liczbę Obligacji posiadaną przez danego Obligatariusza oraz termin ich obowiązywania.

1.1.28 "**KDPW**" oznacza Krajowy Depozyt Papierów Wartościowych S.A. z siedzibą w Warszawie.

1.1.29 "**Kontrola**" oznacza:

(a) uprawnienie do głosowania bądź kontrolowania głosowania przez osobę lub osoby posiadające co najmniej 50% plus jeden głos na zgromadzeniu wspólników lub walnym zgromadzeniu; lub

(b) uprawnienie do powoływania lub odwoływania wszystkich lub większości członków rady nadzorczej lub zarządu, w zależności od przypadku; lub

(c) uprawnienie do wydawania poleceń dotyczących działalności i strategii finansowych, do których przestrzegania zobowiązani są członkowie zarządu (lub równoważny organ zarządzający).

1.1.30 "**Konwencja Zmodyfikowanego Następnego Dnia Roboczego**" oznacza regułę, zgodnie z którą data, do której ma zastosowanie Konwencja Zmodyfikowanego Następnego Dnia Roboczego, przypadająca na dzień niebędący Dniem Roboczym jest przesuwana na najbliższy Dzień Roboczy przypadający po tej dacie, jeżeli ów dzień przypada w tym samym miesiącu kalendarzowym co ta data. W przeciwnym razie data przypadająca na dzień niebędący Dniem Roboczym przesuwana jest na najbliższy Dzień Roboczy przed tą datą.

1.1.31 "**Korekta**" oznacza wartość lub działanie, które korygują wartość Wskaźnika Alternatywnego. Wartość korekty może być wartością dodatnią, ujemną, zerową, jak również może być określona wzorem lub metodą obliczenia (np. poprzez składanie czy kapitalizowanie dziennych stawek procentowych przez okres, dla którego obliczane są odsetki) oraz może obejmować inne korekty

związane z ograniczeniem skutków ekonomicznych wynikających z zastąpienia Stopy Bazowej Wskaźnikiem Alternatywnym. Dla uniknięcia wątpliwości ustalenie Korekty nie oznacza rozpoczęcia opracowywania nowego wskaźnika referencyjnego w rozumieniu Rozporządzenia BMR.

1.1.32 "**Kwalifikowane Zrównoważone Wydatki**" oznacza projekty lub wydatki realizowane zgodnie z Ramowymi Zasadami Zielonych Obligacji.

1.1.33 "**Kwota do Zapłaty**" oznacza Kwotę Odsetek, Kwotę Główną lub Premię, płatną w Dniu Płatności Kwoty do Zapłaty, którą Emitent jest zobowiązany zapłacić Obligatariuszom zgodnie z niniejszymi Warunkami Emisji.

1.1.34 "**Kwota Główna**" oznacza, w odniesieniu do każdej pojedynczej Obligacji, kwotę odpowiadającą jej wartości nominalnej.

1.1.35 "**Kwota Odsetek**" oznacza kwotę odsetek należną Obligatariuszowi z tytułu posiadanych przez niego Obligacji.

1.1.36 "**Marża Odsetkowa**" oznacza marżę odsetkową wskazaną w punkcie 11 Suplementu.

1.1.37 "**Materiały Przechowywane**" oznacza dokumenty, informacje i komunikaty publikowane w wykonaniu Ustawy o Obligacjach na Stronie Internetowej Emitenta w związku z Obligacjami oraz przekazywane do Agenta Dokumentacyjnego na podstawie art.16 Ustawy o Obligacjach.

1.1.38 "**MSSF**" oznacza Międzynarodowe Standardy Sprawozdawczości Finansowej zgodnie z treścią Rozporządzenia (WE) nr 1606/2002 Parlamentu Europejskiego i Rady z dnia 19 lipca 2002 r. w sprawie stosowania międzynarodowych standardów rachunkowości, lub inne przyjęte przez Unię Europejską standardy je zastępujące.

1.1.39 "**Niezależna Opinia Ekspercka**" oznacza niezależną opinię ekspercką z dnia 29 września 2025 r. wydaną przez agencję Sustainable Fitch, opublikowaną na Stronie Internetowej Emitenta, dotyczącą zgodności Ramowych Zasad Zielonych Obligacji z Zasadami Zielonych Obligacji lub jakąkolwiek inną opinię ją zastępującą lub uzupełniającą, wydaną przez renomowanego wystawcę niezależnej opinii eksperckiej, dostępną na Stronie Internetowej Emitenta, dotyczącą zgodności Ramowych Zasad Zielonych Obligacji z Zasadami Zielonych Obligacji.

1.1.40 "**Obligatariusz**" oznacza osobę lub podmiot wpisany do Ewidencji jako uprawniony do otrzymania świadczeń z Obligacji, zaś od Dnia Rejestracji – posiadacza Rachunku Papierów Wartościowych, na którym zapisane są Obligacje, lub osobę wskazaną podmiotowi prowadzącemu Rachunek Zbiorczy przez posiadacza tego rachunku jako osoba uprawniona z Obligacji zapisanych na takim rachunku.

1.1.41 "**Odpowiednia Jurysdykcja**" oznacza, w odniesieniu do Emitenta i Poręczycieli, jurysdykcję, na podstawie prawa której Emitent lub odpowiedni Poręczyciel jest zarejestrowany na dzień Warunków Emisji.

1.1.42 "**Ogłoszenie Zgromadzenia Obligatariuszy**" oznacza ogłoszenie o zwołaniu Zgromadzenia Obligatariuszy, o którym mowa w punkcie 10.2.5 Warunków Emisji.

1.1.43 "**Okres Naprawczy**" ma znaczenie nadane temu terminowi w punkcie 9.4.2(d) Warunków Emisji.

1.1.44 "**Okres Odsetkowy**" oznacza okres od Dnia Emisji (włącznie) do pierwszego Dnia Płatności Odsetek (z wyłączeniem tego dnia) oraz każdy następny okres trwający od poprzedniego Dnia Płatności Odsetek (włącznie) do następnego Dnia Płatności Odsetek (z wyłączeniem tego dnia), przy czym ostatni Okres Odsetkowy może zakończyć się w Dniu Wykupu (z wyłączeniem tego dnia) lub w Dniu Wcześniejszego Wykupu (z wyłączeniem tego dnia).

1.1.45 "**Oznaczone Biuro**" ma znaczenie nadane temu terminowi w punkcie 16.1 Warunków Emisji.

1.1.46 "**PKO BP**" oznacza **Powszechną Kasę Oszczędności Bank Polski S.A.** z siedzibą w Warszawie, przy ul. Świętokrzyskiej 36, 00-116 Warszawa, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m.st. Warszawy w Warszawie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS 0000026438, NIP 5250007738 i REGON 016298263, o kapitale zakładowym wynoszącym 1.250.000.000,00 PLN opłaconym w całości.

1.1.47 "**Podatek Dochodowy**" oznacza zryczałtowany podatek dochodowy w rozumieniu polskich lub angielskich przepisów prawa podatkowego.

1.1.48 "**Podmiot Prowadzący Rachunek**" oznacza podmiot prowadzący Rachunek Papierów Wartościowych lub Rachunek Zbiorczy, na którym zarejestrowane są Obligacje.

1.1.49 "**Podmiot Przechowujący Poręczenie**" oznacza Wojciecha Radtke prowadzącego kancelarię notarialną w Poznaniu (61-512) przy ul. Pamiątkowej 2/6.

1.1.50 "**Podmiot Wyznaczający**" oznacza (i) organ państwowy lub inny organ władzy publicznej, który w ustawie lub rozporządzeniu do ustawy wskazał wskaźnik do stosowania zamiast wskaźnika, na podstawie którego jest określone oprocentowanie dla Obligacji, (ii) Narodową Grupę Roboczą ds. reformy wskaźników referencyjnych, (iii) inne podobne ciało, grupę lub organizację powołane na podstawie przepisów prawa lub w inny sposób przez organ państwowy lub inny organ władzy publicznej w celu wskazania zamiennika dla wskaźnika, na podstawie którego jest określone oprocentowanie dla Obligacji, na zasadach analogicznych do zasad Narodowej Grupy Roboczej ds. reformy wskaźników referencyjnych, lub (iv) Komisję Nadzoru Finansowego.

1.1.51 "**Podmiot Zależny**" oznacza podmiot, w którym dana osoba bezpośrednio lub pośrednio sprawuje kontrolę lub posiada 50% i jeden udział lub więcej udziałów w kapitale dających prawo głosu lub podobnych praw własności, a "kontrola" na potrzeby tej definicji oznacza możliwość kierowania zarządem, radą

dyrektorów lub innym podobnym organem zarządzającym i polityką tego podmiotu poprzez własność udziałów w kapitale dających prawo głosu, na podstawie umowy lub w inny sposób.

1.1.52 "**Podmioty Zobowiązane**" oznacza Emitenta i Poręczycieli, a "**Podmiot Zobowiązany**" oznacza dowolny z tych podmiotów.

1.1.53 "**Podstawowa Działalność**" oznacza prowadzenie dyskontowych sklepów detalicznych w całej Europie, oferujących odzież, artykuły gospodarstwa domowego i towary codziennego użytku klientom dbającym o budżet (z wyłączeniem działalności gospodarczej Dealz).

1.1.54 "**Poręczenia**" oznacza poręczenia rządzone prawem polskim udzielone przez każdego z Poręczycieli na podstawie oświadczeń Poręczycieli o udzieleniu poręczenia z dnia 29 października 2025 r., sporządzone w formie aktu notarialnego na rzecz każdego Obligatariusza, stanowiące Załącznik 8 (*Poręczenia*) do Warunków Emisji, a "**Poręczenie**" oznacza każde z nich.

1.1.55 "**Poręczyciel (Holandia)**" oznacza **Pepco Group N.V.**, spółkę akcyjną (*naamloze vennootschap*) należycie utworzoną zgodnie z prawem Holandii, z siedzibą w Amsterdamie, posiadający następujący zarejestrowany adres: 14th Floor, Capital House, 25 Chapel Street, Londyn, NW1 5DH, Wielka Brytania, zarejestrowaną przez Holenderską Izbę Handlową (*Kamer van Koophandel*) pod numerem: 81928491.

1.1.56 "**Poręczyciel (Polska)**" oznacza **Pepco Poland sp. z o.o.**, spółkę z ograniczoną odpowiedzialnością, należycie utworzoną zgodnie z prawem polskim, z siedzibą w Poznaniu, przy ul. Strzeszyńskiej 73A, 60-479 Poznań, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy Poznań – Nowe Miasto i Wilda w Poznaniu, VIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS: 0000111962, NIP: 7822131157 oraz REGON: 639669292, o kapitale zakładowym w wysokości 27.000.000,00 PLN.

1.1.57 "**Poręczyciele**" oznacza łącznie Poręczyciela (Holandia) i Poręczyciela (Polska), a "**Poręczyciel**" oznacza któregokolwiek z nich.

1.1.58 "**Postanowienia Kwalifikowane**" oznacza postanowienia kwalifikowane warunków emisji w rozumieniu art. 49 ust. 1 Ustawy o Obligacjach.

1.1.59 "**Premia**" oznacza kwotę płatną przez Emitenta na rzecz Obligatariuszy w przypadku Wcześniejszego Wykupu Obligacji z inicjatywy Emitenta, o którym mowa w punkcie 9.1.4, w wysokości określonej w punkcie 17 Suplementu.

1.1.60 "**Propozycja Nabycia Obligacji**" oznacza propozycję nabycia Obligacji w rozumieniu art. 34 Ustawy o Obligacjach, zawierającą informacje wymagane na mocy art. 35 Ustawy o Obligacjach.

1.1.61 "**Przypadek Niewypełnienia Zobowiązania**" oznacza którekolwiek ze zdarzeń wymienionych w punkcie 9.6.1 Warunków Emisji.

1.1.62 "**Rachunek Obligacji**" oznacza Rachunek Zbiorczy lub Rachunek Papierów Wartościowych.

1.1.63 "**Rachunek Papierów Wartościowych**" oznacza rachunek papierów wartościowych w rozumieniu art. 4 ust. 1 Ustawy o Obrocie.

1.1.64 "**Rachunek Zbiorczy**" oznacza rachunek zbiorczy w rozumieniu art. 8a Ustawy o Obrocie.

1.1.65 "**Ramowe Zasady Zielonych Obligacji**" oznacza dokument zawierający ramowe zasady zrównoważonego finansowania dla Grupy Pepco (*Pepco Group Sustainable Finance Framework*) z dnia 29 września 2025 r. lub jakikolwiek inny dokument go zastępujący lub uzupełniający, sporządzony przez Emitenta i opublikowany na Stronie Internetowej Emitenta, pozytywnie zweryfikowany w Niezależnej Opinii Eksperckiej.

1.1.66 "**Regulacje**" oznaczają Regulamin ASO, Regulacje KDPW lub wszelkie inne regulacje oraz jakiekolwiek inne uchwały mające zastosowanie do organizacji i funkcjonowania ASO oraz KDPW.

1.1.67 "**Regulacje KDPW**" oznacza obowiązujące regulaminy, uchwały, procedury i innego rodzaju regulacje przyjęte przez KDPW, określające sposób prowadzenia przez KDPW systemu depozytowego, w szczególności Regulamin Krajowego Depozytu Papierów Wartościowych i Szczegółowe zasady działania Krajowego Depozytu Papierów Wartościowych.

1.1.68 "**Regulamin ASO**" oznacza regulamin alternatywnego systemu obrotu organizowanego przez GPW lub inny dokument, który go zastąpi.

1.1.69 "**Rozporządzenie BMR**" oznacza Rozporządzenie Parlamentu Europejskiego i Rady (UE) 2016/1011 z dnia 8 czerwca 2016 r. w sprawie indeksów stosowanych jako wskaźniki referencyjne w instrumentach finansowych i umowach finansowych lub do pomiaru wyników funduszy inwestycyjnych i zmieniające dyrektywy 2008/48/WE i 2014/17/UE oraz rozporządzenie (UE) nr 596/2014.

1.1.70 "**Rozporządzenie MAR**" oznacza rozporządzenie Parlamentu Europejskiego i Rady (UE) nr 596/2014 z dnia 16 kwietnia 2014 r. w sprawie nadużyć na rynku oraz uchylające dyrektywę 2003/6/WE Parlamentu Europejskiego i Rady oraz dyrektywy Komisji 2003/124/WE, 2003/125/WE i 2004/72/WE.

1.1.71 "**Sankcje**" oznacza przepisy prawa i regulacje dotyczące sankcji gospodarczych, finansowych lub handlowych, embarga lub inne środki ograniczające, przyjęte lub egzekwowane przez (i) Unię Europejską, w tym jej państwa członkowskie; (ii) Zjednoczone Królestwo Wielkiej Brytanii i Irlandii Północnej; (iii) Konfederację Szwajcarską; (iv) Stany Zjednoczone Ameryki; (v) Organizację Narodów Zjednoczonych, oraz (vi) odpowiednie instytucje i agendy rządowe, między innymi Urząd Kontroli Aktywów Zagranicznych *(Office of Foreign Assets Control* – OFAC), amerykański Departament Skarbu, amerykański Departament Stanu, amerykański Departament Handlu, Urząd Skarbowy

Zjednoczonego Królestwa i Irlandii Północnej (*His Majesty's Treasury*), obejmujący, między innymi Terytorium Objęte Sankcjami.

1.1.72 "**Santander**" oznacza **Santander Bank Polska S.A.** z siedzibą w Warszawie, przy al. Jana Pawła II 17, 00-854 Warszawa, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m.st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS 0000008723, NIP 8960005673, REGON 930041341, o kapitale zakładowym wynoszącym 1.021.893.140,00 PLN opłaconym w całości.

1.1.73 "**Seria**" oznacza serię Obligacji wyemitowanych na podstawie Warunków Emisji, o numerze określonym w punkcie 1 Suplementu.

1.1.74 "**Skorygowana Łączna Wartość Nominalna Obligacji**" ma znaczenie nadane temu terminowi w art. 50 ust. 1 pkt 2 Ustawy o Obligacjach.

1.1.75 "**Stopa Bazowa**" oznacza stopę bazową wskazaną w Punkcie 10 Suplementu.

1.1.76 "**Stopa Procentowa**" oznacza stopę procentową ustalaną zgodnie z postanowieniami punktu 5.5 (*Ustalenie Stopy Procentowej*), na podstawie, której obliczana będzie Kwota Odsetek.

1.1.77 "**Strona Internetowa Emitenta**" oznacza stronę internetową Emitenta dostępną pod adresem: https://www.pepcogroup.eu/investors lub inną stronę internetową, o której Emitent powiadomi Obligatariuszy poprzez publikację ogłoszenia na takiej stronie internetowej co najmniej trzydzieści (30) dni przed zmianą adresu strony internetowej Emitenta.

1.1.78 "**Suplement**" oznacza suplement stanowiący Załącznik 1 (*Suplement*).

1.1.79 "**Szczegółowe Zasady KDPW**" oznacza Szczegółowe Zasady Działania KDPW lub inny dokument, który je zastąpi.

1.1.80 "**Terytorium Objęte Sankcjami**" oznacza każdy kraj lub terytorium objęte ogólnym embargiem eksportowym, importowym, finansowym lub inwestycyjnym na mocy obowiązujących sankcji, które (na dzień niniejszych Warunków Emisji) obejmują tzw. Doniecką Republikę Ludową, tzw. Ługańską Republikę Ludową, Kubę, Iran, Koreę Północną, Syrię, Rosję, Białoruś, Sudan i Sudan Południowy.

1.1.81 "**TISE**" oznacza "The International Stock Exchange Group Limited" z siedzibą w Guernsey.

1.1.82 "**Uchwała A Priori**" ma znaczenie nadane temu terminowi w punkcie 9.5.1 Warunków Emisji.

1.1.83 "**Uchwała Zgromadzenia Obligatariuszy**" oznacza uchwałę Zgromadzenia Obligatariuszy ważnie podjętą zgodnie z Warunkami Emisji i Ustawą o Obligacjach.

1.1.84 "**Uprawnieni Obligatariusze**" ma znaczenie nadane temu terminowi w punkcie 10.2.1 Warunków Emisji;

1.1.85 "**Ustawa o Obrocie**" oznacza ustawę z dnia 29 lipca 2005 roku o obrocie instrumentami finansowymi, z późniejszymi zmianami.

1.1.86 "**Ustawa o Rachunkowości**" oznacza ustawę z dnia 29 września 1994 r. o rachunkowości, z późniejszymi zmianami.

1.1.87 "**Wcześniejszy Wykup**" oznacza wykup Obligacji przypadający przed Dniem Wykupu, przeprowadzony zgodnie z punktem 9 (*Wcześniejszy Wykup Obligacji*) Warunków Emisji.

1.1.88 "**WIBOR**" oznacza wskaźnik referencyjny WIBOR podany przez GPW Benchmark S.A. (lub każdego jej oficjalnego następcę) w Dniu Ustalenia Stopy Procentowej dla depozytów w PLN i dla okresu (terminu) równego Właściwemu Tenorowi, wyrażony w punktach procentowych w skali roku.

1.1.89 "**Właściwy Tenor**" oznacza termin (okres) dla depozytów w PLN, którego długość wskazano w punkcie 13 Suplementu.

1.1.90 "**Wskaźnik Alternatywny**" oznacza wskaźnik ustalony zgodnie z punktami 5.5.6 - 5.5.13 oraz opracowany zgodnie z Rozporządzeniem BMR (jeżeli ma zastosowanie), który zastąpi Stopę Bazową.

1.1.91 "**Zasady Zielonych Obligacji**" oznaczają Zasady Zielonych Obligacji dla celów procesu emisji zielonych obligacji opublikowane w czerwcu 2025 r. (wraz ze zmienionym załącznikiem nr 1 opublikowanym w czerwcu 2022 r.) przez International Capital Market Association (ICMA).

1.1.92 "**Zaświadczenie o Zgodności**" oznacza zaświadczenie dostarczone zgodnie z punktem 11.2 Warunków Emisji, sporządzone zgodnie ze wzorem stanowiącym Załącznik 2 (*Wzór Zaświadczenia o Zgodności*).

1.1.93 "**Zawiadomienie o Przypadku Niewypełnienia Zobowiązania**" oznacza dokument podpisany przez podmioty uprawnione do reprezentacji Emitenta, w którym Emitent informuje Obligatariuszy o wystąpieniu Przypadku Niewypełnienia Zobowiązania, którego wzór stanowi Załącznik 3 (*Wzór Zawiadomienie o Przypadku Niewypełnienia Zobowiązania*) do Warunków Emisji.

1.1.94 "**Zawiadomienie o Ustaniu Przypadku Niewypełnienia Zobowiązania**" oznacza dokument podpisany przez podmioty uprawnione do reprezentacji Emitenta, w którym Emitent informuje Obligatariuszy o ustaniu Przypadku Niewypełnienia Zobowiązania, którego wzór stanowi Załącznik 5 *Wzór Zawiadomienie o Ustaniu Przypadku Niewypełnienia Zobowiązania*) do Warunków Emisji.

1.1.95 "**Zawiadomienie o Ustaniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu**" oznacza dokument podpisany przez podmioty uprawnione do reprezentacji Emitenta, w którym Emitent informuje Obligatariuszy o ustaniu Zdarzenia Stanowiącego Podstawę

Skorzystania z Opcji Wcześniejszego Wykupu, którego wzór stanowi Załącznik 6 (*Wzór Zawiadomienie o Ustaniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu*) do Warunków Emisji.

1.1.96 "**Zawiadomienie o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu**" oznacza dokument podpisany przez podmioty uprawnione do reprezentacji Emitenta, w którym Emitent informuje Obligatariuszy o wystąpieniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, którego wzór stanowi Załącznik 4 (*Wzór Zawiadomienie o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu*) do Warunków Emisji.

1.1.97 "**Zbycie**" oznacza sprzedaż, dzierżawę, wynajem, licencjonowanie, zbycie, wypożyczenie lub inne rozporządzenie przez jakąkolwiek osobę składnikiem majątku, zakładem lub przedsiębiorstwem, obejmujące sprzedaż lub inne zbycie przedsiębiorstwa (lub części przedsiębiorstwa) (niezależnie od tego, czy odbywa się w ramach pojedynczej transakcji, czy serii transakcji zawartych dobrowolnie lub niedobrowolnie).

1.1.98 "**Zdarzenie Regulacyjne**" oznacza każde z poniższych zdarzeń:

(a) sytuację, w której organ właściwy dla Administratora Stopy Bazowej wycofa lub zawiesi zezwolenie zgodnie z Rozporządzeniem BMR, o ile w chwili zawieszenia lub wycofania nie został wyznaczony zastępca Administratora Stopy Bazowej, który kontynuowałby opracowywanie Stopy Bazowej ("**Brak Zezwolenia Administratora**"); lub

(b) wydanie publicznego oświadczenia przez Administratora Stopy Bazowej lub podmiot go nadzorujący, że Administrator Stopy Bazowej zaprzestał lub zaprzestanie opracowywania lub publikowania Stopy Bazowej trwale lub na czas nieokreślony, pod warunkiem, że w momencie takiego ogłoszenia nie ma następcy Administratora Stopy Bazowej, który kontynuowałby opracowywanie lub publikowanie Stopy Bazowej ("**Ogłoszenie Końca Publikacji**").

1.1.99 "**Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu**" oznacza którekolwiek ze zdarzeń wymienionych w punkcie 9.4.1 Warunków Emisji.

1.1.100 "**Zgromadzenie Obligatariuszy**" oznacza reprezentację ogółu Obligatariuszy uprawnionych z Obligacji tej Serii, przeprowadzone zgodnie z zasadami zawartymi w Warunkach Emisji i Ustawie o Obligacjach.

1.1.101 "**Zmiana Kontroli**" oznacza posiadanie bezpośredniej lub pośredniej kontroli nad Poręczycielem (Holandia) przez osobę lub grupę osób (innych niż Dozwolony Posiadacz) działających w porozumieniu.

