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FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

3 June 2026

Pepco Group N.V.

Pepco Group agrees sale of Dealz Poland to a specialist European retail investor

- **Transaction will complete the Group's strategic exit from fast-moving consumer goods (FMCG) retail, creating a pure-play Pepco business**
- **Transaction will enable the Group to focus entirely on its higher-growth, higher-margin Pepco clothing and general merchandise business**
- **Pepco Group will retain 35% participation in the net proceeds of any future onward sale of Dealz Poland**

Pepco Group N.V. ("Pepco" and, together with its subsidiaries, "Pepco Group" or the "Group"), a leading pan-European discount retailer, today announces that it has entered into a preliminary share purchase agreement and related transaction agreements in relation to the sale of shares, constituting 100% of the share capital, of Dealz Poland sp. z o.o. ("Dealz Poland") (the "Transaction") to a newly incorporated company established by a specialist European retail investor ("the Investor").

Summary details

- Pepco Group has agreed to the sale of its Dealz Poland business to the Investor, reflecting its strategy to simplify the Group's structure and drive shareholder value, as set out at the 2025 Capital Markets Day.
- The shares in Dealz Poland will be sold to the Investor for nominal consideration. Pepco Group is providing an asset-backed vendor financing facility of up to GBP 20m equivalent in support of the Transaction.
- The Transaction is consistent with the Group's ambition to operate under a single Pepco format, focused on its higher-margin clothing and general merchandise ranges. In H1 FY26, Dealz Poland contributed approximately 6.9% of Group revenues but generated a negative EBITDA, creating a material drag on Group profitability and returns.
- By deconsolidating Dealz Poland from the Group, the Transaction is expected to improve the Group's revenue growth profile, drive higher profitability and margins, and strengthen cash generation, highlighting a clear focus on driving shareholder value. Following the Transaction's completion, we expect Dealz to be fully deconsolidated from Group FY26 financial statements.
- The Transaction is subject to the satisfaction of a customary antitrust approval.

Stephan Borchert, Pepco Group CEO commented:

"The sale of Dealz Poland marks the final step strategically transforming our portfolio to become a pure-play Pepco business. As we set out at our 2025 Capital Markets Day, this transaction will complete our exit from FMCG retail, allowing us to devote our full focus and resources to expanding the Pepco brand across Europe.

“Pepco is a high-quality, distinctive retail business with strong fundamentals and considerable growth potential. The simplification of our Group structure will sharpen our strategic focus, improve our profitability profile and accelerate our ability to deliver long-term shareholder value.

“Dealz has served Polish consumers well for many years and we believe the Investor is well-placed to support the business in its next chapter. We sincerely thank all the Dealz Poland team for their dedication and contribution to the Group, and wish them every success for the future.”

Strategic rationale

Pepco Group’s decision to divest Dealz Poland is rooted in its strategic ambition to simplify its portfolio and accelerate growth in its strongest categories and markets. This Transaction creates a cleaner, more focused business, enabling the Group to direct its full capital, management time and operational resources towards expanding the Pepco brand – which generates the vast majority of the Group’s earnings and the highest returns on capital.

Following completion, the Transaction will represent the culmination of the Group’s exit from FMCG retail, after the sale of Poundland in June 2025. With Dealz Poland moving to new ownership, once the transaction completes, Pepco Group will operate as a single-format business built entirely around its Pepco clothing and general merchandise proposition, present across multiple markets in Europe. This simplified structure is expected to drive stronger profitability, cash generation and revenue growth, and to unlock the full earnings potential of the Pepco brand for shareholders.

Information on Dealz Poland

Dealz Poland is a value retailer operating 343 stores across Poland, offering a broad range of international branded FMCG and general merchandise products in store formats of 300 to 500 square metres. The business generated net sales of €339m in the financial year ended September 2025 and employs approximately 1,500 colleagues across its store estate and head office. The business operates from a warehouse and distribution centre in Łyszkowice, Poland.

All stores, colleagues, assets and liabilities of the Dealz Poland business will move to the Investor as part of the Transaction. The business will continue to operate under the Dealz brand in Poland under its new ownership.

Information on the Transaction

- Pepco Group has agreed to sell shares constituting 100% of the share capital of Dealz Poland to the Investor for nominal consideration (PLN 1). The Transaction is structured as a single-step share sale subject to the satisfaction of a customary antitrust approval.
- On completion, Pepco Group will provide an 18-month, asset-backed vendor financing facility of up to GBP 20m equivalent (the “Working Capital Facility”), secured over inventory.
- On completion, Pepco Group will enter into an Exit Participation Agreement with the Investor, pursuant to which Pepco Group is entitled to receive 35% of the net cash proceeds of any future onward sale of the Dealz (with no time limit). This could provide Pepco Group with meaningful participation in potential future value creation of the business.
- On completion, Pepco Group and Dealz Poland will enter into transitional services agreements for a finite transition period, under which Pepco Group will provide certain support services to the Dealz Poland following completion.
- The Transaction is subject to receipt of regulatory clearance following a standard antitrust-review process as a condition precedent. The long stop date is 30 October 2026.
- Pepco Group will disclose further details including pro-forma financials later in H2 FY26.

- Pepco Group was advised by Erste Bank Polska SA (Corporate & Investment Banking) and by Rymarz Zdort Maruta as legal adviser.

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ENQUIRIES

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