Na potrzeby niniejszej definicji ***kontrola*** nad Poręczycielem (Holandia) oznacza:

(a) uprawnienie (na podstawie własności akcji, pełnomocnictwa, umowy, stosunku agencyjnego lub na innej podstawie) do:

(i) oddania lub kontrolowania oddania więcej niż połowy maksymalnej liczby głosów, które mogą zostać oddane na walnym zgromadzeniu Poręczyciela (Holandia);

(ii) mianowania lub odwołania wszystkich lub większości dyrektorów Poręczyciela (Holandia);

(iii) wydawanie wytycznych dotyczących polityki operacyjnej i finansowej Poręczyciela (Holandia) i jego Grupy, do których przestrzegania zobowiązani są dyrektorzy Poręczyciela (Holandia); lub

(b) posiada ponad 50% wyemitowanego kapitału zakładowego Poręczyciela (Holandia) (z wyłączeniem jakiejkolwiek części wyemitowanego kapitału zakładowego, z której nie wynika żadne prawo do udziału w podziale zysków lub kapitału powyżej określonej kwoty).

Na potrzeby niniejszej definicji ***działanie w porozumieniu*** oznacza grupę osób, które na podstawie umowy lub porozumienia (formalnego lub nieformalnego) aktywnie współpracują poprzez nabycie, bezpośrednio lub pośrednio, akcji Poręczyciela (Holandia) przez którąkolwiek z nich, bezpośrednio lub pośrednio, w celu uzyskania lub umocnienia kontroli nad Poręczycielem (Holandia).

1.1.102 "**Zobowiązania Finansowe**" oznacza Wskaźnik Dźwigni oraz Wskaźnik Pokrycia Odsetek.

1.1.103 "**Żądanie Zwołania Zgromadzenia Obligatariuszy**" ma znaczenie nadane w punkcie 10.2.1.

1.2 Wykładnia

W niniejszych Warunkach Emisji:

1.2.1 o ile wyraźnie nie wskazano inaczej, odniesienia do punktu, podpunktu lub Załącznika stanowią odniesienia do punktu, podpunktu lub Załącznika do niniejszych Warunków Emisji;

1.2.2 odniesienia do:

(a) niniejszych Warunków Emisji lub jakiegokolwiek innego dokumentu obejmują odniesienia do niniejszych Warunków Emisji lub jakiegokolwiek innego dokumentu z późniejszymi zmianami; oraz

(b) przepisu prawa, ustawy lub rozporządzenia, obejmują odniesienia do tego przepisu prawa, ustawy lub rozporządzenia z późniejszymi zmianami oraz przepisów prawa, ustawy lub rozporządzenia, które je zastąpią;

1.2.3 wyrażenia "obejmuje" lub "w tym" lub "w szczególności" będą interpretowane jako nietworzące zamkniętej listy;

1.2.4 wyrażenie "aktywa" obejmuje nieruchomości, aktywa, przedsiębiorstwa, przedsięwzięcia, przychody i prawa każdego rodzaju (w tym nieopłacony kapitał zakładowy), obecne i przyszłe, faktyczne lub warunkowe oraz wszelkie udziały w powyższych;

1.2.5 tytuły oraz podtytuły użyte na początku niektórych punktów niniejszych Warunków Emisji zostały podane wyłącznie dla ułatwienia i nie mają wpływu na interpretację niniejszych Warunków Emisji;

1.2.6 terminy użyte w liczbie pojedynczej obejmują także, o ile kontekst nie wymaga inaczej, liczbę mnogą i na odwrót. Definicje terminów użyte w liczbie pojedynczej odnoszą się także, o ile kontekst nie wymaga inaczej, do tych terminów w liczbie mnogiej i na odwrót;

1.2.7 odniesienie do kwoty koszyka, progu lub limitu wyrażonego w jednej walucie obejmuje jego równowartość w innych walutach.

2. OPIS OBLIGACJI

2.1 Każda Obligacja wyemitowana zgodnie z niniejszymi Warunkami Emisji (w tym zgodnie z Suplementem) jest papierem wartościowym na okaziciela, emitowanym w Serii zgodnie z art. 4 ust. 1 Ustawy o Obligacjach, nieposiadającym formy dokumentu. Obligacje, zgodnie z punktem 13 (*Wprowadzenie Obligacji do obrotu na ASO oraz TISE*) niniejszych Warunków Emisji, zostaną wprowadzone do obrotu na ASO oraz wprowadzone do obrotu i notowane na TISE.

2.2 W odniesieniu do każdej Obligacji Emitent oświadcza, że jest dłużnikiem Obligatariusza i zobowiązuje się do spełnienia świadczenia pieniężnego polegającego na zapłacie Kwoty do Zapłaty w sposób i w terminach określonych w Warunkach Emisji.

2.3 Prawa z Obligacji powstają w chwili dokonania zapisów w Ewidencji. Prawa z Obligacji przysługują osobie lub podmiotowi wskazanemu w Ewidencji, zaś od Dnia Rejestracji – osobom będącym posiadaczami rachunku papierów wartościowych, na których zapisane są Obligacje, oraz każdej osobie wskazanej przez posiadacza Rachunku Zbiorczego jako podmiot uprawniony z Obligacji.

2.4 Prawa z Obligacji powstają zgodnie z Ustawą o Obligacjach, Ustawą o Obrocie oraz innymi odpowiednimi Regulacjami, które będą miały zastosowanie do Obligacji.

2.5 Przyjęcie Propozycji Nabycia Obligacji może zostać złożone w formie pisemnej lub elektronicznej z wykorzystaniem wzoru stanowiącego załącznik do Propozycji Nabycia Obligacji.

2.6 Wartość nominalna jednej Obligacji została wskazana w punkcie 6 Suplementu.

2.7 W ramach Serii maksymalna liczba Obligacji oferowanych na podstawie niniejszych Warunków Emisji jest określona w punkcie 2 Suplementu. Maksymalna łączna wartość

nominalna Obligacji oferowanych na podstawie niniejszych Warunków Emisji jest określona w punkcie 5 Suplementu.

2.8 Obligacje wyemitowane zgodnie z niniejszymi Warunkami Emisji są obligacjami zabezpieczonymi.

2.9 Obligacje emitowane są w Dniu Emisji.

2.10 Miejscem emisji Obligacji jest Warszawa.

2.11 Obligacje stanowią bezpośrednie, bezwarunkowe i zabezpieczone zobowiązania Emitenta, są równe i równorzędne względem siebie oraz (z zastrzeżeniem wyjątków wynikających z bezwzględnie obowiązujących przepisów prawa) mają kolejność zaspokojenia nie niższą względem wszystkich pozostałych obecnych lub przyszłych bezpośrednich, bezwarunkowych i niezabezpieczonych zobowiązań Emitenta.

3. CEL EMISJI

3.1 Wpływy netto z emisji Obligacji (tj. po pokryciu kosztów emisji Obligacji) Emitent przeznaczy na finansowanie lub refinansowanie Kwalifikowanych Zrównoważonych Wydatków ("**Cel Emisji**").

3.2 Wpływy netto z emisji Obligacji zostaną zaksięgowane na odrębnym rachunku lub rachunkach Emitenta przeznaczonych na Cel Emisji.

3.3 Wpływy netto z emisji Obligacji będą zarządzane zgodnie z Ramowymi Zasadami Emisji Zielonych Obligacji.

3.4 Emitent udostępni poprzez publikację na Stronie Internetowej Emitenta raport z wykorzystania wpływów netto z emisji Obligacji oraz raport wpływu zgodnie z Ramowymi Zasadami Zielonych Obligacji. Pierwszy raport na temat wykorzystania wpływów netto z emisji Obligacji oraz raport wpływu zostaną opublikowane w ciągu dwunastu (12) miesięcy od Daty Emisji, a następnie będą aktualizowane corocznie do momentu, gdy wpływy netto z emisji Obligacji zostaną w całości przeznaczone na Kwalifikowane Zrównoważone Wydatki. Sprawozdanie z wykorzystania wpływów netto z emisji Obligacji będzie zawierał co najmniej: (i) kwotę zidentyfikowanych Kwalifikowanych Zrównoważonych Wydatków (w ujęciu zagregowanym dla każdej kwalifikowanej kategorii); (ii) saldo nieprzydzielonych wpływów (jeśli takie istnieją); (iii) kwotę udziału procentowego nowego finansowania i refinansowania; oraz (iv) charakter Kwalifikowanych Zrównoważonych Wydatków. Raport dotyczący wpływu zostanie przygotowany zgodnie z zasadami opisanymi w Zharmonizowanych ramach raportowania wpływu (*Harmonized Framework for Impact Reporting*) opublikowanych przez ICMA. Informacje o istotnych zdarzeniach, takich jak zmiany Ramowych Zasad Zielonych Obligacji lub zmiany w wykazie Kwalifikowanych Zrównoważonych Wydatków finansowanych lub refinansowanych ze środków netto pochodzących z Obligacji, będą udostępniane przez Emitenta poprzez publikację na

Stronie Internetowej Emitenta zgodnie z zasadami określonymi w Ramowych Zasadach Zielonych Obligacji.

3.5 Cel Emisji, o którym mowa w niniejszym punkcie 2 (*Cel Emisji*), stanowi cel emisji w rozumieniu art. 32 Ustawy o Obligacjach.

4. ZABEZPIECZENIE

4.1 Roszczenia Obligatariuszy wynikające z istniejących i przyszłych roszczeń pieniężnych Obligatariuszy wobec Emitenta z tytułu Obligacji, wraz z wszelkimi dodatkowymi roszczeniami wynikającymi z Obligacji, w maksymalnym dopuszczalnym prawem zakresie, w tym w szczególności roszczenia o wykup Obligacji, zapłatę wszelkich odsetek (w tym odsetek za zwłokę) oraz Premii, w tym wszelkie roszczenia odszkodowawcze wynikające z Przypadku Niewypełnienia Zobowiązania lub Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu na podstawie Warunków Emisji, kosztów egzekucji oraz wszelkich innych powiązanych kosztów i roszczeń akcesoryjnych, są zabezpieczone Poręczeniami udzielonymi przez każdego Poręczyciela do kwoty 720.000.000,00 PLN (słownie: siedemset dwadzieścia milionów złotych). W przypadku niedokonania przez Emitenta jakiejkolwiek płatności z tytułu Obligacji, Obligatariusz będzie miał prawo do dochodzenia swoich roszczeń z tytułu Poręczenia poprzez podniesienie roszczenia bezpośrednio wobec właściwego Poręczyciela, bez konieczności wszczynania uprzednio postępowania przeciwko Emitentowi. Zaspokojenie z Poręczenia następuje poprzez dokonanie przez Poręczycieli wszystkich płatności lub poprzez egzekwowanie uprawnień zgodnie z odpowiednimi przepisami prawa i warunkami Poręczenia.

4.2 Każdy Obligatariusz nabywający Obligacje na rynku pierwotnym przyjmuje ofertę Poręczycieli udzielenia Poręczenia w formularzu przyjęcia Propozycji Nabycia Obligacji w momencie przyjęcia Propozycji Nabycia Obligacji. Na rynku wtórnym Obligatariusz nabywa Obligacje zabezpieczone Poręczeniami z uwagi na akcesoryjny charakter Poręczenia.

4.3 Podmiot Przechowujący Poręczenie zobowiązany jest do zachowania oryginału Poręczenia oraz jest uprawniony do sporządzenia odpisów notarialnych Poręczenia, jeżeli żądanie takie zostanie zgłoszone przez Obligatariusza i pod warunkiem, że Obligatariusz wykaże, iż jest posiadaczem Obligacji na dzień wystąpienia z żądaniem sporządzenia odpisu notarialnego Poręczenia poprzez przedstawienie świadectwa depozytowego w rozumieniu art. 9 Ustawy o Obrocie.

4.4 Podmiot Przechowujący Poręczenie nie działa w imieniu ani na rzecz Obligatariuszy jako agent zabezpieczeń, powiernik lub w innym podobnym charakterze.

4.5 Poręczenia zostały udzielone przez każdego Poręczyciela zgodnie z prawem polskim i podlegają prawu polskiemu.

5. OPROCENTOWANIE

5.1 Płatność Kwoty Odsetek

Obligacje są oprocentowane od Dnia Emisji (włącznie) do Dnia Wykupu lub – w przypadku Wcześniejszego Wykupu – Dnia Wcześniejszego Wykupu (w obu

przypadkach z wyłączeniem tego dnia). W każdym Dniu Płatności Odsetek każdy Obligatariusz będący Obligatariuszem w Dniu Ustalenia Praw z Obligacji uprawniony będzie do otrzymania Kwoty Odsetek obliczonej zgodnie z niniejszym punktem 5 *(Oprocentowanie)*. Kwoty Odsetek będą płatne z dołu. Płatność Kwoty Odsetek będzie dokonywana zgodnie z zasadami płatności z tytułu Obligacji opisanymi w punkcie 6 (*Płatności*).

5.2 **Dni Płatności Odsetek**

Dni Płatności Odsetek będą następować zgodnie z harmonogramem wskazanym w punkcie 9 Suplementu, z tym zastrzeżeniem, że ostatni Dzień Płatności Odsetek nastąpi w Dniu Wykupu lub Dniu Wcześniejszego Wykupu.

5.3 **Wyliczanie Odsetek**

5.3.1 Kwota Odsetek obliczana jest odrębnie dla każdego Okresu Odsetkowego.

5.3.2 W przypadku, gdy Kwota Odsetek ma być obliczana zgodnie z niniejszymi Warunkami Emisji za okres krótszy niż Okres Odsetkowy pierwotnie wskazany w Suplemencie, będzie ona obliczana w oparciu o rzeczywistą liczbę dni w okresie od Dnia Emisji (włącznie) do ostatniego dnia pierwszego Okresu Odsetkowego (z wyłączeniem tego dnia) lub od poprzedniego Dnia Płatności Odsetek (włącznie) do dnia, w którym Obligacje zostaną wykupione (z wyłączeniem tego dnia).

5.3.3 W żadnym przypadku kwota jakichkolwiek odsetek z tytułu Obligacji nie ulegnie kapitalizacji i nie będą naliczane odsetki od takiej kwoty odsetek.

5.4 **Obliczenie Kwoty Odsetek**

W Dniu Roboczym następującym po Dniu Ustalenia Stopy Procentowej Agent Kalkulacyjny oblicza Kwotę Odsetek dla odpowiedniego Okresu Odsetkowego dla każdej Obligacji według następującego wzoru:

$$KO=SP*KG*LD/365$$

gdzie:

"KO" oznacza Kwotę Odsetek dla każdej Obligacji za dany Okres Odsetkowy;

"SP" oznacza ustaloną Stopę Procentową dla danego Okresu Odsetkowego ustaloną zgodnie z punktem 5.5 (*Ustalenie Stopy Procentowej*) Warunków Emisji;

"KG" oznacza Kwotę Główną każdej Obligacji;

"LD" oznacza liczbę dni w tym Okresie Odsetkowym;

po zaokrągleniu wyniku tego obliczenia do najbliższego grosza (przy czym pół i więcej grosza będzie zaokrąglane w górę).

5.5 **Ustalenie Stopy Procentowej**

5.5.1 Stopą Procentową dla danego Okresu Odsetkowego będzie Stopa Bazowa dla Właściwego Tenoru wskazana w Suplemencie, powiększona o:

(a) Marżę Odsetkową lub

(b) sumę Marży Odsetkowej i Dodatkowej Marży Odsetkowej – w przypadku Okresu Odsetkowego następującego bezpośrednio po wystąpieniu Przypadku Niewypełnienia Zobowiązania, który trwa lub Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, które trwa.

5.5.2 Jeżeli dla celów ustalenia Stopy Procentowej Stopa Bazowa dla Właściwego Tenoru jest niższa niż zero wówczas uznaje się, że Stopa Bazowa dla Właściwego Tenoru wynosi zero.

5.5.3 Podwyższona Stopa Procentowa wskazana w punkcie 5.5.1(b) powyżej zostanie obniżona na początku kolejnego Okresu Odsetkowego, pod warunkiem, że przed odpowiednią Datą Ustalenia Odsetek dla Okresu Odsetkowego: (i) Przypadek Niewypełnienia Zobowiązania zostanie naprawiony lub uchylony, lub (ii) nastąpi Dzień Wykupu, lub (iii) nastąpi Dzień Wcześniejszego Wykupu.

5.5.4 W przypadku, gdy stawka Stopy Bazowej nie może zostać ustalona do godz. 15:00 w Dniu Ustalenia Stopy Procentowej, Stopa Procentowa zostanie ustalona na podstawie Stopy Bazowej opublikowanej w dniu bezpośrednio poprzedzającym dzień ustania publikacji stawki Stopy Bazowej, chyba że jest to związane z Dniem Wejścia w Życie Zdarzenia Regulacyjnego.

5.5.5 W przypadku, gdy Stopa Bazowa nie może być ustalona w Dniu Ustalenia Stopy Procentowej zgodnie z powyższymi postanowieniami w związku z Dniem Wejścia w Życie Zdarzenia Regulacyjnego, Stopa Bazowa zostanie obliczona przez Agenta Kalkulacyjnego w oparciu o Wskaźnik Alternatywny skorygowany o Korektę (jeśli będzie miała zastosowanie), w sposób opisany poniżej.

5.5.6 Wskaźnik Alternatywny ustala Agent Kalkulacyjny zgodnie z jedną z następujących metod w kolejności od (a) do (d):

(a) Wskaźnikiem Alternatywnym jest wskaźnik, który został wskazany do stosowania zamiast danego wskaźnika w ustawie lub rozporządzeniu do ustawy;

(b) Wskaźnikiem Alternatywnym jest wskaźnik, który rekomendowała do stosowania zamiast danego wskaźnika Narodowa Grupa Robocza ds. reformy wskaźników referencyjnych lub inne podobne ciało, grupa lub organizacja powołana na podstawie przepisów prawa lub w inny sposób przez organ państwowy lub inny organ władzy publicznej w celu wskazania zamiennika dla danego wskaźnika, na zasadach analogicznych do zasad Narodowej Grupy Roboczej ds. reformy wskaźników referencyjnych;

(c) Wskaźnikiem Alternatywnym jest wskaźnik, który rekomendowała do stosowania zamiast danego wskaźnika Komisja Nadzoru Finansowego; lub

(d) Wskaźnikiem Alternatywnym jest stopa referencyjna Narodowego Banku Polskiego.

5.5.7 Jeśli brak dostępności stawki stosowanej do wyznaczania Stopy Bazowej będzie związany z Dniem Wejścia w Życie Zdarzenia Regulacyjnego, Wskaźnik Alternatywny trwale zastąpi tę stawkę w celu wyznaczenia Stopy Bazowej. W innym przypadku stawka ta jest ponownie stosowana dla ustalenia Stopy Bazowej od Daty Ustalenia Stopy Procentowej, w którym będzie ona ponownie dostępna.

5.5.8 Korekta zostaje ustalona zgodnie z następującymi zasadami:

(a) raz ustalona Korekta jest stosowana przez cały czas stosowania Wskaźnika Alternatywnego;

(b) jeżeli w danej metodzie ustalenia Wskaźnika Alternatywnego, o której mowa w punktach 5.5.6(a) - 5.5.6(c), powyżej:

(i) Podmiot Wyznaczający wskazał Korektę – stosuje się taką Korektę;

(ii) Podmiot Wyznaczający wskazał, aby nie stosować Korekty – nie stosuje się Korekty;

(c) jeżeli w danej metodzie ustalenia Wskaźnika Alternatywnego, o której mowa powyżej w punktach 5.5.6(b) - 5.5.6(c), Podmiot Wyznaczający nie odniósł się do Korekty lub gdy Wskaźnik Alternatywny został wyznaczony zgodnie z metodą, o której mowa w punkcie 5.5.6(d) powyżej:

(i) Korekta jest równa historycznej medianie różnic pomiędzy wskaźnikiem zastępowanym oraz Wskaźnikiem Alternatywnym;

(ii) mediana różnic jest ustalana:

(A) za okres 60 miesięcy przed Dniem Wejścia w Życie Zdarzenia Regulacyjnego w związku z Ogłoszeniem Końca Publikacji albo pierwszym dniem, w którym Wskaźnik Alternatywny jest stosowany (w sytuacji, w której zastępowana Stopa Bazowa nie została opublikowana, ale nie nastąpiło Ogłoszenie Końca Publikacji), albo Dniem Wejścia w Życie Zdarzenia Regulacyjnego w związku z Brakiem Zezwolenia Administratora;

(B) z uwzględnieniem każdego dnia z badanego okresu, w którym był publikowany zarówno wskaźnik zastępowany jak i Wskaźnik Alternatywny.

5.5.9 Procedura wyboru Wskaźnika Alternatywnego oraz ustalenia Korekty w związku z Dniem Wejścia w Życie Zdarzenia Regulacyjnego jest przeprowadzana tylko raz, co oznacza, że ten sam Wskaźnik Alternatywny oraz Korekta są stosowane zamiast WIBOR (lub każdego kolejnego wskaźnika go zastępującego) do obliczania Kwoty Odsetek także dla kolejnych Okresów Odsetkowych.

5.5.10 Jeśli zmieniona lub nowa metoda lub rekomendacja, o których mowa powyżej, wskazuje na potrzebę dokonania w Warunkach Emisji innych zmian dostosowawczych, dotyczących sposobu ustalania oprocentowania w związku ze stosowaniem Wskaźnika Alternatywnego, w tym zmian wynikających z wymogów ASO lub KDPW, takie zmiany stosuje się zgodnie z zastosowaną metodą lub rekomendacją, w oparciu o którą został ustalony Wskaźnik Alternatywny. Zmiany stosuje się na mocy istniejących postanowień Warunków Emisji, bez konieczności wprowadzania osobnych zmian do Warunków Emisji w trybie wymagającym zgód Zgromadzenia Obligatariuszy lub Emitenta.

5.5.11 Zmiana metody obliczania wskaźnika referencyjnego w rozumieniu Rozporządzenia BMR ogłoszona przez jego administratora, w tym zmiana uznana przez administratora za istotną zmianę, nie stanowi zmiany lub podstawy do zmiany Warunków Emisji lub stosowania Korekty.

5.5.12 W przypadku, gdy Wskaźnik Alternatywny trwale zastąpi stawkę stosowaną do wyznaczenia Stopy Bazowej, postanowienia odnoszące się do danego Wskaźnika Alternatywnego stosuje się odpowiednio do każdego kolejnego Wskaźnika Alternatywnego.

5.5.13 Stopa Bazowa zostanie ustalona w każdym Dniu Ustalenia Stopy Procentowej przez Agenta Kalkulacyjnego.

5.5.14 Emitent opublikuje na Stronie Internetowej Emitenta wybrany Wskaźnik Alternatywny zastępujący WIBOR oraz (po jej sporządzeniu) metodę obliczania Korekty lub opinię Agenta Kalkulacyjnego, że Korekta nie jest wymagana.

5.6 **Wyłączenie**

Przepisy prawa polskiego o odsetkach maksymalnych nie będą miały zastosowania do odsetek od Obligacji.

6. PŁATNOŚCI

6.1 Z zastrzeżeniem punktu 6.6 oraz zasad dokonywania Wcześniejszego Wykupu Obligacji zgodnie z punktami 9.2 (*Wcześniejszy Wykup Obligacji ze względów podatkowych*) – 9.6 (*Wcześniejszy Wykup Obligacji po Przypadku Niewypełnienia Zobowiązania*), Kwota do Zapłaty jest płatna bez jakichkolwiek dodatkowych dyspozycji lub oświadczeń Obligatariusza.

6.2 Wszelkie płatności z tytułu Obligacji będą dokonywane bez potrąceń z tytułu roszczeń wzajemnych (chyba że takie potrącenia są wymagane na podstawie przepisów prawa)

oraz będą dokonywane z uwzględnieniem przepisów prawa obowiązującego w dniu dokonania płatności.

6.3 Wszelkie płatności z tytułu Obligacji będą dokonywane za pośrednictwem KDPW i odpowiedniego Podmiotu Prowadzącego Rachunek, na podstawie i zgodnie ze stosownymi Regulacjami, na rzecz podmiotów, których prawa z Obligacji są zarejestrowane na Rachunkach Obligacji w Dniu Ustalenia Praw.

6.4 Kwoty Odsetek za poszczególne Okresy Odsetkowe będą płatne z dołu. Jeżeli jednak Dzień Płatności Odsetek przypadnie na dzień niebędący Dniem Roboczym, zapłata Kwoty Odsetek nastąpi, zgodnie z Konwencją Zmodyfikowanego Następnego Dnia Roboczego: (i) w najbliższym Dniu Roboczym przypadającym po tym dniu, jeżeli ów dzień przypada w tym samym miesiącu kalendarzowym lub (ii) w najbliższym Dniu Roboczym, przypadającym przed tym dniem, jeżeli ów dzień przypada w następnym miesiącu kalendarzowym, bez prawa żądania odsetek za opóźnienie lub jakichkolwiek innych dodatkowych płatności. Jeśli zapłata nie nastąpi w najbliższym Dniu Roboczym, o którym mowa w zdaniu poprzedzającym, odsetki będą naliczane zgodnie z pozostałymi postanowieniami niniejszych Warunków Emisji od dnia niebędącego Dniem Roboczym, w którym miała nastąpić zapłata Kwoty Odsetek. Płatność Kwoty Odsetek dokonywana będzie za pośrednictwem KDPW zgodnie z obowiązującymi przepisami Regulacji KDPW.

6.5 Miejscem wykonania zobowiązań na podstawie Obligacji będzie siedziba odpowiedniego Podmiotu Prowadzącego Rachunek, za pośrednictwem którego wykonywane jest zobowiązanie.

6.6 Informacje o numerze rachunku bankowego oraz wszelkie inne informacje i dokumenty wymagane przez Podmiot Prowadzący Rachunek powinny być przekazane przez Obligatariusza lub posiadacza Rachunku Zbiorczego w formie i terminach określonych w przepisach tego Podmiotu Prowadzącego Rachunek. W celu uniknięcia wątpliwości, brak płatności Kwoty do Zapłaty na rzecz Obligatariusza spowodowany nieprzekazaniem przez Obligatariusza lub posiadacza Rachunku Zbiorczego informacji, o których mowa w niniejszym punkcie 6.6 lub brak przekazania Obligatariuszowi przez Podmiot Prowadzący Rachunek Kwoty do Zapłaty pomimo prawidłowego wykonania zobowiązań przez Emitenta na podstawie niniejszych Warunków Emisji, nie stanowi Przypadku Niewypełnienia Zobowiązania, Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, opóźnienia ani zwłoki po stronie Emitenta i nie będzie podstawą do jakiejkolwiek odpowiedzialności Emitenta wobec takiego Obligatariusza lub posiadacza Rachunku Zbiorczego.

6.7 Wierzytelności z tytułu Obligacji na żądanie Obligatariusza lub posiadacza Rachunku Zbiorczego mogą zostać zaliczone na poczet ceny nabycia obligacji nowej serii emitowanych w ramach Programu.

7. OPODATKOWANIE

7.1 Wszelkie płatności z tytułu Obligacji będą dokonywane z uwzględnieniem odliczeń lub potrąceń z tytułu podatków, opłat lub innych należności publicznoprawnych, jeśli wynikają one z obowiązujących przepisów prawa, zgodnie ze stosownymi regulacjami.

7.2 Jeżeli z jakąkolwiek płatnością z tytułu Obligacji związany będzie obowiązek pobrania i zapłaty jakiegokolwiek podatku, opłaty lub innych należności publicznoprawnych, Emitent będzie zobowiązany do dokonania na rzecz Obligatariuszy zapłaty kwot wyrównujących pobrane podatki, opłaty lub inne należności publicznoprawne.

7.3 Certyfikat Rezydencji oraz wszystkie informacje i dokumenty wymagane na potrzeby zobowiązań podatkowych Obligatariusza będą przekazywane do Agenta Emisji lub po dacie rejestracji Obligacji przez KDPW do Podmiotu Prowadzącego Rachunek w terminach przewidzianych w regulacjach, odpowiednio, Agenta Emisji lub danego Podmiotu Prowadzącego Rachunek oraz w terminie zgłoszenia Żądania Wcześniejszego Wykupu. W razie niedostarczenia przez Obligatariusza w wymaganych terminach Certyfikatu Rezydencji oraz innych niezbędnych informacji i dokumentów, podatek zostanie potrącony w pełnej wysokości, bez uwzględnienia mających zastosowanie umów o unikaniu podwójnego opodatkowania, i Emitent nie będzie zobowiązany do dokonania dodatkowej płatności lub pokrycia potrąconego lub odliczonego podatku.

7.4 Obligatariusz zobowiązany jest dostarczyć odpowiedniemu Podmiotowi Prowadzącemu Rachunek wszelkie informacje wymagane przez obowiązujące przepisy prawa w związku z płatnością Podatku Dochodowego.

8. WYKUP OBLIGACJI

8.1 Obligacje danej serii zostaną wykupione przez Emitenta w Dniu Wykupu lub w Dniu Wcześniejszego Wykupu.

8.2 Emitent zapłaci w Dniu Wykupu lub w Dniu Wcześniejszego Wykupu za każdą Obligację kwotę równą Kwocie Głównej (powiększonej o Kwotę Odsetek) za ostatni Okres Odsetkowy oraz w przypadku wykupu Obligacji zgodnie z punktem 9.1 (*Wcześniejszy Wykup Obligacji z inicjatywy Emitenta*) Premię. Płatności z tytułu Obligacji związane z ich wykupem będą dokonywane zgodnie z postanowieniami punktu 6 (*Płatności*).

8.3 Z chwilą dokonania wykupu Obligacji, zgodnie z postanowieniami niniejszych Warunków Emisji, Obligacje zostaną umorzone zgodnie z Ustawą o Obligacjach oraz mającymi zastosowanie Regulacjami.

8.4 Z zastrzeżeniem postanowień punktów 9.3 *(Wcześniejszy Wykup za zgodą Zgromadzenia Obligatariuszy)* oraz 9.6 *(Wcześniejszy Wykup Obligacji po Przypadku Niewypełnienia Zobowiązania)* Obligatariuszowi nie będzie przysługiwało prawo do żądania wykupu Obligacji przed Dniem Wykupu.

9. WCZEŚNIEJSZY WYKUP OBLIGACJI

9.1 Wcześniejszy Wykup Obligacji z inicjatywy Emitenta

9.1.1 Emitent może po upływie okresu rozpoczynającego się od Dnia Emisji, a kończącego się ostatniego dnia okresu 24 miesięcy od Dnia Emisji (włącznie) w dowolnym czasie jednorazowo lub wielokrotnie wykonać przysługujące mu prawo do Wcześniejszego Wykupu Obligacji ("**Prawo Emitenta do Wcześniejszego Wykupu**"). Emitent zawiadomi Obligatariuszy o swoim

zamiarze wykonania Prawa Emitenta do Wcześniejszego Wykupu nie później niż trzydzieści (30) dni przed Dniem Wcześniejszego Wykupu zgodnie z punktem 17 (*Zawiadomienia*). Przed upływem 24-miesięcznego okresu wskazanego powyżej Emitentowi nie będzie przysługiwało prawo do Wcześniejszego Wykupu na podstawie niniejszego punktu 9.1.

9.1.2 Prawo Emitenta do Wcześniejszego Wykupu może zostać wykonane zarówno w odniesieniu do wszystkich jak i części wyemitowanych i niewykupionych Obligacji, z zastrzeżeniem, że Wcześniejszy Wykup nie może dotyczyć Obligacji o wartości nominalnej mniejszej niż dziesięć procent (10%) łącznej wartości nominalnej Obligacji.

9.1.3 W przypadku Wcześniejszego Wykupu części Obligacji w wyniku skorzystania przez Emitenta z Prawa Emitenta do Wcześniejszego Wykupu, z zastrzeżeniem dobrowolnych zgłoszeń Obligacji do wykupu (jeśli takie zgłoszenia zostaną przewidziane), Obligacje zostaną wykupione od Obligatariuszy proporcjonalnie do salda Obligacji na Rachunku Obligacji. Liczba Obligacji wykupionych od poszczególnych Obligatariuszy zostanie ustalona zgodnie ze stosownymi Regulacjami, w szczególności § 139 Szczegółowych Zasad KDPW lub Regulacji, które je zastąpią.

9.1.4 Wcześniejszy Wykup w wyniku wykonania przez Emitenta Prawa Emitenta do Wcześniejszego Wykupu nastąpi poprzez zapłatę na rzecz każdego Obligatariusza całości Kwoty Głównej powiększonej o Kwotę Odsetek naliczoną do Dnia Wcześniejszego Wykupu (z wyłączeniem tego dnia) wraz z Premią określoną w Suplemencie.

9.2 **Wcześniejszy wykup Obligacji ze względów podatkowych**

9.2.1 Emitent może wykonać przysługujące mu prawo do Wcześniejszego Wykupu wszystkich Obligacji (lecz nie ich części), jeżeli w wyniku zmiany lub uchwalenia po Dniu Emisji nowych przepisów lub regulacji w Rzeczpospolitej Polskiej, Wielkiej Brytanii, Holandii lub w jakiejkolwiek innej odpowiedniej jurysdykcji uprawnionej do nakładania podatków, zmiany ich stosowania lub dokonywania oficjalnej wykładni takich przepisów lub regulacji (w tym przez sąd właściwej jurysdykcji), Emitent poniesie istotnie zwiększone koszty wykonywania swoich zobowiązań z tytułu Obligacji, w tym w szczególności ze względu na wykonanie zobowiązań Emitenta wskazanych w punkcie 7.2 lub z powodu innych okoliczności skutkujących zwiększeniem zobowiązania podatkowego, zmniejszeniem korzyści podatkowej lub innym niekorzystnym wpływem na sytuację podatkową Emitenta.

9.2.2 Wcześniejszy Wykup w wyniku wykonania przez Emitenta Prawa Emitenta do Wcześniejszego Wykupu ze względów podatkowych, o którym mowa w niniejszym punkcie 9.2 nastąpi za cenę równą ich wartości nominalnej wraz z narosłymi i niezapłaconymi odsetkami, jeżeli takie odsetki będą należne, do Daty Wcześniejszego Wykupu (ale z wyłączeniem tego dnia).

9.2.3 Z zastrzeżeniem okresu powiadomienia, o którym mowa w punkcie 9.1.1, Emitent poprzez publikację na Stronie Internetowej powiadomi Obligatariuszy o zamiarze skorzystania z prawa do Wcześniejszego Wykupu ze względów

podatkowych na podstawie niniejszego punktu 9.2, oraz określi przyczyny skorzystania z tego prawa.

9.3 **Wcześniejszy wykup Obligacji ze względu na obrót lub notowanie**

9.3.1 Z zastrzeżeniem Punktu 9.3.4 poniżej, Emitent może wykonać przysługujące mu prawo do Wcześniejszego Wykupu wszystkich Obligacji (lecz nie ich części), jeżeli wprowadzenie Obligacji do obrotu na ASO lub wprowadzenie Obligacji do obrotu i notowanie na TISE nie będzie skuteczne w dniu 1 kwietnia 2026 r.

9.3.2 Wcześniejszy Wykup w wyniku wykonania przez Emitenta Prawa Emitenta do Wcześniejszego Wykupu ze względów, o których mowa w niniejszym punkcie 9.3 nastąpi za cenę równą ich wartości nominalnej wraz z narosłymi i niezapłaconymi odsetkami, jeżeli takie odsetki będą należne, do Daty Wcześniejszego Wykupu (ale z wyłączeniem tego dnia).

9.3.3 Z zastrzeżeniem okresu powiadomienia, o którym mowa w punkcie 9.1.1, Emitent poprzez publikację na Stronie Internetowej powiadomi Obligatariuszy o zamiarze skorzystania z prawa do Wcześniejszego Wykupu ze względów, o których mowa w punkcie 9.3.1 powyżej, na podstawie niniejszego punktu 9.3, oraz określi przyczyny skorzystania z tego prawa.

9.3.4 Emitent będzie uprawniony do wykonania przysługującego mu prawa do Wcześniejszego Wykupu, o którym mowa w punkcie 9.3.1 powyżej, w pierwszym Dniu Płatności Odsetek.

9.4 **Wcześniejszy Wykup za zgodą Zgromadzenia Obligatariuszy**

9.4.1 Wystąpienie każdego z poniższych zdarzeń będzie stanowić Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu zgodnie z punktem 9.4.2.

(a) *Wymagalność innego Zadłużenia Finansowego*

(i) Z zastrzeżeniem punktu 9.4.1(a)(ii) poniżej, jakiekolwiek Zadłużenie Finansowe inne niż Zadłużenie Finansowe wynikające z Obligacji nie zostało spłacone, jeżeli będzie wymagalne.

(ii) Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu na podstawie punktu 9.4.1(a)(i) powyżej nie wystąpi, jeżeli: (a) niedokonanie płatności było niezawinione, w tym spowodowane przyczynami technicznymi lub administracyjnymi, i płatność ta zostanie dokonana w ciągu trzech (3) dni od momentu, gdy stała się wymagalna, lub (b) kwota główna Zadłużenia Finansowego, którego dotyczy brak spłaty, nie przekroczyła 75.000.000,00 EUR lub kwoty stanowiącej dziesięć procent (10%) Skorygowanej EBITDA, w zależności od tego, która z tych kwota jest wyższa.

(b) *Niewykonanie orzeczeń*

Którykolwiek Podmiot Zobowiązany nie dokonał płatności z tytułu prawomocnych orzeczeń sądowych lub arbitrażowych lub ostatecznych decyzji administracyjnych, zgodnie z którymi taki Podmiot Zobowiązany był zobowiązany do zapłaty kwoty wyższej niż 75.000.000,00 EUR lub kwoty przewyższającej dziesięć procent (10%) Skorygowanej EBITDA, w zależności od tego, która z tych kwot jest wyższa.

(c) *Zajęcie lub inne podobne postępowanie*

Nastąpiło zajęcie aktywów któregokolwiek Podmiotu Zobowiązanego lub dokonanie jakiegokolwiek wywłaszczenia, konfiskaty, nacjonalizacji, egzekucji, przyłączenia, zajęcia komorniczego lub zostanie przeprowadzone inne podobne postępowanie w dowolnej jurysdykcji w odniesieniu do jakichkolwiek aktywów Podmiotu Zobowiązanego o łącznej wartości, w odniesieniu do Grupy, przewyższającej 75.000.000,00 EUR lub kwotę stanowiącą dziesięć procent (10%) Skorygowanej EBITDA, w zależności od tego, która z tych kwot jest wyższa.

(d) *Niedozwolona transakcja*

Którykolwiek z Podmiotów Zobowiązanych zawarł transakcję skutkującą naruszeniem Zobowiązań Finansowych.

(e) *Zbycie przez Poręczycieli*

Którykolwiek Poręczyciel dokonał Zbycia, w wyniku którego taki Poręczyciel nie będzie w stanie wywiązać się ze swoich zobowiązań do zapłaty wynikających z Poręczenia.

(f) *Zmiana Kontroli*

Nastąpiła Zmiana Kontroli.

(g) *Zmiana Podstawowej Działalności*

(i) Z zastrzeżeniem punktu 9.4.1(g)(ii) poniżej jakikolwiek Podmiot Zobowiązany zaprzestał prowadzenia całości lub znaczącej części swojej Podstawowej Działalności lub nastąpiła istotna zmiana Podstawowej Działalności Podmiotu Zobowiązanego (w każdym przypadku wpływająca na co najmniej dwadzieścia procent (20%) Skorygowanej EBITDA) w porównaniu do działalności prowadzonej w Dniu Emisji.

(ii) Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu na podstawie punktu 9.4.1(g)(i) powyżej nie wystąpi, jeśli którykolwiek Podmiot Zobowiązany rozszerzył zakres prowadzonej działalności (jednakże rozszerzenie zakresu działalności nie może obejmować żadnej działalności w sektorze o złej reputacji ani w żadnym sektorze związanym z hazardem lub wojskowością i nie może być

prowadzone na Terytorium Objętym Sankcjami) lub zrezygnował z nierentownej części prowadzonej działalności.

(h) *Naruszenie obowiązków informacyjnych*

Emitent w istotny sposób naruszył którekolwiek ze swoich obowiązków wynikających z punktu 11 (*Obowiązki informacyjne i Materiały Przechowywane*) Warunków Emisji.

(i) *Naruszenie Zobowiązań Finansowych*

(i) Z zastrzeżeniem punktu 9.4.1(i)(ii) poniżej, w Dniu Badania:

(A) Wskaźnik Dźwigni Finansowej był wyższy niż 3,50:1; lub

(B) Wskaźnik Pokrycia Odsetek był niższy niż 3,50:1.

(ii) Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu na podstawie punktu 9.4.1(i)(i) powyżej nie wystąpi, jeżeli w Okresie Naprawczym Emitent dostarczy Zaświadczenie o Zgodności potwierdzające wystąpienie po danym Dniu Badania zdarzenia lub zdarzeń, które, w przypadku ich wystąpienia nie później niż w tym dniu, miałyby taki wpływ na obliczenie Wskaźnika Dźwigni Finansowej lub Wskaźnika Pokrycia Odsetek, że nie byłby on wyższy lub niższy niż poziom wskazany odpowiednio w punkcie 12.2.1 i punkcie 12.3.1. W takim przypadku Zaświadczenie o Zgodności powinno wskazywać szczegóły takiego zdarzenia lub zdarzeń, ich wpływ na kalkulację, odpowiednio, Wskaźnika Dźwigni Finansowej lub Wskaźnika Pokrycia Odsetek oraz ponowne wyliczenie Wskaźnika Dźwigni Finansowej lub Wskaźnika Pokrycia Odsetek z uwzględnieniem tego zdarzenia lub zdarzeń.

(j) *Oświadczenie niezgodne z prawdą*

Jakiekolwiek oświadczenie złożone przez Emitenta w związku z emisją Obligacji:

(i) okaże się w istotnym zakresie niezgodne z prawdą; oraz

(ii) będzie miało istotny wpływ na obniżenie wartości rynkowej Obligacji.

(k) *Połączenie Emitenta*

(i) Z zastrzeżeniem punktu 9.4.1(k)(ii) poniżej, Emitent połączył się z innym podmiotem, w wyniku czego, Emitent nie jest spółką przejmującą.

(ii) Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu na podstawie punktu 9.4.1(k)(i) powyżej nie wystąpi, jeżeli spółką przejmującą będzie podmiot należący do Grupy.

9.4.2 W razie wystąpienia któregokolwiek ze Zdarzeń Stanowiących Podstawę Skorzystania z Opcji Wcześniejszego Wykupu określonych w punkcie 9.4.1, obowiązywać będą następujące zasady:

(a) Emitent zawiadomi Obligatariuszy o wystąpieniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu niezwłocznie po powzięciu wiadomości o jej wystąpieniu, w formie Zawiadomienia o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu. W terminie dziesięciu (10) Dni Roboczych po otrzymaniu Zawiadomienia o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu Obligatariusze mogą zgłosić chęć wzięcia udziału w Zgromadzeniu Obligatariuszy;

(b) Niezależnie od powyższego obowiązku Emitenta, każdy Obligatariusz, po powzięciu wiadomości o wystąpieniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, o którym Emitent nie zawiadomił wszystkich Obligatariuszy w formie Zawiadomienia o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, może żądać wyznaczenia przez Emitenta okresu, o którym mowa w lit. (c) poniżej, w którym pozostali Obligatariusze będą mogli zgłosić chęć wzięcia udziału w Zgromadzeniu Obligatariuszy. Zgłoszenie przez Obligatariusza żądania wyznaczenia przez Emitenta okresu, o którym mowa w lit. (c) poniżej, będzie stanowić zgłoszenie przez tego Obligatariusza chęci wzięcia udziału w Zgromadzeniu Obligatariuszy;

(c) W przypadku zgłoszenia przez któregokolwiek z Obligatariuszy: (i) chęci wzięcia udziału w Zgromadzeniu Obligatariuszy zgodnie z lit. (a) powyżej lub (ii) żądania, o którym mowa w lit. (b) powyżej, Emitent zobowiązany będzie w ciągu dziesięciu (10) Dni Roboczych zawiadomić wszystkich Obligatariuszy o tym fakcie (zamieszczając stosowną informację na Stronie Internetowej), wyznaczając jednocześnie okres, nie krótszy niż dziesięć (10) Dni Roboczych i nie dłuższy niż dwadzieścia (20) Dni Roboczych, w którym pozostali Obligatariusze będą uprawnieni do zgłoszenia chęci wzięcia udziału w Zgromadzeniu Obligatariuszy. Zgłoszenie żądania, o którym mowa w lit. (b) powyżej, jak również zgłoszenie chęci wzięcia udziału w Zgromadzeniu Obligatariuszy składa się Emitentowi na piśmie na adres Oznaczonego Biura lub za pośrednictwem poczty elektronicznej na adres Emitenta: backoffice@pepco.eu;

(d) W odniesieniu do Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, wskazanego w Punkcie 9.4.1 lit. (a), (b), (d), (e), (h), (i) oraz (j), będzie miał zastosowanie okres naprawczy ("**Okres Naprawczy**") rozpoczynający się w dniu: (i) powzięcia informacji przez Emitenta o Zdarzeniu Stanowiącym Podstawę

Skorzystania z Opcji Wcześniejszego Wykupu, wskazanych w Punkcie 9.4.1 lit. (a), (b), (d), (e), (h), (i) oraz (j), lub (ii) doręczenia przez Obligatariusza wniosku, o którym mowa w lit. (b) powyżej, który będzie wynosił trzydzieści (30) Dni Roboczych;

(e) Jeżeli w wyniku Zawiadomienia o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu lub zawiadomienia Obligatariuszy, o którym mowa w lit. (c) powyżej, Obligatariusze posiadający Obligacje, których łączna wartość nominalna odpowiada co najmniej wartości dziesięciu procent (10%) Skorygowanej Łącznej Wartości Nominalnej Obligacji, zgłoszą zamiar uczestnictwa w Zgromadzeniu Obligatariuszy w związku z wystąpieniem Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, Emitent zobowiązany będzie do zwołania Zgromadzenia Obligatariuszy w terminie dziesięciu (10) Dni Roboczych licząc od późniejszej z dat: (1) ostatniego dnia, w którym Obligatariusze mogą zgłosić chęć wzięcia udziału w Zgromadzeniu Obligatariuszy zgodnie z lit. (a) lub (c) powyżej, lub (2) zakończenia Okresu Naprawczego. Data, godzina oraz miejsce Zgromadzenia Obligatariuszy zostaną wyznaczone w informacji o zwołaniu Zgromadzenia Obligatariuszy, przy czym w każdym wypadku Zgromadzenie Obligatariuszy musi się odbyć w dniu, który przypada nie później niż dwadzieścia osiem (28) dni od późniejszej z dat wskazanych w pkt (1) i (2) powyżej;

(f) Jeżeli (i) w Okresie Naprawczym lub (ii) po upływie Okresu Naprawczego, ale przed wyznaczoną przez Emitenta datą Zgromadzenia Obligatariuszy dane Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu ustanie (bez względu na to, czy jego ustanie zostanie spowodowane przez Emitenta czy w inny sposób), a Emitent zawiadomi Obligatariuszy o tym fakcie (zgodnie z lit. (g) poniżej), Obligatariuszom nie będą przysługiwać uprawnienia z tytułu wystąpienia Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, w szczególności prawo żądania Wcześniejszego Wykupu Obligacji;

(g) W razie ustania Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, zarówno w czasie trwania Okresu Naprawczego, jak i po jego upływie (ale do daty Zgromadzenia Obligatariuszy, o którym mowa w lit. (f) powyżej), Emitent zawiadomi Obligatariuszy o ustaniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu niezwłocznie po powzięciu wiadomości o jego ustaniu, w formie Zawiadomienia o Ustaniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu;

(h) Jeżeli w okresie wskazanym w lit. (f) powyżej, Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu będzie trwało, Zgromadzenie Obligatariuszy może podjąć uchwałę o wyrażeniu zgody na skorzystanie przez Obligatariuszy z prawa żądania Wcześniejszego Wykupu na skutek wystąpienia Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu określonego w punkcie

9.4.1. Uchwała taka będzie wymagać bezwzględnej większości głosów Skorygowanej Łącznej Wartości Nominalnej Obligacji. W przypadku podjęcia takiej uchwały, każdy Obligatariusz będzie uprawniony do żądania Wcześniejszego Wykupu posiadanych przez niego Obligacji. Dla uniknięcia wątpliwości, w razie ustania Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu po podjęciu uchwały Zgromadzenia Obligatariuszy wyrażającej zgodę na skorzystanie przez Obligatariuszy z prawa żądania Wcześniejszego Wykupu, o której mowa w niniejszym lit. (h), prawo żądania Wcześniejszego Wykupu przez Obligatariuszy nie wygaśnie.

9.5 **Zrzeczenie się praw – uchwała a priori**

9.5.1 Przed wystąpieniem Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, Emitent może zwołać Zgromadzenie Obligatariuszy celem podjęcia uchwały uniemożliwiającej Obligatariuszom żądanie wcześniejszego wykupu Obligacji w wyniku takiego zdarzenia ("**Uchwała A Priori**"). Uchwała taka będzie wymagać bezwzględnej większości głosów Skorygowanej Łącznej Wartości Nominalnej Obligacji. W przypadku podjęcia przez Zgromadzenie Obligatariuszy takiej Uchwały A Priori w odniesieniu do takiego Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu lub okoliczności, które stanowiłyby takie Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, gdyby nie powzięcie takiej Uchwały A Priori, zdarzenie to nie będzie stanowić Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu i żaden Obligatariusz nie będzie mógł żądać wcześniejszego wykupu Obligacji w wyniku wystąpienia takiego zdarzenia.

9.5.2 W celu uniknięcia wątpliwości, niepodjęcie Uchwały A Priori nie zezwala Obligatariuszom na automatyczne żądanie wcześniejszego wykupu Obligacji po wystąpieniu każdego Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, o którym mowa w punkcie 9.4.1 i takie żądanie będzie wymagać odrębnej uchwały Zgromadzenia Obligatariuszy, o której mowa w punkcie 9.4.2(h).

9.6 **Wcześniejszy Wykup Obligacji po Przypadku Niewypełnienia Zobowiązania**

9.6.1 Każde z poniższych zdarzeń będzie stanowić Przypadek Niewypełnienia Zobowiązania:

(a) *Brak płatności*

Emitent nie dokona jakiekolwiek płatności wynikającej z Obligacji w terminie jej wymagalności, chyba że niedokonanie płatności będzie niezawinione, w tym spowodowane przyczynami technicznymi lub administracyjnymi, i płatność taka zostanie dokonana w terminie trzech (3) dni od dnia, w którym taka płatność była wymagalna.

(b) *Likwidacja*

W dniu otwarcia likwidacji któregokolwiek z Podmiotów Zobowiązanych Obligacje podlegają natychmiastowemu wykupowi z dniem otwarcia likwidacji.

(c) *Przekształcenie Emitenta*

W przypadku połączenia Emitenta z innym podmiotem, jego podziału lub przekształcenia formy prawnej, Obligacje podlegają natychmiastowemu wykupowi wyłącznie wówczas, gdy podmiot, który wstąpił w obowiązki Emitenta z tytułu Obligacji, zgodnie z Ustawą o Obligacjach nie posiada uprawnień do ich emitowania.

(d) *Niewypłacalność*

(i) Z zastrzeżeniem punktu 9.6.1(d)(iii) poniżej:

(A) Poręczyciel (Polska):

(1) stanie się niewypłacalny w rozumieniu art. 11 Prawa Upadłościowego lub będzie zagrożony niewypłacalnością w rozumieniu art. 6 ust. 3 Prawa Restrukturyzacyjnego; lub

(2) złoży wniosek o ogłoszenie upadłości; lub

(3) złoży wniosek o wszczęcie postępowania restrukturyzacyjnego; lub

(4) z powodu kłopotów finansowych, rozpoczął negocjacje z ogółem swoich wierzycieli lub pewną kategorią wierzycieli z zamiarem zmiany zasad spłaty swojego zadłużenia, przy czym negocjacje takie trwają co najmniej siedemdziesiąt pięć (75) dni od dnia ich rozpoczęcia.

(ii) Emitent lub Poręczyciel (Holandia) stanie się niewypłacalny w rozumieniu przepisów prawa obowiązujących w Odpowiedniej Jurysdykcji lub złoży jakikolwiek wniosek o skutku równoważnym do wniosku, o którym mowa w punkcie 9.6.1(d)(i)(A)(1) i 9.6.1(d)(i)(A)(2) powyżej, zgodnie z prawem Odpowiedniej Jurysdykcji.

(iii) Przypadek Niewypełnienia Zobowiązania zgodnie z punktem 9.6.1(d)(i) powyżej nie wystąpi, jeżeli odpowiedni wniosek, o którym mowa w punkcie 9.6.1(d)(i)(A)(1), 9.6.1(d)(i)(A)(2) i 9.6.1(d)(ii) powyżej, zostanie:

(A) złożony w złej wierze lub

(B) odrzucony przez właściwy organ lub wycofany w terminie dziewięćdziesięciu (90) dni od daty jego złożenia.

(e) *Niedokonanie płatności z tytułu Poręczenia*

Którykolwiek z Poręczycieli nie dokona płatności, do której jest zobowiązany na mocy postanowień Poręczenia lub innego poręczenia udzielonej przez któregokolwiek z Poręczycieli w odniesieniu do pozostałych obligacji wyemitowanych w ramach Programu, chyba że niedokonanie płatności będzie niezawinione, w tym spowodowane przyczynami technicznymi lub administracyjnymi, i taka płatność zostanie dokonana w ciągu trzech (3) dni od momentu, gdy stała się wymagalna.

(f) *Zmiana, odwołanie, bezskuteczność lub nieważność Poręczeń*

Którekolwiek z Poręczeń zostanie zmienione (w tym sposób mający wpływ na możliwość uznania Poręczenia za bezskuteczne w świetle właściwych dla danego Poręczyciela przepisów upadłościowych i restrukturyzacyjnych), odwołane, stanie się bezskuteczne lub wygaśnie i nie zostanie zastąpione innym ważnym, skutecznym i wykonalnym poręczeniem udzielonym na warunkach co najmniej identycznych jak warunki Poręczenia w terminie dwudziestu (20) dni od wystąpienia takiego zdarzenia.

(g) *Niewłaściwa alokacja środków*

Emitent dokona alokacji środków z emisji Obligacji niezgodnie z Celem Emisji.

(h) *Brak zwołania Zgromadzenia Obligatariuszy*

Emitent:

(i) nie zwoła Zgromadzenia Obligatariuszy zgodnie z punktem 9.4.2(e) w razie wystąpienia Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu pomimo skierowania żądania przez Obligatariuszy lub celowo uniemożliwi zwołanie lub odbycie Zgromadzenia Obligatariuszy;

(ii) pomimo prawidłowo złożonego żądania przez Uprawnionych Obligatariuszy nie zwoła Zgromadzenia Obligatariuszy (z terminem odbycia Zgromadzenia Obligatariuszy przypadającym nie później niż dwadzieścia osiem (28) dni po dniu zwołania Zgromadzenia Obligatariuszy) w terminie czternastu (14) dni od dnia złożenia stosownego żądania;

(iii) uniemożliwi w inny sposób zwołanie lub odbycie Zgromadzenia Obligatariuszy z zachowaniem terminów, o których mowa w punkcie (ii) powyżej; lub

(iv) w terminie siedmiu (7) dni od dnia zakończenia Zgromadzenia Obligatariuszy nie opublikuje na Stronie Internetowej Emitenta protokołu z przebiegu obrad Zgromadzenia Obligatariuszy.

(i) *Brak wprowadzenia Obligacji do obrotu na ASO*

Obligacje nie zostaną wprowadzone do obrotu na ASO w terminie, o którym mowa w punkcie 13.1.

(j) *Wycofanie Obligacji z obrotu*

Po dniu wprowadzeniu Obligacji do obrotu w ASO GPW podejmie uchwałę o:

(i) wykluczeniu Obligacji z notowań na ASO; lub

(ii) zawieszeniu obrotu Obligacjami, z zastrzeżeniem że Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu opisane w niniejszym punkcie 9.6.1(j)(ii) nie wystąpi, jeżeli zawieszenie będzie trwało nie dłużej niż dwadzieścia (20) Dni Roboczych lub będzie związane ze skorzystaniem z Opcji Wcześniejszego Wykupu zgodnie z punktem 9.1 (*Wcześniejszy Wykup Obligacji z inicjatywy Emitenta*), 9.2 (*Wcześniejszy wykup Obligacji ze względów podatkowych*) lub 9.3 (*Wcześniejszy wykup Obligacji ze względu na obrót lub notowanie*).

(k) *Zmiana kontroli nad Emitentem*

Poręczyciel (Holandia) utracił bezpośrednią lub pośrednią Kontrolę nad Emitentem.

9.6.2 W razie wystąpienia Przypadku Niewypełnienia Zobowiązania określonego w punkcie 9.6.1 obowiązywać będą następujące zasady:

(a) Emitent zawiadomi Obligatariuszy o wystąpieniu Przypadku Niewypełnienia Zobowiązania niezwłocznie po powzięciu wiadomości o jego wystąpieniu, w formie Zawiadomienia o Przypadku Niewypełnienia Zobowiązania;

(b) od dnia następującego po dniu, w którym wystąpił taki Przypadek Niewypełnienia Zobowiązania, każdy Obligatariusz będzie uprawniony do żądania Wcześniejszego Wykupu posiadanych przez niego Obligacji;

(c) w razie ustania Przypadku Niewypełnienia Zobowiązania Emitent zawiadomi Obligatariuszy o ustaniu Przypadku Niewypełnienia Zobowiązania niezwłocznie po powzięciu wiadomości o jego ustaniu, w formie Zawiadomienia o Ustaniu Przypadku Niewypełnienia Zobowiązania. W takim przypadku żądanie Wcześniejszego Wykupu złożone przez Obligatariusza, w odniesieniu do posiadanych przez niego Obligacji, uważa się za niebyłe.

9.7 **Procedura Wykupu po wystąpieniu Przypadku Niewypełnienia Zobowiązania lub Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu**

W okolicznościach opisanych w punktach 9.4.1 oraz 9.6.1 niniejszych Warunków Emisji, będą miały zastosowanie poniższe dodatkowe zasady:

9.7.1 Żądanie wcześniejszego wykupu ("**Żądanie Wcześniejszego Wykupu**") zostanie wniesione poprzez złożenie żądania Wcześniejszego Wykupu Emitentowi oraz odpowiedniego oświadczenia Agentowi Emisji lub, po Dniu Rejestracji, odpowiedniemu Podmiotowi Prowadzącemu Rachunek, wskazującego m.in. liczbę Obligacji podlegających wykupowi, w formie i terminie określonym w przepisach dotyczących odpowiednio Agenta Emisji lub, po Dniu Rejestracji, odpowiedniego Podmiotu Prowadzącego Rachunek. Obligatariusze zostaną powiadomieni o zmianie sposobu złożenia żądania Wcześniejszego Wykupu Obligacji wynikającej ze zmiany stosownych przepisów prawa.

9.7.2 Wcześniejszy Wykup, o którym mowa w punkcie 9.7.1 powyżej zostanie przeprowadzony zgodnie z § 135 Szczegółowych Zasad KDPW lub innych stosownych Regulacji, które je zastąpią.

9.7.3 Wcześniejszy Wykup w wyniku Przypadku Niewypełnienia Zobowiązania lub Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu nastąpi po cenie wykupu równej stu procentom (100%) kwoty głównej Obligacji wraz z naliczonymi i niezapłaconymi odsetkami.

9.7.4 Dzień Wcześniejszego Wykupu nastąpi szóstego Dnia Roboczego po dniu złożenia przez Obligatariusza oświadczenia składanego Agentowi Emisji lub, po Dniu Rejestracji, odpowiedniemu Podmiotowi Prowadzącemu Rachunek, o którym mowa w punkcie 9.7.1 powyżej.

10. ZGROMADZENIE OBLIGATARIUSZY

10.1 Postanowienia Ogólne

10.1.1 Obligatariusze mogą być obecni na Zgromadzeniu Obligatariuszy na warunkach określonych w niniejszych Warunkach Emisji i Ustawie o Obligacjach.

10.1.2 Z zastrzeżeniem poniższych postanowień, zasady zwoływania i organizacji Zgromadzenia Obligatariuszy oraz zasady podejmowania Uchwał Zgromadzenia Obligatariuszy określa Ustawa o Obligacjach. Udział Obligatariuszy w Zgromadzeniu Obligatariuszy może być realizowany przy wykorzystaniu środków komunikacji elektronicznej. Wykorzystywane środki komunikacji elektronicznej powinny zapewniać Obligatariuszom w szczególności:

(a) dwustronną komunikację w czasie rzeczywistym wszystkich osób uczestniczących w Zgromadzeniu Obligatariuszy, w ramach której mogą one wypowiadać się w toku obrad Zgromadzenia Obligatariuszy,

przebywając w innym miejscu niż miejsce obrad Zgromadzenia Obligatariuszy; oraz

(b) wykonywanie osobiście lub przez pełnomocnika prawa głosu przed lub w toku Zgromadzenia Obligatariuszy.

10.1.3 W przypadku Obligatariusza lub Obligatariuszy zamierzających uczestniczyć w Zgromadzeniu Obligatariuszy przy wykorzystaniu środków komunikacji elektronicznej, udział takiego Obligatariusza w Zgromadzeniu Obligatariuszy będzie możliwy po weryfikacji tożsamości takiego Obligatariusza lub Obligatariuszy przez przewodniczącego Zgromadzenia Obligatariuszy. Przewodniczący po weryfikacji tożsamości takiego Obligatariusza lub Obligatariuszy sporządza listę Obligatariuszy biorących udział oraz głosujących podczas Zgromadzenia Obligatariuszy przy wykorzystaniu środków komunikacji elektronicznej. Lista zostaje dołączona do protokołu Zgromadzenia Obligatariuszy.

10.1.4 Zgromadzenie Obligatariuszy jest ważne, jeżeli są na nim obecni Obligatariusze reprezentujący co najmniej połowę Skorygowanej Łącznej Wartości Nominalnej Obligacji wyemitowanych zgodnie z Warunkami Emisji (kworum).

10.1.5 Uchwały Zgromadzenia Obligatariuszy:

(a) w sprawach Postanowień Kwalifikowanych:

(i) w przypadku Obligacji nie wprowadzonych do ASO – zapadają większością ¾ głosów obecnych na Zgromadzeniu Obligatariuszy;

(ii) w przypadku Obligacji wprowadzonych do ASO – wymagają zgody wszystkich Obligatariuszy obecnych na Zgromadzeniu Obligatariuszy;

(b) w sprawie jakiejkolwiek zmiany Warunków Emisji innej niż zmiana Postanowień Kwalifikowanych, zapadają bezwzględną większością głosów obecnych na Zgromadzeniu Obligatariuszy;

(c) w sprawie obniżenia wartości nominalnej Obligacji wymagają zgody wszystkich Obligatariuszy obecnych na Zgromadzeniu Obligatariuszy;

(d) w sprawach:

(i) stwierdzenia, że dane zdarzenie opisane w punkcie 9.4.1 stanowi podstawę do złożenia Zawiadomienia o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu; lub

(ii) podjęcia Uchwały A Priori,

zapadają bezwzględną większością głosów obecnych na Zgromadzeniu Obligatariuszy.

10.1.6 Uchwały Zgromadzenia Obligatariuszy są podejmowane w głosowaniu jawnym (w przypadku wykorzystania środków komunikacji elektronicznej), tajnym w formie pisemnej lub poprzez aklamację (według decyzji przewodniczącego Zgromadzenia Obligatariuszy).

10.1.7 Zgromadzenie Obligatariuszy odbywa się w Warszawie (pod adresem wskazanym przez Emitenta w zawiadomieniu, publikowanym na Stronie Internetowej), nie później niż dwadzieścia osiem (28) dni od daty Ogłoszenia Zgromadzenia Obligatariuszy.

10.1.8 Zgromadzenie Obligatariuszy może podejmować uchwały w innych niż Postanowienia Kwalifikowane sprawach, związanych z Obligacjami, w tym w szczególności w sprawach dotyczących wcześniejszego wykupu Obligacji, zgodnie z Warunkami Emisji.

10.1.9 Uchwały Zgromadzenia Obligatariuszy są wiążące dla wszystkich Obligatariuszy, w tym także tych Obligatariuszy, którzy nie uczestniczyli w Zgromadzeniu Obligatariuszy, głosowali przeciwko uchwale Zgromadzenia Obligatariuszy lub nabyli Obligacje po dniu, w którym została podjęta uchwała Zgromadzenia Obligatariuszy.

10.2 **Zwołanie Zgromadzenia Obligatariuszy**

10.2.1 Obligatariusze reprezentujący co najmniej 1/10 Skorygowanej Łącznej Wartości Nominalnej Obligacji ("**Uprawnieni Obligatariusze**") mogą żądać zwołania (wraz z podaniem uzasadnienia) w ciągu czternastu (14) dni od dnia złożenia stosownego żądania zwołania Zgromadzenia Obligatariuszy ("**Żądanie Zwołania Zgromadzenia Obligatariuszy**").

10.2.2 Uprawnieni Obligatariusze kierują Żądanie Zwołania Zgromadzenia Obligatariuszy do Emitenta na adres email: backoffice@pepco.eu, w formie elektronicznej zgodnej ze wzorem stanowiącym Załącznik 7 (*Wzór Żądania Zwołania Zgromadzenia Obligatariuszy*), załączając dokument wystawiony zgodnie z Ustawą o Obrocie potwierdzający, iż Obligatariusz jest posiadaczem Obligacji, a następnie oryginał Żądania Zwołania Zgromadzenia Obligatariuszy przekazując Emitentowi.

10.2.3 W terminie 2 Dni Roboczych od otrzymania Żądania Zwołania Zgromadzenia Obligatariuszy Emitent opublikuje na Stronie Internetowej Emitenta oświadczenie, w którym poda liczbę oraz łączną wartość nominalną Obligacji, których posiadaczami są podmioty z grupy kapitałowej Emitenta w rozumieniu art. 3 ust. 1 pkt 44 Ustawy o Rachunkowości ("**Oświadczenie Emitenta**").

10.2.4 Jeżeli na podstawie Oświadczenia Emitenta okaże się, że Żądanie Zwołania Zgromadzenia Obligatariuszy zostało złożone przez co najmniej 1/10 Skorygowanej Łącznej Wartości Nominalnej Obligacji, Emitent opublikuje tę informację na Stronie Internetowej Emitenta.

10.2.5 Zgromadzenie Obligatariuszy zwołuje się w trybie ogłoszenia zawierającego informację o dacie, godzinie i miejscu Zgromadzenia Obligatariuszy, a także o proponowanym porządku obrad i miejscu składania świadectw depozytowych.

Ogłoszenie może zawierać także inne informacje niezbędne do podjęcia przez obligatariuszy decyzji o uczestniczeniu w Zgromadzeniu Obligatariuszy (w tym informacje o sposobie uczestniczenia w Zgromadzeniu Obligatariuszy i wykonywania głosu przy wykorzystaniu środków komunikacji elektronicznej). Data ogłoszenia o zwołaniu Zgromadzenia Obligatariuszy jest jednocześnie datą zwołania tego Zgromadzenia Obligatariuszy.

11. OBOWIĄZKI INFORMACYJNE I MATERIAŁY PRZECHOWYWANE

11.1 Sprawozdania finansowe

11.1.1 Emitent będzie zobowiązany do udostępniania Obligatariuszom poprzez Stronę Internetową Emitenta:

(a) gdy tylko będą dostępne, a w każdym razie nie później niż sto pięćdziesiąt (150) dni kalendarzowych po zakończeniu każdego roku obrotowego, chyba że inny termin wynika z przepisów ustawowych prawa Odpowiedniej Jurysdykcji:

(i) zbadane przez biegłego rewidenta jednostkowe sprawozdanie finansowe Emitenta za dany rok obrotowy;

(ii) zbadane przez biegłego rewidenta skonsolidowane sprawozdanie finansowe Poręczyciela (Holandia) za dany rok obrotowy; oraz

(iii) zbadane przez biegłego rewidenta jednostkowe sprawozdanie finansowe Poręczyciela (Polska) za dany rok obrotowy,

sporządzone zgodnie z MSSF;

(b) gdy tylko będą dostępne, a w każdym razie nie później niż dziewięćdziesiąt (90) dni kalendarzowych po zakończeniu każdego półrocza roku obrotowego, chyba że inny termin wynika z przepisów ustawowych prawa Odpowiedniej Jurysdykcji:

(i) niezbadane przez biegłego rewidenta jednostkowe sprawozdanie finansowe Emitenta za dane półrocze roku obrotowego;

(ii) niezbadane przez biegłego rewidenta skonsolidowane sprawozdanie finansowe Poręczyciela (Holandia) za dane półrocze roku obrotowego; oraz

(iii) niezbadane przez biegłego rewidenta jednostkowe sprawozdanie finansowe Poręczyciela (Polska) za dane półrocze roku obrotowego,

sporządzone zgodnie z MSSF,

jednak z zastrzeżeniem, że w przypadku, gdy inne terminy na złożenie sprawozdania finansowego wynikają z przepisów lub regulaminów obowiązujących wówczas dla spółek, których papiery wartościowe są notowane

na ASO, Emitent przekaże Obligatariuszom sprawozdania finansowe w terminach określonych zgodnie z tymi przepisami lub regulaminami.

11.1.2 Do Dnia Wykupu Obligacji Emitent zobowiązuje się do wyjaśnienia i ujęcia w rocznym jednostkowym i skonsolidowanym sprawozdaniu finansowym sporządzonym na ostatni dzień takiego roku obrotowego istotnych różnic pomiędzy publikowanymi przez Emitenta informacjami dotyczącymi prognozy kształtowania się zobowiązań finansowych Emitenta, o których mowa w art. 35 ust. 1 pkt 2 Ustawy o Obligacjach na ostatni dzień takiego roku obrotowego, a zobowiązaniami finansowymi Emitenta wykazanymi w księgach rachunkowych Emitenta na ten dzień.

11.2 Zaświadczenie o Zgodności

W związku z udostępnieniem sprawozdań finansowych, o których mowa w punktach 11.1.1(a)(ii) oraz 11.1.1(b)(ii) powyżej, oraz na ich podstawie Emitent udostępni Obligatariuszom na Stronie Internetowej Emitenta oświadczenie podpisane przez osoby uprawnione do reprezentacji Emitenta, sporządzone zgodnie ze wzorem stanowiącym Załącznik 2 (*Wzór Zaświadczenia o Zgodności*) nie później niż w dniu opublikowania sprawozdań finansowych, o których mowa w punkcie 11.1.1(a)(ii) oraz 11.1.1(b)(ii) powyżej.

11.3 Informacje

11.3.1 Sprawozdania finansowe, o których mowa w punkcie 11.1.1 powyżej, Zaświadczenia o Zgodności, Zawiadomienia o Przypadku Niewypełnienia Zobowiązania, Zawiadomienia o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, Zawiadomienia o Ustaniu Niewypełnienia Zobowiązania, Zawiadomienia o Ustaniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu oraz inne zawiadomienia i informacje wymagane na podstawie niniejszych Warunków Emisji lub Ustawy o Obligacjach będą publikowane we właściwym czasie na Stronie Internetowej Emitenta.

11.3.2 Emitent będzie zobowiązany do przekazywania Obligatariuszom wszelkich raportów bieżących, zgodnie z wymogami Rozporządzenia MAR.

11.3.3 Emitent zobowiązuje się, że do czasu całkowitego wykupu Obligacji będzie publikował na Stronie Internetowej Emitenta nie później niż w ostatnim dniu każdego kolejnego roku obrotowego informację dotyczącą prognozy kształtowania się zobowiązań finansowych Emitenta i Grupy, o których mowa w art. 35 ust. 1 pkt 2 Ustawy o Obligacjach, według stanu na ostatni dzień następnego roku obrotowego.

11.4 Materiały Przechowywane

Emitent będzie publikował Materiały Przechowywane na Stronie Internetowej Emitenta. Materiały Przechowywane przekazane przez Emitenta w postaci wydruków do czasu upływu przedawnienia roszczeń wynikających z Obligacji będą znajdować się w siedzibie Agenta Dokumentacyjnego.

12. ZOBOWIĄZANIA FINANSOWE

12.1 Definicje finansowe

12.1.1 "**Dopłaty**" oznacza łączną kwotę zapłaconą za objęcie praw kapitałowych w Emitencie, obligacji podporządkowanych, innych podporządkowanych instrumentów dłużnych Emitenta lub pożyczek (lub czynności o analogicznym skutku prawnym) udzielonych przez akcjonariuszy na rzecz Emitenta.

12.1.2 "**Skonsolidowane Zadłużenie Netto**" oznacza kwotę skonsolidowanego Zadłużenia Finansowego Grupy, ale (i) uwzględniającą, w przypadku leasingu finansowego, wyłącznie ich skapitalizowaną wartość (tak, żeby żadna kwota nie została uwzględniona lub wyłączona więcej niż jeden raz) oraz (ii) pomniejszoną o:

(a) wszelkie Zadłużenie Finansowe w odniesieniu do pozycji udziałów mniejszościowych w bilansie dowolnego członka Grupy; oraz

(b) wszystkie zobowiązania warunkowe z tytułu poręczenia, odszkodowania, akredytywy dokumentowej lub jakiegokolwiek innego podobnego instrumentu, w ramach zwykłej działalności gospodarczej i które nie stanowią ekonomicznego lub handlowego skutku zaciągnięcia pożyczki, chyba że zobowiązanie bazowe objęte takim instrumentem stało się wymagalne i pozostaje niespłacone,

pomniejszoną o wartość skonsolidowanych środków pieniężnych i im ekwiwalentnych krótkoterminowych instrumentów finansowych (w rozumieniu MSSF) posiadanych przez Grupę na ten dzień.

12.1.3 "**Skorygowana EBITDA**" oznacza w odniesieniu do każdego Właściwego Okresu skonsolidowany zysk operacyjny Grupy przed opodatkowaniem:

(a) przed uwzględnieniem odsetek, prowizji, opłat, rabatów, opłat za wcześniejszą spłatę, premii lub obciążeń oraz innych płatności finansowych (w tym elementu odsetkowego płatności leasingowych i ratalnych), niezależnie od tego, czy zostały wypłacone, są płatne lub skapitalizowane na rzecz lub przez któregokolwiek z członków Grupy (obliczone na zasadzie skonsolidowanej) w odniesieniu do tego Właściwego Okresu;

(b) po dodaniu wszelkich kwot przypadających na amortyzację (w tym wartość firmy) lub utratę wartości aktywów członków Grupy;

(c) przed uwzględnieniem wszystkich pozycji jednorazowych, w tym wszelkich pozycji nadzwyczajnych (dodatnich lub ujemnych) oraz wszystkich pozycji nadzwyczajnych lub nieoperacyjnych (dodatnich lub ujemnych), w tym wszelkich kosztów integracji, kosztów wyodrębnienia i kosztów restrukturyzacji;

(d) przed uwzględnieniem wszelkich niezrealizowanych zysków lub strat z tytułu jakiegokolwiek instrumentu pochodnego lub instrumentu

finansowego (innego niż każdy taki instrument, który jest rozliczany zgodnie z metodą rachunkowości zabezpieczeń);

(e) przed uwzględnieniem jakichkolwiek zysków lub strat wynikających ze zbycia lub przeszacowania składnika aktywów (w sposób inny niż w zwykłym obrocie);

(f) po odjęciu kwoty zysku (lub dodaniu kwoty straty) któregokolwiek z członków Grupy, którą można przypisać udziałom mniejszościowym;

(g) przed odliczeniem obciążenia zysku związanego z programami wynagrodzeń w formie akcji i opcjami na akcje; oraz

(h) przed uwzględnieniem jakichkolwiek dochodów lub opłat, które można przypisać jakiemukolwiek programowi świadczeń po okresie zatrudnienia, innych niż koszty bieżącego zatrudnienia,

z zastrzeżeniem, że wszystkie koszty leasingu i najmu będą rozliczane na zasadach zgodnych ze standardami i zasadami rachunkowości obowiązującymi przed przyjęciem standardu MSSF 16 (czynsze z tytułu leasingu operacyjnego będą traktowane jako koszty operacyjne, a nie kapitalizowane w bilansie).

12.1.4 "**Zadłużenie Finansowe**" oznacza zadłużenie Grupy (prezentowane w skonsolidowanych sprawozdaniach finansowych, o których mowa w punktach 11.1.1(a)(ii) oraz 11.1.1(b)(ii)) z tytułu:

(a) umów pożyczki lub kredytu (lub innych instrumentów kredytowych) zawartych z bankiem lub inną instytucją finansową;

(b) ujemnego salda na rachunku będącego zadłużeniem wobec banku lub innej instytucji finansowej;

(c) obligacji, weksla (innego niż wystawiony w celu zabezpieczenia zobowiązań handlowych zaciąganych przez członka Grupy w toku normalnej działalności tego członka Grupy) lub innych dłużnych papierów wartościowych;

(d) wszelkich umów leasingu finansowego lub kapitałowego albo umów sprzedaży ratalnej, które zgodnie z MSSF byłyby traktowane jako leasing finansowy lub kapitałowy, ale tylko w zakresie takiego traktowania;

(e) wierzytelności sprzedanych lub zdyskontowanych (z wyłączeniem wierzytelności zbytych bez prawa regresu wobec żadnego z członków Grupy, które spełniają przesłanki wyłączenia z ksiąg rachunkowych sprzedającego zgodnie z MSSF);

(f) wymagalnego zobowiązania do zapłaty wszelkich kwot z tytułu regresu lub zwolnienia z odpowiedzialności w odniesieniu do jakiejkolwiek gwarancji, poręczenia, przejęcia odpowiedzialności lub akredytywy dokumentowej lub jakiegokolwiek innego podobnego instrumentu wystawionego przez bank lub instytucję finansową w odniesieniu do

zobowiązań jakiegokolwiek podmiotu, który nie jest członkiem Grupy, które spełniałyby przesłanki uznania za Zadłużenie Finansowe na podstawie innych punktów niniejszej definicji;

(g) pozyskanych z emisji umarzalnych akcji lub udziałów (z wyłączeniem akcji lub udziałów, co do których prawo ich umorzenia przysługuje ich emitentowi) przed Dniem Wykupu lub z innych względów uznawanych za środki pożyczone zgodnie z MSSF;

(h) kwot zobowiązań z tytułu umów zobowiązujących do sprzedaży lub umów sprzedaży z odroczoną płatnością ceny, pod warunkiem, że (i) jednym z podstawowych celów zawarcia takiej umowy jest uzyskanie finansowania lub sfinansowanie nabycia lub wytworzenia aktywa lub usługi będącej przedmiotem danej umowy, lub (ii) umowa dotyczy dostawy lub świadczenia usług, a płatność jest należna później niż sto osiemdziesiąt (180) dni po dostawie lub świadczeniu usługi i w księgach rachunkowych (sprawozdaniach finansowych) podmiotu nabywającego aktywa lub usługi jest ujmowana jako zadłużenie finansowe (*borrowings*), włącznie z kwotami niezapłaconymi lub zatrzymanymi przez podmiot nabywający aktywa lub usługi na zabezpieczenie roszczeń przeciwko podmiotowi dostarczającemu aktywa lub usługi z tytułu rękojmi, szkód, strat i tym podobnych;

(i) finansowanie dostaw lub faktoring odwrócony w zakresie, w jakim takie finansowanie dostaw lub faktoring odwrócony jest klasyfikowane jako zadłużenie zgodnie z MSSF;

(j) jakiejkolwiek innej czynności (w tym jakiejkolwiek umowy terminowej kupna lub sprzedaży), która daje ekonomiczny skutek kredytu lub pożyczki lub z innych względów uznawanej za zaciągnięcie zadłużenia finansowego (*borrowings*) zgodnie z MSSF; lub

(k) wymagalnego zobowiązania do zapłaty wynikającego z gwarancji lub poręczenia odnoszącego się do jakiegokolwiek zobowiązania opisanego w innych punktach niniejszej definicji,

z zastrzeżeniem, że kwotę Zadłużenia Finansowego zaciągniętego przez jakikolwiek podmiot w dowolnym czasie w przypadku kredytu odnawialnego lub podobnego instrumentu stanowi całkowita kwota pożyczonych środków pieniężnych, pozostających w danym czasie do spłaty. W odniesieniu do wszelkiego Zadłużenia Finansowego zaciągniętego na rachunkach bankowych podlegających *nettingowi*, *cash poolingowi*, saldu netto, transferowi salda lub podobnym ustaleniom, uwzględnia się wyłącznie saldo netto. Kwota Zadłużenia Finansowego będzie ustalana w sposób określony powyżej lub w inny sposób przewidziany w niniejszych Warunkach Emisji i (z wyjątkiem akredytyw, poręczeń lub pożyczek określonych w punkcie (k) powyżej) jest równa kwocie, która wynikałaby z bilansu takiego podmiotu sporządzonego zgodnie z MSSF,

jednakże, w każdym przypadku, z wyłączeniem:

(l) wszelkich leasingów finansowych, które zostałyby lub byłyby sklasyfikowane jako leasing operacyjny zgodnie z MSSF przed zastosowaniem MSSF 16;

(m) podporządkowanego zadłużenia (w szczególności, jeżeli wierzycielami są akcjonariusze Emitenta lub podmioty przez nich kontrolowane), zaciągniętego w celu zapobieżenia lub naprawienia Naruszenia Wskaźnika Dźwigni Finansowej, o którym mowa w punkcie 12.4 (*Dokapitalizowanie*);

(n) zadłużenia z tytułu transakcji pochodnych;

(o) zadłużenia, którego warunki nie przewidują gotówkowej wypłaty odsetek przed terminem spłaty (wymagalności) kwoty głównej takiego zadłużenia, i którego ostateczny termin spłaty (wymagalności) przypada w dniu następującym nie wcześniej niż sześć (6) miesięcy po Dniu Wykupu; oraz

(p) zobowiązań z tytułu licencji, zezwolenia, koncesji lub innego pozwolenia uzyskanych przed Dniem Wykupu lub w toku normalnej działalności;

12.1.5 "**Zobowiązania Finansowe**" oznacza dla każdego Właściwego Okresu skonsolidowaną wartość naliczonych odsetek, prowizji, opłat, dyskont, premii i obciążeń oraz innych kosztów związanych z pozyskaniem i obsługą Zadłużenia Finansowego, ujętą w kosztach Grupy dla każdego Właściwego Okresu:

(a) z wyłączeniem zrealizowanych i niezrealizowanych zysków i strat na transakcjach na instrumentach pochodnych zawartych w celu zabezpieczenia przed wpływem zmiany kursów walut lub stopy procentowej; oraz

(b) z wyłączeniem odsetek, prowizji, opłat, dyskont, premii i obciążeń wynikających z dobrowolnej przedterminowej spłaty Zadłużenia Finansowego.

12.1.6 "**Wskaźnik Pokrycia Odsetek**" oznacza w odniesieniu do każdego Właściwego Okresu stosunek (i) Skorygowanej EBITDA do (ii) Zobowiązań Finansowych Netto.

12.1.7 "**Wskaźnik Dźwigni Finansowej**" oznacza w odniesieniu do każdego Właściwego Okresu stosunek (i) Skonsolidowanego Zadłużenia Netto do (ii) Skorygowanej EBITDA.

12.1.8 "**Zobowiązania Finansowe Netto**" oznacza dla każdego Właściwego Okresu Zobowiązania Finansowe pomniejszone o wartość odsetek otrzymanych lub należnych Grupie z tytułu objętych przez Grupę instrumentów dłużnych i aktywów finansowych.

12.1.9 "**Właściwy Okres**" oznacza dla każdego Dnia Badania okres 6 miesięcy kończący się w danym Dniu Badania.

12.1.10 "**Dzień Badania**" oznacza każdy dzień 31 marca oraz 30 września przypadający po Dniu Emisji a przed Dniem Wykupu lub Dniem Wcześniejszego Wykupu ostatniej niewykupionej Obligacji.

12.2 Wskaźnik Dźwigni Finansowej

12.2.1 Z zastrzeżeniem punktu 12.4 (*Dokapitalizowanie*), w okresie od Dnia Emisji do Dnia Wykupu lub Dnia Wcześniejszego Wykupu Emitent zapewni, że w każdym Dniu Badania Wskaźnik Dźwigni Finansowej nie będzie wyższy niż 3,50:1.

12.2.2 Wskaźnik Dźwigni Finansowej, o którym mowa w punkcie 12.2.1 powyżej, będzie obliczany zgodnie z MSSF (bez uwzględniania MSSF 16) i będzie badany w odniesieniu do skonsolidowanych sprawozdań finansowych dostarczonych zgodnie z punktami 11.1.1(a)(ii) oraz 11.1.1(b)(ii) i każdym Zaświadczeniem o Zgodności dostarczonym zgodnie z punktem 11.2 (*Zaświadczenie o Zgodności*).

12.3 Wskaźnik Pokrycia Odsetek

12.3.1 Z zastrzeżeniem punktu 12.4 (*Dokapitalizowanie*), w okresie od Dnia Emisji do Dnia Wykupu lub Dnia Wcześniejszego Wykupu Emitent zapewni, że w każdym Dniu Badania Wskaźnik Pokrycia Odsetek będzie nie niższy niż 3,50:1.

12.3.2 Wskaźnik Pokrycia Odsetek, o którym mowa w punkcie 12.3.1 powyżej, będzie obliczany zgodnie z MSSF (bez uwzględniania MSSF 16) i będzie badany w odniesieniu do skonsolidowanego sprawozdania finansowego sporządzonego zgodnie z punktami 11.1.1(a)(ii) oraz 11.1.1(b)(ii) i każdym Zaświadczeniem o Zgodności dostarczonym zgodnie z punktem 11.2 (*Zaświadczenie o Zgodności*).

12.4 Dokapitalizowanie

12.4.1 Emitent może, zgodnie z niniejszym punktem 12.4 i w zakresie w nim określonym, naprawić lub zapobiec naruszeniu Wskaźnika Dźwigni Finansowej ("**Naruszenie Wskaźnika Dźwigni Finansowej**") lub naruszeniu Wskaźnika Pokrycia Odsetek ("**Naruszenie Wskaźnika Pokrycia Odsetek**"), w ten sposób, że:

(a) w przypadku naprawy, Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wkupu, które powstałoby w wyniku Naruszenia Wskaźnika Dźwigni Finansowej lub Naruszenia Wskaźnika Pokrycia Odsetek, jeśli zostanie naprawione odpowiednio zgodnie z punktem 12.2 (*Wskaźnik Dźwigni Finansowej*) lub 12.3 (*Wskaźnik Pokrycia Odsetek*), zostanie potraktowane, jakby nie wystąpiło, w związku z czym Obligatariuszom nie będzie przysługiwać prawo do Wcześniejszego Wykupu;

(b) w przypadku zapobieżenia, Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wkupu, które powstałoby w wyniku Naruszenia Wskaźnika Dźwigni Finansowej lub Naruszenia Wskaźnika Pokrycia Odsetek, nie powstanie

("**Prawo do Dokapitalizowania**").

12.4.2 Jeżeli Emitent zamierza wykonać Prawo do Dokapitalizowania w odniesieniu do Właściwego Okresu w związku z Naruszeniem Wskaźnika Dźwigni Finansowej lub Naruszeniem Wskaźnika Pokrycia Odsetek:

(a) w odniesieniu do Naruszenia Wskaźnika Dźwigni Finansowej – przez otrzymanie Dopłat, takie Dopłaty Emitent może wziąć pod uwagę przy obliczaniu Skonsolidowanego Zadłużenia Netto; lub

(b) w odniesieniu do Naruszenia Wskaźnika Pokrycia Odsetek – przez dokonanie płatności w celu obniżenia kwoty głównej Zadłużenia Finansowego.

12.4.3 Jeżeli Emitent zamierza wykonać Prawo do Dokapitalizowania w odniesieniu do Właściwego Okresu w związku z Naruszeniem Wskaźnika Dźwigni Finansowej lub Naruszeniem Wskaźnika Pokrycia Odsetek, będzie zobowiązany do opublikowania na Stronie Internetowej Emitenta informacji o takim zamiarze w dniu planowanego dostarczenia Zaświadczenia o Zgodności i zapewni, że po dniu, w którym Emitent zobowiązany jest do dostarczenia Obligatariuszom Zaświadczenia o Zgodności w odniesieniu do Właściwego Okresu zgodnie z postanowieniami niniejszych Warunków Emisji:

(a) w odniesieniu do Naruszenia Wskaźnika Dźwigni Finansowej – Emitent otrzyma kwotę wpływów pieniężnych z Dopłat; lub

(b) w odniesieniu do Naruszenia Wskaźnika Pokrycia Odsetek – przez dokonanie płatności w celu obniżenia kwoty głównej Zadłużenia Finansowego.

12.4.4 Prawo do Dokapitalizowania może być wykorzystane wyłącznie w celu zapewnienia odpowiedniego poziomu Wskaźnika Dźwigni Finansowej zgodnie z punktem 12.2.1 powyżej oraz odpowiedniego poziomu Wskaźnika Pokrycia Odsetek zgodnie z punktem 12.3.1 powyżej (i w celu uniknięcia wątpliwości, nie może być wykorzystywane do zmniejszenia poziomu Marży Odsetkowej za dany Okres Odsetkowy).

12.4.5 Emitent nie może wykonać Prawa do Dokapitalizowania:

(a) w odniesieniu do dwóch kolejnych Właściwych Okresów; oraz

(b) więcej niż 3 razy.

13. WPROWADZENIE OBLIGACJI DO OBROTU NA ASO ORAZ TISE

13.1 Obligacje zostaną wprowadzone do obrotu na ASO nie później niż w terminie dziewięćdziesięciu (90) Dni Roboczych po Dniu Emisji.

13.2 Obligacje zostaną wprowadzone do obrotu i notowania na TISE nie później niż w terminie dziewięćdziesięciu (90) Dni Roboczych po Dniu Emisji.

14. REJESTR I DEPOZYT

14.1 Obligacje podlegają rejestracji w depozycie papierów wartościowych, prowadzonym zgodnie z przepisami Ustawy o Obrocie. Do Dnia Rejestracji będzie prowadzona Ewidencja przez Agenta Emisji zgodnie z art. 7a Ustawy o Obrocie. Z chwilą zarejestrowania Obligacji w KDPW zapisy Ewidencji wywołują skutki prawne związane z zapisem Obligacji na Rachunkach Papierów Wartościowych.

14.2 Obligacje zapisane na Rachunkach Papierów Wartościowych będą przysługiwały Obligatariuszom będącym posiadaczami tych Rachunków Papierów Wartościowych.

14.3 Obligacje zapisane na rachunkach posiadaczy Rachunków Zbiorczych przysługują osobom wskazanym podmiotom prowadzącym te Rachunki Zbiorcze przez posiadaczy tych rachunków jako osoby uprawnione z Obligacji zapisanych na takich rachunkach.

14.4 Do powstania praw z Obligacji stosuje się przepisy Ustawy o Obrocie.

14.5 Przenoszenie praw z Obligacji następuje zgodnie z przepisami Ustawy o Obrocie dotyczącymi praw ze zdematerializowanych papierów wartościowych, Ustawy o Obligacjach oraz stosownymi Regulacjami.

14.6 Po ustaleniu uprawnionych do świadczeń z tytułu wykupu Obligacji prawa z tej Obligacji nie mogą być przenoszone.

14.7 Jeżeli Emitent nie spełnił w terminie przewidzianym w Warunkach Emisji świadczeń pieniężnych z tytułu wykupu Obligacji albo spełnił je tylko w części, możliwość przenoszenia praw z Obligacji zostaje przywrócona po upływie tego terminu. W takim wypadku prawa z Obligacji nie mogą zostać przeniesione na klienta detalicznego w rozumieniu przepisów Ustawy o Obrocie.

14.8 Obligacje wykupione w Dniu Wykupu lub w Dniu Wcześniejszego Wykupu zostaną umorzone zgodnie z odpowiednimi Regulacjami.

15. FUNKCJE AGENTA EMISJI, DEALERA, AGENTA DOKUMENTACYJNEGO I AGENTA KALKULACYJNEGO

15.1 W sprawach związanych z Obligacjami Dealer, Agent Emisji, Agent Dokumentacyjny oraz Agent Kalkulacyjny działają wyłącznie na zlecenie Emitenta i nie ponoszą żadnej odpowiedzialności w stosunku do Obligatariusza w zakresie płatności przez Emitenta jakichkolwiek Kwot do Zapłaty ani wykonywania żadnych innych zobowiązań Emitenta względem Obligatariusza, ani za skuteczność dochodzenia roszczeń Obligatariusza wobec Emitenta. Dealer, Agent Emisji, Agent Dokumentacyjny oraz Agent Kalkulacyjny nie pełnią funkcji banku reprezentanta w rozumieniu art. 79 Ustawy o Obligacjach ani nie są zobowiązani do reprezentowania Obligatariuszy wobec Emitenta w związku z pełnionymi przez siebie funkcjami.

15.2 Dealer, Agent Emisji, Agent Dokumentacyjny oraz Agent Kalkulacyjny, w ramach prowadzonej działalności, współpracują z Emitentem w zakresie różnych usług i posiadają informacje, które mogą być istotne w kontekście sytuacji finansowej Emitenta oraz jego możliwości spełnienia zobowiązań wynikających z Obligacji, jednakże nie są uprawnieni do ich udostępniania Obligatariuszowi, chyba że Emitent wyraźnie wskaże dokumenty i informacje, które mają być przekazane Obligatariuszowi w związku z Obligacjami i pełnieniem funkcji Dealera, Agenta Emisji, Agenta

Dokumentacyjnego oraz Agenta Kalkulacyjnego. Wykonywanie przez Dealera, Agenta Emisji, Agenta Dokumentacyjnego oraz Agenta Kalkulacyjnego określonych czynności oraz pełnienie określonych funkcji w związku z Obligacjami nie uniemożliwia Dealerowi, Agentowi Emisji, Agentowi Dokumentacyjnemu i Agentowi Kalkulacyjnemu oraz ich podmiotom zależnym lub Podmiotom Powiązanym, a także grupom kapitałowym, do których należą, świadczenia Emitentowi innych usług, doradzania Emitentowi lub współpracy z Emitentem w każdym innym dowolnym zakresie lub formie.

15.3 Jeżeli Emitent nie dokona płatności:

(a) w przypadku Obligacji wpisanych do Ewidencji, Agent Emisji wyda każdemu Obligatariuszowi na jego pisemne żądanie dokument, w którym stwierdzi brak płatności lub dokonanie częściowej płatności z tytułu Obligacji w dniu jej wymagalności, a Obligatariusze będą dochodzić swoich praw bezpośrednio od Emitenta przy zastosowaniu właściwych środków prawnych oraz procedury określonej w Warunkach Emisji. Agent Emisji nie jest zobowiązany do reprezentowania Obligatariuszy, wspierania przy jakimkolwiek roszczeniu lub żądaniu dokonania zapłaty w stosunku do Emitenta. Jedynie Obligatariusz jest uprawniony do takiego działania.

(b) od dnia rejestracji Obligacji w KDPW Podmiot Prowadzący Rachunek, działając zgodnie ze swoimi wewnętrznymi regulacjami, wyda każdemu Obligatariuszowi zapisanemu na prowadzonym przez niego Rachunku Obligacji, na jego pisemne żądanie dokument, w którym stwierdzi brak płatności lub dokonanie częściowej płatności z tytułu Obligacji w dniu jej wymagalności (lub inny dokument wykazujący właściwie brak płatności lub dokonanie częściowej płatności z tytułu Obligacji w dniu jej wymagalności), a Obligatariusze będą dochodzić swoich praw bezpośrednio od Emitenta przy zastosowaniu właściwych środków prawnych oraz procedury określonej w Warunkach Emisji.

15.4 Dealer, Agent Emisji, Agent Dokumentacyjny oraz Agent Kalkulacyjny nie dokonuje oceny korzyści ani ryzyka inwestycji w Obligacje i nie ponosi odpowiedzialności za żadną stratę lub szkodę poniesioną przez Obligatariuszy w związku z nabyciem Obligacji oraz egzekucją Poręczeń.

16. OZNACZONE BIURO

16.1 Oznaczone biuro

16.1.1 Emitenta znajduje się pod adresem: 14th Floor Capital House, 25 Chapel Street, London NW1 5DH;

16.1.2 Agenta Kalkulacyjnego znajduje się pod adresem: ul. Świętokrzyska 36, 00-116 Warszawa;

16.1.3 Agenta Dokumentacyjnego znajduje się pod adresem: ul. Świętokrzyska 36, 00-116 Warszawa,

("**Oznaczone Biuro**").

16.2 O zmianie adresu Oznaczonego Biura Emitenta, Agenta Kalkulacyjnego lub Agenta Dokumentacyjnego Obligatariusze zostaną poinformowani zgodnie z punktem 17 (*Zawiadomienia*) z wyprzedzeniem pięciu (5) Dni Roboczych.

17. ZAWIADOMIENIA

17.1 Jeśli stosowne Regulacje lub niniejsze Warunki Emisji nie stanowią inaczej, wszelkie zawiadomienia Emitenta (w tym treść protokołów zawierających Uchwały Zgromadzenia Obligatariuszy) kierowane do Obligatariuszy będą dokonywane poprzez publikację na Stronie Internetowej, chyba że zostały przekazane do publicznej wiadomości w formie raportu bieżącego publikowanego zgodnie z wymogami Rozporządzenia MAR, Ustawy o Ofercie, Szczegółowych Zasad KDPW, innych stosownych Regulacji oraz innych właściwych przepisów prawa.

17.2 Dokumenty, informacje i komunikaty publikowane na Stronie Internetowej Emitenta w wykonaniu przepisów Ustawy o Obligacjach, Emitent przekazywać będzie, w postaci drukowanej, do Agenta Dokumentacyjnego.

17.3 Wszelkie zawiadomienia kierowane do Emitenta będą uważane za doręczone, jeżeli zostały wysłane listem poleconym lub kurierem na adres Oznaczonego Biura podany w punkcie 16.1 (*Oznaczone Biuro*).

17.4 W przypadku dokumentów sporządzonych w formie elektronicznej (podpisanej kwalifikowanym podpisem elektronicznym), zawiadomienia kierowane do Emitenta będą uważane za doręczone poprzez przesłanie wiadomości na adres poczty elektronicznej Emitenta: backoffice@pepco.eu.

17.5 Jeżeli jakiekolwiek zawiadomienie na podstawie niniejszych Warunków Emisji zostanie doręczone po godzinie 17.00 w Dniu Roboczym lub w dniu nie będącym Dniem Roboczym, zawiadomienie takie będzie uznane za doręczone w następnym Dniu Roboczym.

18. ZMIANY WARUNKÓW EMISJI

Z zastrzeżeniem ograniczeń wynikających z bezwzględnie obowiązujących przepisów prawa oraz jakichkolwiek postanowień niniejszych Warunków Emisji, postanowienia Warunków Emisji mogą zostać zmienione za zgodą Emitenta, wyrażoną w formie pisemnego oświadczenia o wyrażeniu zgody na zmianę Warunków Emisji umieszczonego na Stronie Internetowej (i dostarczonego w oryginale do Agenta Dokumentacyjnego) oraz na podstawie odpowiedniej uchwały Zgromadzenia Obligatariuszy.

19. PRZEDAWNIENIE

Roszczenia wynikające z Obligacji, w tym roszczenia o świadczenia okresowe, przedawniają się z upływem dziesięciu (10) lat.

20. PRAWO WŁAŚCIWE I JURYSDYKCJA

20.1 Obligacje są emitowane zgodnie z prawem polskim i podlegają temu prawu.

20.2 Sąd Rejonowy właściwy miejscowo dla Dzielnicy Śródmieście m.st. Warszawy będzie sądem właściwym dla rozstrzygania wszelkich sporów wynikających z niniejszych Warunków Emisji.

ZAŁĄCZNIK 1
SUPLEMENT

Niniejszy dokument stanowi suplement do Warunków Emisji ("**Warunki Emisji**") Obligacji z dnia 29 października 2025 r., wyemitowanych przez **PEU (FIN) PLC** z siedzibą w Londynie pod adresem: 14th Floor Capital House, 25 Chapel Street, Londyn, Wielka Brytania, NW15DH, zarejestrowaną w Companies House pod numerem spółki 11808114 ("**Emitent**") na podstawie programu emisji obligacji Emitenta, zgodnie z którym Emitent może przeprowadzić wiele emisji obligacji do łącznej wartości nominalnej 2.000.000.000 PLN (słownie: dwa miliardy złotych) wyemitowanych i niewykupionych obligacji.

Niniejsze Warunki Emisji wraz z Suplementem tworzą jednolite warunki emisji Obligacji w rozumieniu Ustawy o Obligacjach.

Terminy pisane wielką literą i niezdefiniowane w niniejszym Suplemencie mają znaczenie nadane im w Warunkach Emisji.

SZCZEGÓŁOWE WARUNKI EMISJI

1.	Seria	1/2025
2.	Maksymalna liczba Obligacji oferowanych na podstawie niniejszych Warunków Emisji	600.000 (słownie: sześćset tysięcy) sztuk
3.	Dzień Emisji:	6 listopada 2025 r.
4.	Dzień Wykupu:	6 listopada 2030 r.
5.	Maksymalna łączna wartość nominalna emitowanych Obligacji:	600.000.000 PLN (słownie: sześćset milionów złotych)
6.	Wartość nominalna jednej Obligacji	1.000 PLN (słownie: tysiąc złotych)
7.	Cena emisyjna jednej Obligacji	1.000 PLN (słownie: tysiąc złotych)
8.	Odsetki:	Zmienna stopa procentowa
9.	Dzień Płatności Odsetek:	

Okres Odsetkowy numer	**Dzień Płatności Odsetek dla Okresu Odsetkowego wskazanego w Kolumnie 1**
Kolumna 1	**Kolumna 2**
1	2026-05-06
2	2026-11-06
3	2027-05-06
4	2027-11-08

5	2028-05-08
6	2028-11-06
7	2029-05-07
8	2029-11-06
9	2030-05-06
10	2030-11-06

10. Stopa Bazowa dla Właściwego Tenoru: WIBOR

11. Marża Odsetkowa: 2,50% rocznie;

Jednakże, jeżeli Wskaźnik Dźwigni Finansowej na dany Dzień Badania, poprzedzający Dzień Ustalenia Stopy Procentowej, jest równy lub wyższy niż 3,00:1, ale niższy niż 3,50:1: 2,50% + 0,25% rocznie.

12. Dodatkowa Marża Odsetkowa: 1,00% rocznie

13. Właściwy Tenor: 6M

14. Agent Emisji Dom Maklerski PKO BP

15. Agent Dokumentacyjny PKO BP

16. Agent Kalkulacyjny PKO BP

17. Premia w przypadku Wcześniejszego Wykupu Obligacji z inicjatywy Emitenta

Termin wykonania Opcji Wcześniejszego Wykupu przez Emitenta	**Premia (% wartości nominalnej jednej Obligacji)**
w okresie od ostatniego dnia okresu 24 miesięcy rozpoczynającego się w Dniu Emisji (włącznie z tym dniem) do ostatniego dnia okresu 30 miesięcy od Dnia Emisji (z wyłączeniem tego dnia)	1,00%
w okresie od ostatniego dnia okresu 30 miesięcy rozpoczynającego się w Dniu Emisji (włącznie z tym dniem) do	0,75%

ostatniego dnia okresu 36 miesięcy od Dnia Emisji (z wyłączeniem tego dnia)	
w okresie od ostatniego dnia okresu 36 miesięcy rozpoczynającego się w Dniu Emisji 9włącznie z tym dniem) do ostatniego dnia okresu 42 miesięcy od Dnia Emisji (z wyłączeniem tego dnia)	0,50%
w okresie od ostatniego dnia okresu 42 miesięcy rozpoczynającego się w Dniu Emisji (włącznie z tym dniem) do ostatniego dnia okresu 48 miesięcy od Dnia Emisji (z wyłączeniem tego dnia)	0,25%
w okresie od ostatniego dnia okresu 48 miesięcy rozpoczynającego się w Dniu Emisji (włącznie z tym dniem) do Dnia Wykupu (włącznie)	0,00%

ZAŁĄCZNIK 2
WZÓR ZAŚWIADCZENIA O ZGODNOŚCI

ZAŚWIADCZENIE O ZGODNOŚCI

Od: PEU (FIN) Plc ("**Emitent**")

Do: Obligatariuszy posiadających Obligacje Serii 1/2025 Emitenta

Data: [●]

Dotyczy: Obligacji serii 1/2025 wyemitowanych przez Emitenta zgodnie z Warunkami Emisji z dnia 29 października 2025 r. ("**Warunki Emisji**")

Zgodnie z punktem 11.2 (*Zaświadczenie o Zgodności*) Warunków Emisji Obligacji, Emitent niniejszym przekazuje do wiadomości Obligatariuszy niniejsze Zaświadczenie o Zgodności zawierające wyliczenie wysokości Wskaźnika Dźwigni Finansowej (w rozumieniu Warunków Emisji) sporządzone na podstawie skonsolidowanego sprawozdania finansowego Emitenta za Właściwy Okres zakończony w dniu [●] ("**Dzień Badania**").

Terminy zdefiniowane w Warunkach Emisji mają takie samo znaczenie w niniejszym Zaświadczeniu o Zgodności, chyba, że zostało im tutaj nadane inne znaczenie.

1. **Wskaźnik Dźwigni Finansowej**

1.1 Zadłużenie Finansowe Grupy na Dzień Badania wyniosło [●].

1.2 Zagregowana wartość wolnych środków pieniężnych oraz krótkoterminowych instrumentów finansowych ekwiwalentnych wolnym środkom pieniężnym posiadanych przez Grupę na Dzień Badania wynosiła [●].

1.3 Skonsolidowane Zadłużenie Netto Grupy na Dzień Badania wyniosło [●].

1.4 Skorygowana EBITDA Grupy za Właściwy Okres kończący się w odpowiednim Dniu Badania wynosiła [●].

W związku z powyższym, Wskaźnik Dźwigni Finansowej za Właściwy Okres wynosił [●].

2. **Wskaźnik Pokrycia Odsetek**

2.1 Skorygowana EBITDA Grupy za Właściwy Okres kończący się w odpowiednim Dniu Badania wynosiła [●].

2.2 Zobowiązania Finansowe Netto Grupy za Właściwy Okres kończący się w odpowiednim Dniu Badania wynosiły [●].

W związku z powyższym, Wskaźnik Pokrycia Odsetek za Właściwy Okres wynosił [●].

3. **Potwierdzenie Zgodności**

Niniejszym potwierdzamy, że zobowiązanie dotyczące poziomu Wskaźnika Dźwigni Finansowej i Wskaźnika Pokrycia Odsetek Grupy [*zostało/nie zostało*] wykonane.

Wszystkie terminy pisane wielką literą i niezdefiniowane w niniejszym Zaświadczeniu o Zgodności powinny być rozumiane zgodnie ze znaczeniem nadanym im w Warunkach Emisji.

Podpis:	Podpis:
Imię i nazwisko:	Imię i nazwisko:
Stanowisko:	Stanowisko:

ZAŁĄCZNIK 3
WZÓR ZAWIADOMIENIA O PRZYPADKU NIEWYPEŁNIENIA ZOBOWIĄZANIA

ZAWIADOMIENIE O PRZYPADKU NIEWYPEŁNIENIA ZOBOWIĄZANIA

Od: PEU (FIN) Plc ("**Emitent**")

Do: Obligatariuszy posiadających Obligacje Serii 1/2025 Emitenta

Data: [●]

Dotyczy: Obligacji Serii 1/2025 wyemitowanych przez Emitenta zgodnie z Warunkami Emisji z dnia 29 października 2025 r. ("**Warunki Emisji**")

Emitent niniejszym informuje o wystąpieniu Przypadku Niewypełnienia Zobowiązania, o którym mowa w punkcie [●] Warunków Emisji Obligacji, tj. o [*wskazanie Przypadku Niewypełnienia Zobowiązania*] dnia [*data wystąpienia Przypadku Niewypełnienia Zobowiązania*].

Zgodnie z Warunkami Emisji, każdy Obligatariusz uprawniony jest do żądania Wcześniejszego Wykupu posiadanych Obligacji.

Wszystkie terminy pisane wielką literą i niezdefiniowane w niniejszym zawiadomieniu powinny być rozumiane zgodnie ze znaczeniem nadanym im w Warunkach Emisji.

Podpis:	Podpis:
Imię i nazwisko:	Imię i nazwisko:
Stanowisko:	Stanowisko:

ZAŁĄCZNIK 4
WZÓR ZAWIADOMIENIA O ZDARZENIU STANOWIĄCYM PODSTAWĘ SKORZYSTANIA Z OPCJI WCZEŚNIEJSZEGO WYKUPU

ZAWIADOMIENIE O ZDARZENIU STANOWIĄCYM PODSTAWĘ SKORZYSTANIA Z OPCJI WCZEŚNIEJSZEGO WYKUPU

Od: PEU (FIN) Plc ("**Emitent**")

Do: Obligatariuszy posiadających Obligacje Serii 1/2025 Emitenta

Data: [●]

Dotyczy: Obligacji Serii 1/2025 wyemitowanych przez Emitenta zgodnie z Warunkami Emisji z dnia 29 października 2025 r. ("**Warunki Emisji**")

Emitent niniejszym informuje o wystąpieniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, o którym mowa w punkcie [●] Warunków Emisji Obligacji, tj. o [*wskazanie Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu*] dnia [*data wystąpienia Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu*].

Zgodnie z Warunkami Emisji, każdy Obligatariusz uprawniony jest, między innymi, do:

(a) zgłoszenia chęci wzięcia udziału w Zgromadzeniu Obligatariuszy;

(b) żądania wyznaczenia przez Emitenta okresu, w którym pozostali Obligatariusze będą mogli zgłosić chęć wzięcia udziału w Zgromadzeniu Obligatariuszy;

(c) żądania Wcześniejszego Wykupu posiadanych Obligacji, po podjęciu przez Zgromadzenie Obligatariuszy uchwały, zgodnie z Warunkami Emisji.

Jeżeli [(i) w Okresie Naprawczym, lub (ii) po upływie Okresu Naprawczego, ale do wyznaczonej przez Emitenta daty Zgromadzenia Obligatariuszy] dane Zdarzenie Stanowiące Podstawę Skorzystania z Opcji Wcześniejszego Wykupu ustanie (bez względu na to, czy jego ustanie zostanie spowodowane przez Emitenta lub innego członka Grupy, lub w inny sposób), Obligatariuszom nie będą przysługiwać żadne prawa z tytułu wystąpienia Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, w szczególności prawo żądania Wcześniejszego Wykupu Obligacji.

Wszystkie terminy pisane wielką literą i niezdefiniowane w niniejszym zawiadomieniu powinny być rozumiane zgodnie ze znaczeniem nadanym im w Warunkach Emisji.

Podpis:	Podpis:
Imię i nazwisko:	Imię i nazwisko:
Stanowisko:	Stanowisko:

ZAŁĄCZNIK 5
WZÓR ZAWIADOMIENIA O USTANIU PRZYPADKU NIEWYPEŁNIENIA ZOBOWIĄZANIA

Od: PEU (FIN) Plc ("**Emitent**")

Do: Obligatariuszy posiadających Obligacje Serii 1/2025 Emitenta

Data: [●]

Dotyczy: Obligacji Serii 1/2025 wyemitowanych przez Emitenta zgodnie z Warunkami Emisji z dnia 29 października 2025 r. ("**Warunki Emisji**")

Emitent niniejszym informuje o ustaniu Przypadku Niewypełnienia Zobowiązania, o którym mowa w Zawiadomieniu o Przypadku Niewypełnienia Zobowiązania z dnia [●], przekazanym przez Emitenta.

W celu naprawy zaistniałego zdarzenia stanowiącego Przypadek Niewypełnienia Zobowiązania Emitent podjął następujące działania:

(a) [●]

(b) [●]

Wszystkie terminy pisane wielką literą i niezdefiniowane w niniejszym zawiadomieniu powinny być rozumiane zgodnie ze znaczeniem nadanym im w Warunkach Emisji.

Podpis:	Podpis:
Imię i nazwisko:	Imię i nazwisko:
Stanowisko:	Stanowisko:

ZAŁĄCZNIK 6
WZÓR ZAWIADOMIENIA O USTANIU ZDARZENIA STANOWIĄCEGO PODSTAWĘ SKORZYSTANIA Z OPCJI WCZEŚNIEJSZEGO WYKUPU

Od: PEU (FIN) Plc ("**Emitent**")

Do: Obligatariuszy posiadających Obligacje Serii 1/2025 Emitenta

Data: [●]

Dotyczy: Obligacji Serii 1/2025 wyemitowanych przez Emitenta zgodnie z Warunkami Emisji z dnia 29 października 2025 r. ("**Warunki Emisji**")

Emitent niniejszym informuje o ustaniu Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu, o którym mowa w Zawiadomieniu o Zdarzeniu Stanowiącym Podstawę Skorzystania z Opcji Wcześniejszego Wykupu z dnia [●], przekazanym przez Emitenta.

W celu naprawy zaistniałego Zdarzenia Stanowiącego Podstawę Skorzystania z Opcji Wcześniejszego Wykupu Emitent podjął następujące działania:

(a) [●],

(b) [●].

Wszystkie terminy pisane wielką literą i niezdefiniowane w niniejszym zawiadomieniu powinny być rozumiane zgodnie ze znaczeniem nadanym im w Warunkach Emisji.

Podpis:	Podpis:
Imię i nazwisko:	Imię i nazwisko:
Stanowisko:	Stanowisko:

ZAŁĄCZNIK 7
WZÓR ŻĄDANIA ZWOŁANIA ZGROMADZENIA OBLIGATARIUSZY

[MIEJSCOWOŚĆ], [DATA]

Od: [●]

Do: PEU (FIN) Plc ("**Emitent**")

Z kopią do: Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polska S.A.; Santander Bank Polska S.A.

Dotyczy: Obligacji Serii 1/2025 wyemitowanych przez Emitenta zgodnie z Warunkami Emisji z dnia 29 października 2025 r. ("**Warunki Emisji**")

Szanowni Państwo,

W związku z punktem 10.2 (*Zwołanie Zgromadzenia Obligatariuszy)* Warunków Emisji, niniejszym składamy żądanie zwołania Zgromadzenia Obligatariuszy w terminie czternastu (14) dni od dnia otrzymania niniejszego pisma.

Zgodnie z art. 50 ust. 3 Ustawy o Obligacjach wyjaśniamy, że [wskazać uzasadnienie żądania zwołania Zgromadzenia Obligatariuszy].

Wszelkie terminy pisane wielką literą, a niezdefiniowane inaczej w niniejszym piśmie mają znaczenie nadane im w Warunkach Emisji.

Z poważaniem,

W imieniu [Obligatariuszy]

Podpis: …….....…….....

[*osoby uprawnione do reprezentacji*]

Załącznik: dokument wystawiony zgodnie z Ustawą o Obrocie potwierdzający, iż Obligatariusz jest posiadaczem Obligacji.

ZAŁĄCZNIK 8
PORĘCZENIA

[Strona celowo pozostawiona pusta]

Repertorium A numer 11949/2025

AKT NOTARIALNY

WYPIS

Dnia 29 października 2025 roku, przed notariuszem Wojciechem Radtke w siedzibie jego Kancelarii Notarialnej w Poznaniu, przy ulicy Pamiątkowej numer 2/6, stawił się:-

ADAM JACEK KRAJEWSKI, używający pierwszego imienia „Adam", syn [redacted] ----------
posiadający PESEL numer [redacted] ----------
zamieszkały według oświadczenia: [redacted] ----------
którego tożsamość notariusz stwierdził na podstawie polskiego dowodu osobistego serii i numer [redacted] ----------
działający przy niniejszym akcie w imieniu i na rzecz Spółki pod firmą Pepco Group N.V. z siedzibą w Londynie (adres: 14th floor, Capital House, 25 Chapel Street, Londyn NW1 5DH, Wielka Brytania), zarejestrowanej w Holenderskiej Izbie Handlowej pod numerem CCI 81928491 (zwanej także dalej: **„Poręczycielem"**), co wynika z **okazanego** wyciągu z rejestru przedsiębiorstwa Holenderskiej Izby Handlowej, poświadczonego podpisem cyfrowym, z dnia 09 października 2025 roku, przetłumaczonego z języka angielskiego na język polski, dnia 22 października 2025 roku, Nr Repertorium 1113/2025, przez Amalię Woźną, tłumacza przysięgłego języka angielskiego, wpisanego na listę tłumaczy przysięgłych Ministra Sprawiedliwości pod numerem TP/56/11, **jako Pełnomocnik** na podstawie aktu notarialnego Pełnomocnictwa z dnia 23 października 2025 roku, Repertorium A numer 11798/2025 tutejszej Kancelarii Notarialnej, zapewnia, że:----------

- pełnomocnictwo powyższe nie zostało zmienione ani odwołane, nie wygasło i jest uprawniony do podpisania tego aktu,----------
- reprezentowana przez Niego Spółka nie utraciła osobowości prawnej, nie została w stosunku do niej ogłoszona upadłość, ani nie został zgłoszony wniosek o ogłoszenie upadłości, nie jest w stanie likwidacji ani nie toczy się w stosunku do niej postępowanie egzekucyjne, zabezpieczające, upadłościowe, likwidacyjne lub restrukturyzacyjne, jak również nie ma podstaw do ich wszczęcia,----------
- stan prawny ujawniony w okazanej do aktu informacji odpowiadającej odpisowi aktualnemu z rejestru przedsiębiorców zgodny jest ze stanem faktycznym w dniu dzisiejszym,----------
- na dokonanie czynności prawnej objętej niniejszym aktem nie jest wymagana zgoda żadnego innego organu Poręczyciela, za wyjątkiem okazanej uchwały Rady Dyrektorów z dnia 27 października 2025 roku. ----------

OŚWIADCZENIE O PORĘCZENIU

ZWAŻYWSZY, ŻE: ----------

(A) W dniu 2 października 2025 roku PEU (FIN) PLC, spółka utworzona i działająca zgodnie z prawem Anglii i Walii, z siedzibą w Londynie, Wielka Brytania (adres: 14th Floor Capital House, 25 Chapel Street, Londyn, Wielka Brytania, NW15DH), wpisana do rejestru handlowego pod numerem 11808114 ("**Emitent**"), uchwałą zarządu Emitenta, ustanowiła program emisji obligacji, w ramach którego Emitent może dokonywać wielokrotnych emisji obligacji do maksymalnej łącznej wartości nominalnej obligacji wyemitowanych i niewykupionych wynoszącej 2.000.000.000,00 PLN (słownie: dwa miliardy złotych polskich) ("**Program Emisji**"). ----------

(B) Emitent postanowił wyemitować w ramach Programu Emisji maksymalnie do 600.000 (słownie: sześćset tysięcy) sztuk obligacji serii 1/2025 o wartości nominalnej wynoszącej 1.000,00 PLN (słownie: jeden tysiąc złotych) każda i łącznej maksymalnej wartości nominalnej nieprzekraczającej kwoty 600.000.000,00 PLN (słownie: sześćset milionów złotych) ("**Obligacje**"). ------

(C) Celem zabezpieczenia wierzytelności Obligatariuszy (jak zdefiniowano poniżej) z tytułu Obligacji, Poręczyciel postanowił złożyć niniejsze oświadczenie o poręczeniu ("**Oświadczenie o Poręczeniu**"). ----------

Poręczyciel oświadcza, co następuje: ----------

1. DEFINICJE I INTERPRETACJA ----------

1.1 Definicje ----------

W niniejszej Umowie: ----------

1.1.1 "**Dzień Roboczy**" oznacza każdy dzień, z wyjątkiem sobót, niedziel i innych dni ustawowo wolnych od pracy, w którym banki w Polsce i Holandii prowadzą normalną działalność bankową. ----------

1.1.2 "**Imienne Świadectwo Depozytowe**" oznacza imienne świadectwo depozytowe w rozumieniu art. 9 Ustawy o Obrocie, określające w szczególności liczbę Obligacji posiadaną przez danego Obligatariusza oraz termin jego obowiązywania. ----------

1.1.3 "**Kodeks Cywilny**" oznacza Kodeks cywilny z dnia 23 kwietnia 1964 r. --

1.1.4 "**Kodeks Postępowania Cywilnego**" oznacza Kodeks postępowania cywilnego z dnia 17 listopada 1964 r. ----------

1.1.5 "**Obligatariusz**" oznacza każdoczesnego posiadacza Obligacji. ----------

1.1.6 "**Poręczenie**" zostało zdefiniowane w punkcie 2.1 niniejszej Umowy. ----

1.1.7 "**Ustawa o Obligacjach**" oznacza ustawę z dnia 15 stycznia 2015 r. o obligacjach. ----------

1.1.8 "**Ustawa o Obrocie**" oznacza ustawę z dnia 29 lipca 2005 r. o obrocie instrumentami finansowymi. ----------

1.1.9 "**Warunki Emisji**" oznacza warunki emisji w rozumieniu art. 6 Ustawy o Obligacjach dotyczące Obligacji. ----------

1.1.10 "**Zabezpieczone Wierzytelności**" oznacza istniejące i przyszłe wierzytelności pieniężne Obligatariusza wobec Emitenta z tytułu Obligacji wraz ze wszystkimi dodatkowymi roszczeniami wynikającymi z Obligacji, w maksymalnym zakresie dozwolonym prawem, w tym w

szczególności roszczenia o wykup Obligacji, zapłatę wszelkich odsetek (w tym również odsetek za opóźnienie) oraz Premii (jak zdefiniowano w Warunkach Emisji), łącznie z wszelkimi roszczeniami o odszkodowanie wynikającymi z jakiegokolwiek Przypadku Niewypełnienia Zobowiązania lub Podstawy Skorzystania z Opcji Wcześniejszego Wykupu na podstawie Warunków Emisji, kosztami egzekucji, oraz wszelkimi innymi powiązanymi kosztami i roszczeniami akcesoryjnymi.

1.1.11 **"Zawiadomienie o Egzekucji"** oznacza zawiadomienie Obligatariusza, w którym Obligatariusz poinformuje Poręczyciela o: ----------

(a) opóźnieniu w dokonaniu przez Emitenta płatności jakiejkolwiek kwoty należnej z tytułu Zabezpieczonych Wierzytelności oraz zażąda dokonania przez Poręczyciela stosownej płatności; oraz ----

(b) żądanej kwocie do zapłaty; ----------

(c) numerze rachunku bankowego, na który należy dokonać płatności, oraz ----------

zażąda dokonania przez Poręczyciela stosownej płatności. ----------

1.2 Interpretacja ----------

1.2.1 W niniejszym Oświadczeniu o Poręczeniu: ----------

(a) wszelkie terminy pisane wielką literą, a niezdefiniowane w Punkcie 1.1 (*Definicje*) powyżej, mają znaczenie nadane im w Warunkach Emisji.----------

(b) odniesienia do Punktu stanowią odniesienia do Punktu niniejszego Oświadczenia o Poręczeniu. ----------

(c) wszelkie odniesienia do czasu stanowią odniesienia do czasu warszawskiego. ----------

1.2.2 Zawarte w niniejszym Oświadczeniu o Poręczeniu odniesienia do: --------

(a) niniejszego Oświadczenia o Poręczeniu lub jakiegokolwiek innego oświadczenia lub dokumentu, obejmują odniesienia do niniejszego Oświadczenia o Poręczeniu, jakiegokolwiek innego oświadczenia lub dokumentu z późniejszymi zmianami, nowelizacjami lub uzupełnieniami; oraz ----------

(b) przepisu prawa, ustawy, rozporządzenia lub traktatu obejmują odniesienia do tego przepisu prawa, ustawy, rozporządzenia lub traktatu z późniejszymi zmianami, lub w przypadku ustawy, nowelizacjami. ----------

1.2.3 Tytuły oraz podtytuły użyte na początku niektórych Punktów zostały podane wyłącznie dla ułatwienia odniesienia i nie mają wpływu na interpretację niniejszego Oświadczenia o Poręczeniu.----------

2. USTANOWIENIE PORĘCZENIA ----------

2.1 W celu zabezpieczenia Zabezpieczonych Wierzytelności Poręczyciel niniejszym ustanawia na rzecz każdego Obligatariusza poręczenie w rozumieniu artykułów 876-887 Kodeksu Cywilnego (**"Poręczenie"**). ----------

2.2 Poręczenie jest bezwarunkowe oraz nieodwołalne i zostaje ustanowione na okres rozpoczynający się w Dniu Emisji Obligacji i kończący się w dniu wygaśnięcia Zabezpieczonych Wierzytelności, jednak nie później niż 31 grudnia 2040 r. (**"Okres Poręczenia"**). ----------

2.3 Poręczenie jest udzielane przez Poręczyciela na rzecz każdego Obligatariusza do

maksymalnej kwoty wynoszącej 720.000.000,00 zł (słownie: siedemset dwadzieścia milionów złotych), która stanowi równowartość 120% (stu dwudziestu procent) łącznej wartości nominalnej wszystkich Obligacji. ----------

2.4 Niezależnie od powyższego, przyjęcie Oświadczenia o Poręczeniu przez Obligatariusza następuje na zasadach wskazanych w punkcie 4 Warunków Emisji. W przypadku Obligatariusza nabywającego Obligacje na rynku pierwotnym (tj. w drodze przyjęcia Propozycji Nabycia Obligacji) przyjęcie Oświadczenia o Poręczeniu przez takiego Obligatariusza następuje poprzez złożenie stosownego oświadczenia o przyjęciu Oświadczenia o Poręczeniu, które to oświadczenie zawarte jest w formularzu przyjęcia propozycji nabycia danych Obligacji.----------

2.5 W przypadku nabycia Obligacji na rynku wtórnym Poręczenie przejdzie na nabywcę Obligacji, z uwagi na akcesoryjny charakter Poręczenia, z chwilą dokonania zapisu na rachunku papierów wartościowych zgodnie z art. 7 Ustawy o Obrocie. Dla uniknięcia wątpliwości, Poręczyciel niniejszym nieodwołalnie zobowiązuje się wykonać zobowiązania z Poręczenia wobec każdego nabywcy Obligacji, który jest Obligatariuszem.----------

2.6 Poręczyciel niniejszym upoważnia każdego z Dealerów (jak zdefiniowano w Warunkach Emisji) kierujących Propozycję Nabycia Obligacji do danego jej adresata do odbioru w imieniu Poręczyciela oświadczenia o przyjęciu niniejszego Oświadczenia o Poręczeniu, złożonego w danym formularzu przyjęcia Propozycji Nabycia Obligacji przez takiego adresata Propozycji Nabycia Obligacji. ----------

3. WYKONANIE PORĘCZENIA ----------

3.1 Jeżeli Zabezpieczone Wierzytelności (lub dowolne ich części lub zobowiązania dodatkowe) stały się wymagalne, Poręczyciel zobowiązuje się wykonać swoje zobowiązania wynikające z Poręczenia na pierwsze pisemne Zawiadomienie o Egzekucji złożone Poręczycielowi przez Obligatariusza w terminie 10 (dziesięciu) Dni Roboczych od dnia otrzymania przez Poręczyciela Zawiadomienia o Egzekucji:----------

3.2 Wszelkie płatności z tytułu Poręczenia dokonywane będą w złotych polskich (PLN).----------

3.3 Zawiadomienie o Egzekucji zostanie doręczone Poręczycielowi osobiście, przez kuriera lub pocztą na adres: 14th floor, Capital House, 25 Chapel Street, Londyn NW1 5DH, Wielka Brytania.----------

3.4 Obligatariusz powinien załączyć do Zawiadomienia o Egzekucji Imienne Świadectwo Depozytowe albo, w przypadku Obligacji zapisanych w Ewidencji, zaświadczenie, o którym mowa w art. 55 ust. 1a Ustawy o Obligacjach potwierdzające posiadanie Obligacji przez Obligatariusza, w stosunku do których zostało złożone Zawiadomienie o Egzekucji, którego termin ważności nie będzie krótszy niż dzień przypadający 5 (pięć) dni po terminie płatności wynikającym z Poręczenia oraz wskazujące, że takie Obligacje zostały zablokowane i nie mogą zostać przeniesione w takim okresie.----------

3.5 W przypadku, gdy jakiekolwiek podatki, dochodowe lub inne, będą należne od Obligatariuszy na podstawie przepisów prawa jedynie z powodu faktu otrzymania przez Obligatariuszy płatności z tytułu Poręczenia, a które nie byłyby należne w razie zapłaty analogicznych kwot płaconych Obligatariuszowi

przez Emitenta, Poręczyciel dokona jednej z następujących czynności: (i) zapłaci takie kwoty (pomniejszone o wszelkie podatki, które byłyby płatne gdyby Obligatariusz otrzymał płatność od Emitenta z tytułu Obligacji), lub (ii) jeżeli zostanie przedstawione pisemne oświadczenie Obligatariusza, że Obligatariusz zapłacił takie kwoty zawierające dowód, że taka płatność została dokonana, wówczas Poręczyciel zapłaci takie dodatkowe kwoty, które mogą być konieczne w celu pełnego zrekompensowania Obligatariuszom tak zapłaconych podatków (pomniejszone o każdą kwotę podatku, jaka byłaby należna, gdyby Obligatariusz otrzymał płatność od Emitenta z tytułu Obligacji).----------

3.6 Każdy z Obligatariuszy po otrzymaniu świadczenia z danych Obligacji zobowiązuje się współpracować w zakresie wymaganym do wykreślenia z Depozytu takich Obligacji posiadanych przez danego Obligatariusza, z których świadczenia zostały spełnione poza Depozytem. ----------

3.7 Poręczyciel zobowiązuje się niezwłocznie zapłacić danemu Obligatariuszowi kwoty wszystkich udokumentowanych kosztów lub odpowiednio zwrócić koszty poniesione w związku z dochodzeniem przez danego Obligatariusza wykonania zobowiązania z Poręczenia.----------

3.8 Wszelkie płatności, które wynikają z udzielonego Poręczenia, będą realizowane w pełnej wysokości, bez dokonywania jakichkolwiek potrąceń lub kompensat wzajemnych świadczeń, które mogłyby istnieć pomiędzy Poręczycielem a danym Obligatariuszem lub ewentualnych roszczeń lub zobowiązań, które mogą istnieć pomiędzy Poręczycielem a danym Obligatariuszem.----------

3.9 Poręczyciel nie wstąpi w prawa zaspokojonego wierzyciela zanim nie dojdzie do całkowitej spłaty i wygaśnięcia zobowiązań wszystkich posiadaczy Obligacji. ---

4. OŚWIADCZENIA I ZOBOWIĄZANIA ----------

4.1 Poręczyciel oświadcza i zapewnia Obligatariusza, że w dacie zawarcia niniejszej Umowy, w Dniu Emisji oraz Dniu Płatności Odsetek: ----------

4.1.1 *Status Poręczyciela* ----------

Poręczyciel jest spółką akcyjną (*naamloze vennootschap*) należycie utworzoną i istniejącą w sposób ważny zgodnie z prawem holenderskim. ----------

4.1.2 *Dokumenty Programu* ----------

Poręczyciel otrzymał kopię Warunków Emisji i zapoznał się z nimi oraz akceptuje ich treść. ----------

4.1.3 *Zdolność prawna i upoważnienie do zawarcia niniejszej Umowy* ----------

Poręczyciel posiada zdolność prawną do złożenia niniejszego Oświadczenia o Poręczeniu, udzielenia Poręczenia oraz do wykonania swoich zobowiązań z niego wynikających. Wszystkie niezbędne czynności korporacyjne zostały podjęte w celu skutecznego złożenia i wykonania Poręczenia.----------

4.1.4 *Zgodność z prawem*----------

Zobowiązania Poręczyciela wynikające z Poręczenia są zgodne z prawem, wiążące i wykonalne. ----------

4.1.5 *Pari passu* ----------

Wierzytelności Obligatariusza wynikające z Poręczenia będą korzystać z pierwszeństwa zaspokajania przynajmniej na równi (*pari passu*) ze wszystkimi niezabezpieczonymi i niepodporządkowanymi wierzytelnościami innych wierzycieli Poręczyciela, za wyjątkiem wierzytelności mających pierwszeństwo zaspokojenia na

podstawie bezwzględnie obowiązujących przepisów prawa. ----------

4.1.6 *Brak konfliktu* ----------

Złożenia niniejszego Oświadczenia o Poręczeniu i wykonanie Poręczenia przez Poręczyciela nie stanowi naruszenia jakiegokolwiek przepisu prawa mającego zastosowanie do Poręczyciela, dokumentów korporacyjnych Poręczyciela ani też żadnej umowy wiążącej Poręczyciela, która wpływałaby na ważność lub skuteczność Poręczenia lub niniejszego Oświadczenia o Poręczeniu. ----------

4.1.7 *Brak likwidacji* ----------

Nie nastąpiło otwarcie likwidacji Poręczyciela zgodnie z odpowiednimi przepisami prawa holenderskiego mającymi zastosowanie do Poręczyciela. ----------

4.1.8 *Brak wszczęcia postępowania upadłościowego lub restrukturyzacyjnego* -

Poręczyciel, ani zgodnie z najlepszą wiedzą Poręczyciela, żadna osoba trzecia nie złożyła wniosku o ogłoszenie upadłości lub nie podjęto czynności zmierzających do prowadzenia postępowania restrukturyzacyjnego Poręczyciela zgodnie z odpowiednimi przepisami prawa holenderskiego mającymi zastosowanie do Poręczyciela, ani też nie istnieją podstawy do ich podjęcia. ----------

5. ZOBOWIĄZANIE PORĘCZYCIELA----------

5.1 Poręczyciel podejmie wszelkie uzasadnione czynności, aby Oświadczenie o Poręczeniu i odpowiednio Poręczenie były ważne, wiążące i skuteczne do ostatniego dnia Okresu Poręczenia, z zastrzeżeniem jego wygaśnięcia lub ograniczenia zgodnie z treścią niniejszego Oświadczenia o Poręczeniu.----------

5.2 Poręczyciel zobowiązuje się w stosunku do Obligatariuszy, niezwłocznie, lecz nie później niż w terminie 5 (słownie: pięciu) Dni Roboczych oraz z zastrzeżeniem bezwzględnie obowiązujących przepisów prawa, zawiadomić Emitenta o powzięciu informacji o wystąpieniu jakiegokolwiek zdarzenia, o którym mowa w Punktach 9.4 oraz 9.6 Warunków Emisji odnoszącego się do Poręczyciela oraz czynnościach, jakie podjął lub jakie zamierza podjąć w celu zmniejszenia skutków zajścia lub usunięcia takiego zdarzenia. ----------

6. WYGAŚNIĘCIE ----------

Oświadczenie o Poręczeniu oraz odpowiednio Poręczenie wygasają z upływem Okresu Poręczenia. Zobowiązania Poręczyciela wynikające z Poręczenia są pomniejszane o kwotę każdej płatności dokonanej w wyniku spełnienia świadczenia z tytułu Obligacji na rzecz Obligatariusza. ----------

7. CIĄGŁOŚĆ ZABEZPIECZENIA ----------

Z zastrzeżeniem maksymalnej kwoty zabezpieczenia mającej zastosowanie do Poręczenia określonej w punkcie 2.3, Poręczenie obejmuje całość wierzytelności, które zabezpiecza oraz pozostaje w mocy, dopóki jakiekolwiek wierzytelności zabezpieczone Poręczeniem pozostają niespłacone lub mogą powstać, z zastrzeżeniem Okresu Poręczenia. ----------

8. PRZENIESIENIE PRAW I OBOWIĄZKÓW ----------

Poręczyciel nie jest uprawniony do dokonania cesji ani przeniesienia swoich praw, pożytków i zobowiązań wynikających z niniejszego Oświadczenia o Poręczeniu. ----------

9. **WYPISY** ----------
Poręczyciel niniejszym wyraża zgodę na wydawanie wypisów aktu niniejszego Oświadczenia o Poręczeniu każdemu Obligatariuszowi, który przedstawi Imienne Świadectwo Depozytowe albo, w przypadku Obligacji zapisanych w Ewidencji, zaświadczenie, o którym mowa w art. 55 ust. 1a Ustawy o Obligacjach. ----------

10. **PRAWO WŁAŚCIWE** ----------
Niniejsza Umowa oraz wszystkie zobowiązania pozaumowne z niej wynikające lub z nią związane podlegają prawu polskiemu. ----------

11. **JURYSDYKCJA** ----------
Sądy właściwe miejscowo dla Dzielnicy Śródmieście m. st. Warszawy będą właściwe dla rozstrzygania wszelkich sporów wynikających z niniejszej Umowy lub z nią związanych (w tym sporów dotyczących istnienia, ważności lub rozwiązania niniejszej Umowy). ----------

***

Koszty tego aktu i koszty wypisów dla każdego Obligatariusza ponosi Spółka pod firmą PEPCO POLAND Spółka z organiczną odpowiedzialnością z siedzibą w Poznaniu. ----

***

Wypisy tego Aktu należy wydawać Obligatariuszom i Emitentowi oraz ich następcom prawnym w dowolnej ilości. ----------

***

Naliczono: ----------

a) **taksę notarialną** na podstawie § 3, §5 Rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca 2004r. w sprawie maksymalnych stawek taksy notarialnej ----------**10.000,00 zł**

b) **taksę notarialną** na podstawie § 12 Rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca 2004r. w sprawie maksymalnych stawek taksy notarialnej za *2 wypisy tego aktu* ----------**84,00 zł**

c) **podatek od towarów i usług, tj. 23%** na podstawie art. 41 w związku z art. 146a pkt 1 ustawy z dnia 11 marca 2004 roku o podatku od towarów i usług od kwot w pkt a) i b)---------- **2.319,32 zł**

Razem: ----------**12.403,32 zł**

Akt ten został odczytany, przyjęty i podpisany.

Repertorium A numer 11946/2025

WYPIS

AKT NOTARIALNY

Dnia 29 października 2025 roku, przed notariuszem Wojciechem Radtke w siedzibie jego Kancelarii Notarialnej w Poznaniu, przy ulicy Pamiątkowej numer 2/6, stawił się:-

ADAM JACEK KRAJEWSKI, używający pierwszego imienia „Adam", syn [redacted], ----------
posiadający PESEL numer [redacted] ----------
zamieszkały według oświadczenia: [redacted] ----------
którego tożsamość notariusz stwierdził na podstawie polskiego dowodu osobistego serii i numer [redacted] ----------
działający przy niniejszym akcie w imieniu i na rzecz Spółki pod firmą PEPCO POLAND Spółka z ograniczoną odpowiedzialnością z siedzibą w Poznaniu (adres: 60-479 Poznań, ulica Strzeszyńska numer 73A), NIP: 7822131157, REGON: 639669292, wpisanej do Rejestru Przedsiębiorców prowadzonego przez Sąd Rejonowy Poznań – Nowe Miasto i Wilda w Poznaniu, VIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem **KRS 0000111962** (zwana także dalej: **„Poręczycielem"**), **jako Pełnomocnik** na podstawie aktu notarialnego Pełnomocnictwa z dnia 23 października 2025 roku, Repertorium A numer 11792/2025 tutejszej Kancelarii Notarialnej, zapewnia, że:----------

- pełnomocnictwo powyższe nie zostało zmienione ani odwołane, nie wygasło i jest uprawniony do podpisania tego aktu,----------
- reprezentowana przez Niego Spółka nie utraciła osobowości prawnej, nie została w stosunku do niej ogłoszona upadłość, ani nie został zgłoszony wniosek o ogłoszenie upadłości, nie jest w stanie likwidacji ani nie toczy się w stosunku do niej postępowanie egzekucyjne, zabezpieczające, upadłościowe, likwidacyjne lub restrukturyzacyjne, jak również nie ma podstaw do ich wszczęcia,----------
- stan prawny ujawniony w okazanej do aktu informacji odpowiadającej odpisowi aktualnemu z rejestru przedsiębiorców zgodny jest ze stanem faktycznym w dniu dzisiejszym,----------
- na dokonanie czynności prawnej objętej niniejszym aktem nie jest wymagana zgoda żadnego innego organu Poręczyciela, za wyjątkiem okazanych: ----------
  - uchwały jedynego wspólnika - to jest Spółki pod firmą PEPCO HOLDINGS Spółka z ograniczoną odpowiedzialnością z siedzibą w Poznaniu z dnia 22 października 2025 roku, ----------
  - uchwały Zarządu Spółki pod firmą PEPCO POLAND

Spółka z ograniczoną odpowiedzialnością z siedzibą
w Poznaniu z dnia 22 października 2025 roku. --------

OŚWIADCZENIE O PORĘCZENIU

ZWAŻYWSZY, ŻE: ----------

(A) W dniu 2 października 2025 roku PEU (FIN) PLC, spółka utworzona i działająca zgodnie z prawem Anglii i Walii, z siedzibą w Londynie, Wielka Brytania (adres: 14th Floor Capital House, 25 Chapel Street, Londyn, Wielka Brytania, NW15DH), wpisana do rejestru handlowego pod numerem 11808114 ("**Emitent**"), uchwałą zarządu Emitenta, ustanowiła program emisji obligacji, w ramach którego Emitent może dokonywać wielokrotnych emisji obligacji do maksymalnej łącznej wartości nominalnej obligacji wyemitowanych i niewykupionych wynoszącej 2.000.000.000,00 PLN (słownie: dwa miliardy złotych polskich) ("**Program Emisji**"). ----------

(B) Emitent postanowił wyemitować w ramach Programu Emisji maksymalnie do 600.000 (słownie: sześćset tysięcy) sztuk obligacji serii 1/2025 o wartości nominalnej wynoszącej 1.000,00 PLN (słownie: jeden tysiąc złotych) każda i łącznej maksymalnej wartości nominalnej nieprzekraczającej kwoty 600.000.000,00 PLN (słownie: sześćset milionów złotych) ("**Obligacje**"). ------

(C) Celem zabezpieczenia wierzytelności Obligatariuszy (jak zdefiniowano poniżej) z tytułu Obligacji, Poręczyciel postanowił złożyć niniejsze oświadczenie o poręczeniu ("**Oświadczenie o Poręczeniu**"). ----------

Poręczyciel oświadcza, co następuje: ----------

1. DEFINICJE I INTERPRETACJA ----------

1.1 Definicje ----------

W niniejszej Umowie: ----------

1.1.1 "**Dzień Roboczy**" oznacza każdy dzień, z wyjątkiem sobót, niedziel i innych dni ustawowo wolnych od pracy, w którym banki w Polsce i Holandii prowadzą normalną działalność bankową. ----------

1.1.2 "**Imienne Świadectwo Depozytowe**" oznacza imienne świadectwo depozytowe w rozumieniu art. 9 Ustawy o Obrocie, określające w szczególności liczbę Obligacji posiadaną przez danego Obligatariusza oraz termin jego obowiązywania. ----------

1.1.3 "**Kodeks Cywilny**" oznacza Kodeks cywilny z dnia 23 kwietnia 1964 r. --

1.1.4 "**Kodeks Postępowania Cywilnego**" oznacza Kodeks postępowania cywilnego z dnia 17 listopada 1964 r. ----------

1.1.5 "**Obligatariusz**" oznacza każdoczesnego posiadacza Obligacji. ----------

1.1.6 "**Poręczenie**" zostało zdefiniowane w punkcie 2.1 niniejszej Umowy. ----

1.1.7 "**Ustawa o Obligacjach**" oznacza ustawę z dnia 15 stycznia 2015 r. o obligacjach. ----------

1.1.8 "**Ustawa o Obrocie**" oznacza ustawę z dnia 29 lipca 2005 r. o obrocie instrumentami finansowymi. ----------

1.1.9 "**Warunki Emisji**" oznacza warunki emisji w rozumieniu art. 6 Ustawy o Obligacjach dotyczące Obligacji.----------

1.1.10 "**Zabezpieczone Wierzytelności**" oznacza istniejące i przyszłe

wierzytelności pieniężne Obligatariusza wobec Emitenta z tytułu Obligacji wraz ze wszystkimi dodatkowymi roszczeniami wynikającymi z Obligacji, w maksymalnym zakresie dozwolonym prawem, w tym w szczególności roszczenia o wykup Obligacji, zapłatę wszelkich odsetek (w tym również odsetek za opóźnienie) oraz Premii (jak zdefiniowano w Warunkach Emisji), łącznie z wszelkimi roszczeniami o odszkodowanie wynikającymi z jakiegokolwiek Przypadku Niewypełnienia Zobowiązania lub Podstawy Skorzystania z Opcji Wcześniejszego Wykupu na podstawie Warunków Emisji, kosztami egzekucji, oraz wszelkimi innymi powiązanymi kosztami i roszczeniami akcesoryjnymi.

1.1.11 **"Zawiadomienie o Egzekucji"** oznacza zawiadomienie Obligatariusza, w którym Obligatariusz poinformuje Poręczyciela o: ----------

(a) opóźnieniu w dokonaniu przez Emitenta płatności jakiejkolwiek kwoty należnej z tytułu Zabezpieczonych Wierzytelności oraz zażąda dokonania przez Poręczyciela stosownej płatności; oraz ---

(b) żądanej kwocie do zapłaty; ----------

(c) numerze rachunku bankowego, na który należy dokonać płatności, oraz----------

zażąda dokonania przez Poręczyciela stosownej płatności. ----------

1.2 Interpretacja ----------

1.2.1 W niniejszym Oświadczeniu o Poręczeniu: ----------

(a) wszelkie terminy pisane wielką literą, a niezdefiniowane w Punkcie 1.1 (*Definicje*) powyżej, mają znaczenie nadane im w Warunkach Emisji. ----------

(b) odniesienia do Punktu stanowią odniesienia do Punktu niniejszego Oświadczenia o Poręczeniu. ----------

(c) wszelkie odniesienia do czasu stanowią odniesienia do czasu warszawskiego. ----------

1.2.2 Zawarte w niniejszym Oświadczeniu o Poręczeniu odniesienia do: --------

(a) niniejszego Oświadczenia o Poręczeniu lub jakiegokolwiek innego oświadczenia lub dokumentu, obejmują odniesienia do niniejszego Oświadczenia o Poręczeniu, jakiegokolwiek innego oświadczenia lub dokumentu z późniejszymi zmianami, nowelizacjami lub uzupełnieniami; oraz ----------

(b) przepisu prawa, ustawy, rozporządzenia lub traktatu obejmują odniesienia do tego przepisu prawa, ustawy, rozporządzenia lub traktatu z późniejszymi zmianami, lub w przypadku ustawy, nowelizacjami. ----------

1.2.3 Tytuły oraz podtytuły użyte na początku niektórych Punktów zostały podane wyłącznie dla ułatwienia odniesienia i nie mają wpływu na interpretację niniejszego Oświadczenia o Poręczeniu. ----------

2. USTANOWIENIE PORĘCZENIA ----------

2.1 W celu zabezpieczenia Zabezpieczonych Wierzytelności Poręczyciel niniejszym ustanawia na rzecz każdego Obligatariusza poręczenie w rozumieniu artykułów 876-887 Kodeksu Cywilnego (**"Poręczenie"**). ----------

2.2 Poręczenie jest bezwarunkowe oraz nieodwołalne i zostaje ustanowione na okres

rozpoczynający się w Dniu Emisji Obligacji i kończący się w dniu wygaśnięcia Zabezpieczonych Wierzytelności, jednak nie później niż 31 grudnia 2040 r. ("**Okres Poręczenia**"). ----------

2.3 Poręczenie jest udzielane przez Poręczyciela na rzecz każdego Obligatariusza do maksymalnej kwoty wynoszącej 720.000.000,00 zł (słownie: siedemset dwadzieścia milionów złotych), która stanowi równowartość 120% (stu dwudziestu procent) łącznej wartości nominalnej wszystkich Obligacji. ----------

2.4 Niezależnie od powyższego, przyjęcie Oświadczenia o Poręczeniu przez Obligatariusza następuje na zasadach wskazanych w punkcie 4 Warunków Emisji. W przypadku Obligatariusza nabywającego Obligacje na rynku pierwotnym (tj. w drodze przyjęcia Propozycji Nabycia Obligacji) przyjęcie Oświadczenia o Poręczeniu przez takiego Obligatariusza następuje poprzez złożenie stosownego oświadczenia o przyjęciu Oświadczenia o Poręczeniu, które to oświadczenie zawarte jest w formularzu przyjęcia propozycji nabycia danych Obligacji.----------

2.5 W przypadku nabycia Obligacji na rynku wtórnym Poręczenie przejdzie na nabywcę Obligacji, z uwagi na akcesoryjny charakter Poręczenia, z chwilą dokonania zapisu na rachunku papierów wartościowych zgodnie z art. 7 Ustawy o Obrocie. Dla uniknięcia wątpliwości, Poręczyciel niniejszym nieodwołalnie zobowiązuje się wykonać zobowiązania z Poręczenia wobec każdego nabywcy Obligacji, który jest Obligatariuszem.----------

2.6 Poręczyciel niniejszym upoważnia każdego z Dealerów (jak zdefiniowano w Warunkach Emisji) kierujących Propozycję Nabycia Obligacji do danego jej adresata do odbioru w imieniu Poręczyciela oświadczenia o przyjęciu niniejszego Oświadczenia o Poręczeniu, złożonego w danym formularzu przyjęcia Propozycji Nabycia Obligacji przez takiego adresata Propozycji Nabycia Obligacji. ----------

3. WYKONANIE PORĘCZENIA ----------

3.1 Jeżeli Zabezpieczone Wierzytelności (lub dowolne ich części lub zobowiązania dodatkowe) stały się wymagalne, Poręczyciel zobowiązuje się wykonać swoje zobowiązania wynikające z Poręczenia na pierwsze pisemne Zawiadomienie o Egzekucji złożone Poręczycielowi przez Obligatariusza w terminie 10 (dziesięciu) Dni Roboczych od dnia otrzymania przez Poręczyciela Zawiadomienia o Egzekucji:----------

3.2 Wszelkie płatności z tytułu Poręczenia dokonywane będą w złotych polskich (PLN).----------

3.3 Zawiadomienie o Egzekucji zostanie doręczone Poręczycielowi osobiście, przez kuriera lub pocztą na adres: 60-479 Poznań, ulica Strzeszyńska numer 73A. ------

3.4 Obligatariusz powinien załączyć do Zawiadomienia o Egzekucji Imienne Świadectwo Depozytowe albo, w przypadku Obligacji zapisanych w Ewidencji, zaświadczenie, o którym mowa w art. 55 ust. 1a Ustawy o Obligacjach potwierdzające posiadanie Obligacji przez Obligatariusza, w stosunku do których zostało złożone Zawiadomienie o Egzekucji, którego termin ważności nie będzie krótszy niż dzień przypadający 5 (pięć) dni po terminie płatności wynikającym z Poręczenia oraz wskazujące, że takie Obligacje zostały zablokowane i nie mogą zostać przeniesione w takim okresie.----------

3.5 W przypadku, gdy jakiekolwiek podatki, dochodowe lub inne, będą należne od

Obligatariuszy na podstawie przepisów prawa jedynie z powodu faktu otrzymania przez Obligatariuszy płatności z tytułu Poręczenia, a które nie byłyby należne w razie zapłaty analogicznych kwot płaconych Obligatariuszowi przez Emitenta, Poręczyciel dokona jednej z następujących czynności: (i) zapłaci takie kwoty (pomniejszone o wszelkie podatki, które byłyby płatne gdyby Obligatariusz otrzymał płatność od Emitenta z tytułu Obligacji), lub (ii) jeżeli zostanie przedstawione pisemne oświadczenie Obligatariusza, że Obligatariusz zapłacił takie kwoty zawierające dowód, że taka płatność została dokonana, wówczas Poręczyciel zapłaci takie dodatkowe kwoty, które mogą być konieczne w celu pełnego zrekompensowania Obligatariuszom tak zapłaconych podatków (pomniejszone o każdą kwotę podatku, jaka byłaby należna, gdyby Obligatariusz otrzymał płatność od Emitenta z tytułu Obligacji).----------

3.6 Każdy z Obligatariuszy po otrzymaniu świadczenia z danych Obligacji zobowiązuje się współpracować w zakresie wymaganym do wykreślenia z Depozytu takich Obligacji posiadanych przez danego Obligatariusza, z których świadczenia zostały spełnione poza Depozytem. ----------

3.7 Poręczyciel zobowiązuje się niezwłocznie zapłacić danemu Obligatariuszowi kwoty wszystkich udokumentowanych kosztów lub odpowiednio zwrócić koszty poniesione w związku z dochodzeniem przez danego Obligatariusza wykonania zobowiązania z Poręczenia.----------

3.8 Wszelkie płatności, które wynikają z udzielonego Poręczenia, będą realizowane w pełnej wysokości, bez dokonywania jakichkolwiek potrąceń lub kompensat wzajemnych świadczeń, które mogłyby istnieć pomiędzy Poręczycielem a danym Obligatariuszem lub ewentualnych roszczeń lub zobowiązań, które mogą istnieć pomiędzy Poręczycielem a danym Obligatariuszem.----------

3.9 Poręczyciel nie wstąpi w prawa zaspokojonego wierzyciela zanim nie dojdzie do całkowitej spłaty i wygaśnięcia zobowiązań wszystkich posiadaczy Obligacji. ---

4. OŚWIADCZENIA I ZOBOWIĄZANIA ----------

4.1 Poręczyciel oświadcza i zapewnia Obligatariusza, że w dacie zawarcia niniejszej Umowy, w Dniu Emisji oraz Dniu Płatności Odsetek: ----------

4.1.1 *Status Poręczyciela* ----------

Poręczyciel jest spółką z ograniczoną odpowiedzialnością należycie utworzoną i istniejącą w sposób ważny zgodnie z prawem polskim. ----------

4.1.2 *Dokumenty Programu* ----------

Poręczyciel otrzymał kopię Warunków Emisji i zapoznał się z nimi oraz akceptuje ich treść. ----------

4.1.3 *Zdolność prawna i upoważnienie do zawarcia niniejszej Umowy* ----------

Poręczyciel posiada zdolność prawną do złożenia niniejszego Oświadczenia o Poręczeniu, udzielenia Poręczenia oraz do wykonania swoich zobowiązań z niego wynikających. Wszystkie niezbędne czynności korporacyjne zostały podjęte w celu skutecznego złożenia i wykonania Poręczenia. ----------

4.1.4 *Zgodność z prawem* ----------

Zobowiązania Poręczyciela wynikające z Poręczenia są zgodne z prawem, wiążące i wykonalne. ----------

4.1.5 *Pari passu* ----------

Wierzytelności Obligatariusza wynikające z Poręczenia będą korzystać z

pierwszeństwa zaspokajania przynajmniej na równi (*pari passu*) ze wszystkimi niezabezpieczonymi i niepodporządkowanymi wierzytelnościami innych wierzycieli Poręczyciela, za wyjątkiem wierzytelności mających pierwszeństwo zaspokojenia na podstawie bezwzględnie obowiązujących przepisów prawa. ----------

4.1.6 *Brak konfliktu*----------

Złożenia niniejszego Oświadczenia o Poręczeniu i wykonanie Poręczenia przez Poręczyciela nie stanowi naruszenia jakiegokolwiek przepisu prawa mającego zastosowanie do Poręczyciela, dokumentów korporacyjnych Poręczyciela ani też żadnej umowy wiążącej Poręczyciela, która wpływałaby na ważność lub skuteczność Poręczenia lub niniejszego Oświadczenia o Poręczeniu. ----------

4.1.7 *Brak likwidacji* ----------

Nie nastąpiło otwarcie likwidacji Poręczyciela zgodnie z odpowiednimi przepisami prawa polskiego mającymi zastosowanie do Poręczyciela.----------

4.1.8 *Brak wszczęcia postępowania upadłościowego lub restrukturyzacyjnego* -

Poręczyciel, ani zgodnie z najlepszą wiedzą Poręczyciela, żadna osoba trzecia nie złożyła wniosku o ogłoszenie upadłości lub nie podjęto czynności zmierzających do prowadzenia postępowania restrukturyzacyjnego Poręczyciela zgodnie z odpowiednimi przepisami prawa polskiego mającymi zastosowanie do Poręczyciela, ani też nie istnieją podstawy do ich podjęcia. ----------

5. ZOBOWIĄZANIE PORĘCZYCIELA----------

5.1 Poręczyciel podejmie wszelkie uzasadnione czynności, aby Oświadczenie o Poręczeniu i odpowiednio Poręczenie były ważne, wiążące i skuteczne do ostatniego dnia Okresu Poręczenia, z zastrzeżeniem jego wygaśnięcia lub ograniczenia zgodnie z treścią niniejszego Oświadczenia o Poręczeniu.----------

5.2 Poręczyciel zobowiązuje się w stosunku do Obligatariuszy, niezwłocznie, lecz nie później niż w terminie 5 (słownie: pięciu) Dni Roboczych oraz z zastrzeżeniem bezwzględnie obowiązujących przepisów prawa, zawiadomić Emitenta o powzięciu informacji o wystąpieniu jakiegokolwiek zdarzenia, o którym mowa w Punktach 9.4 oraz 9.6 Warunków Emisji odnoszącego się do Poręczyciela oraz czynnościach, jakie podjął lub jakie zamierza podjąć w celu zmniejszenia skutków zajścia lub usunięcia takiego zdarzenia. ----------

6. WYGAŚNIĘCIE ----------

Oświadczenie o Poręczeniu oraz odpowiednio Poręczenie wygasają z upływem Okresu Poręczenia. Zobowiązania Poręczyciela wynikające z Poręczenia są pomniejszane o kwotę każdej płatności dokonanej w wyniku spełnienia świadczenia z tytułu Obligacji na rzecz Obligatariusza.----------

7. CIĄGŁOŚĆ ZABEZPIECZENIA ----------

Z zastrzeżeniem maksymalnej kwoty zabezpieczenia mającej zastosowanie do Poręczenia określonej w punkcie 2.3, Poręczenie obejmuje całość wierzytelności, które zabezpiecza oraz pozostaje w mocy, dopóki jakiekolwiek wierzytelności zabezpieczone Poręczeniem pozostają niespłacone lub mogą powstać, z zastrzeżeniem Okresu Poręczenia. ----------

8. PRZENIESIENIE PRAW I OBOWIĄZKÓW ----------

Poręczyciel nie jest uprawniony do dokonania cesji ani przeniesienia swoich praw, pożytków i zobowiązań wynikających z niniejszego Oświadczenia o

Poręczeniu. ----------

9. **WYPISY** ----------
Poręczyciel niniejszym wyraża zgodę na wydawanie wypisów aktu niniejszego Oświadczenia o Poręczeniu każdemu Obligatariuszowi, który przedstawi Imienne Świadectwo Depozytowe albo, w przypadku Obligacji zapisanych w Ewidencji, zaświadczenie, o którym mowa w art. 55 ust. 1a Ustawy o Obligacjach. ----------

10. **PRAWO WŁAŚCIWE** ----------
Niniejsza Umowa oraz wszystkie zobowiązania pozaumowne z niej wynikające lub z nią związane podlegają prawu polskiemu. ----------

11. **JURYSDYKCJA** ----------
Sądy właściwe miejscowo dla Dzielnicy Śródmieście m. st. Warszawy będą właściwe dla rozstrzygania wszelkich sporów wynikających z niniejszej Umowy lub z nią związanych (w tym sporów dotyczących istnienia, ważności lub rozwiązania niniejszej Umowy). ----------

***

Koszty tego aktu i koszty wypisów dla każdego Obligatariusza ponosi Poręczyciel. ----

***

Wypisy tego Aktu należy wydawać Obligatariuszom i Emitentowi oraz ich następcom prawnym w dowolnej ilości. ----------

***

Naliczono: ----------

a) taksę notarialną na podstawie § 3, §5 Rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca 2004r. w sprawie maksymalnych stawek taksy notarialnej ----------**10.000,00 zł**

b) taksę notarialną na podstawie § 12 Rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca 2004r. w sprawie maksymalnych stawek taksy notarialnej za *2 wypisy tego aktu* ----------**84,00 zł**

c) podatek od towarów i usług, tj. 23% na podstawie art. 41 w związku z art. 146a pkt 1 ustawy z dnia 11 marca 2004 roku o podatku od towarów i usług od kwot w pkt a) i b)----------**2.319,32 zł**

Razem: ----------**12.403,32 zł**

Akt ten został odczytany, przyjęty i podpisany.

ORYGINAL WŁASNORĘCZNIE PODPISALI:
STAWAJĄCY I WOJCIECH RADTKE – NOTARIUSZ.

REPERTORIUM A NUMER 11947/2025
KANCELARIA NOTARIALNA W POZNANIU, ULICA PAMIĄTKOWA NUMER 2/6.
WYPIS TEN WYDANO – SPÓŁCE. ----------
POZNAŃ, 29 PAŹDZIERNIKA 2025 ROKU. ----------

WOJCIECH RADTKE
NOTARIUSZ

STRONA PODPISOWA

Warunki emisji Obligacji serii 1/2025 emitowanych przez PEU (FIN) Plc z dnia 29 października 2025 r. sporządzonych w Warszawie.

Signature valid
Digitally signed by Alan Chitty
Date: 2025.10.29 19:02:53 GMT

Signature valid
Digitally signed by Katie Close
Date: 2025.10.29 19:16:07 GMT

W imieniu i na rzecz PEU (FIN) Plc jako Emitenta:

_____

5. Definitions and abbreviations

Capitalised terms not defined in this Information Document have the meaning given to them in the Terms and Conditions attached to this Information Document.

"**Act on Bonds**" means the Polish Act on Bonds of 15 January 2015, as amended.

"Act on Trading in Financial Instruments" means the Polish Act on Trading in Financial Instruments of 29 July 2005, as amended.

"**ATS**" means an alternative securities trading system operated by the WSE.

"**ATS Rules**" means the Alternative Trading System Rules, with appendices, as amended by Resolution No. 147/2007 of the WSE Board of 1 March 2007, as amended.

"**BMR**" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

"**Bondholders**" means the holders of the Bonds.

"**Bondholders' Meeting**" means the bondholders' meeting referred to in Article 46 of the Act on Bonds.

"**Bonds**" means series 1/2025 bonds issued by the Issuer under the Programme.

"**Brexit**" means the UK's exit from the European Union.

"**CEE**" means Central and Eastern European.

"**Civil Code**" means Polish act of 23 April 1964 – Civil Code, as amended.

"**Commercial Companies Code**" means Polish act of 15 September 2000 Code of Commercial Partnerships and Companies, as amended.

"**Commodity Exchange Act**" means Polish act of 26 October 2000 on commodity exchanges, as amended.

"**ESG**" means Environmental, Social and Governance.

"**FMCG**" means fast-moving consumer goods.

"**FY**" means financial year.

"**Information Document**" means this information document.

"**Issuer**" means PEU (FIN) PLC with its registered office in London, at 14th Floor Capital House, 25 Chapel Street, London, United Kingdom, NW15DH, entered into the commercial register under number 11808114.

"**GDPR**" means General Data Protection Regulation (EU) 2019/679.

"**Group**" means the Parent Guarantor and its consolidated subsidiaries from time to time.

"**Guarantee**" means the Polish-law governed suretyship (*poręczenie*) to be granted by each Guarantor up to the amount equivalent to 120% of the total nominal value of the Bonds for the purpose of securing the Bondholders' receivables arising in connection with the issue of the Bonds.

"**Guarantors**" means jointly the Parent Guarantor and the Polish Guarantor and the term a "Guarantor" means any of them.

"**MAR**" means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

"**National Court Register Act**" means the Polish Act of 20 August 1997 National Court Register Act, as amended.

"**New Senior Facilities Agreement**" means the senior facilities agreement dated 6th November 2025 between, among others, PEU (FIN) PLC, PEU (TRE) Ltd, Pepco Group NV and ING Bank N.V. as agent and security agent.

"**Original Senior Facilities Agreement**" means the senior facilities agreement dated 23 April 2021 between, among others, PEU (FIN) PLC, PEU (TRE) Ltd, Pepco Group NV and Lloyds Bank PLC as agent and security agent.

"**Parent Guarantor**" means Pepco Group N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands under registration number 89128491.

"**PFSA**" means the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego (KNF)*).

"**PGS**" means the vertically integrated sourcing division of Pepco group formed in July 2012.

"**Polish Guarantor**" means Pepco Poland sp. z o.o., a limited liability company (*spółka z ograniczoną odpowiedzialnością*) duly organized and established under the laws of the Republic of Poland, with its registered office in Poznań, at ul. Strzeszyńska 73A, 60-479 Poznań, Poland, entered into the register of entrepreneurs of the National Court Register maintained by the District Court for Poznań – Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register under KRS number: 0000111962, having NIP number: 7822131157 and REGON number: 639669292, with the share capital in the amount of PLN 27,000,000.00.

"Public Offering Act" means the Polish Act of 29 July 2005 on Public Offerings, Terms of Introduction of Financial Instruments to Organised Trading and on Public Companies, as amended.

"**Programme**" means a bond issue programme for a total nominal value of issued and not redeemed bonds of PLN 2,000,000,000 (in words: two billion Polish zlotys) (or its equivalent in other currencies), established by the Issuer on 2 October 2025.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

"**Terms and Conditions**" means the terms and conditions of the Bonds.

"**TISE**" means The International Stock Exchange Group Limited with its office in Guernsey."**Trading Act**" means the Polish Act of 29 July 2005 on Trading in Financial Instruments, as amended.

"**UK**" means the United Kingdom.

"**WE**" means Western European.

"**WIBOR**" means the WIBOR benchmark provided by GPW Benchmark S.A.

"**WSE**" means the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) with its registered office in Warsaw.