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FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

10 July 2026

Pepco Group N.V.

Pepco Group completes sale of Dealz Poland to Modella Capital

- **Antitrust clearance received by Modella Capital from Polish competition authority (UOKiK), satisfying the sole condition precedent to completion**
- **Pepco Group retains 35% participation in net proceeds of any future onward sale of Dealz Poland**
- **Dealz Poland to be fully deconsolidated from Group FY26 year-end financial statements, enhancing revenue growth profile, profitability and cash generation**

Pepco Group N.V. ("Pepco" and, together with its subsidiaries, "Pepco Group" or the "Group"), a leading pan European discount retailer, today announces completion of the previously announced sale of Dealz Poland sp. z o.o. ("Dealz Poland") to Modella Acquisition Co 17 Limited, an affiliate of Modella Capital ("Modella Capital") (the "Transaction"). Prior to completion, and in accordance with the terms of the sale and purchase agreement, Modella Acquisition Co 17 Limited assigned its rights and obligations under the sale and purchase agreement to Blackline (Bidco) Limited ("Modella Bidco") (the "Transaction"). Completion follows receipt of antitrust clearance by Modella Capital from the Polish competition authority (UOKiK), which represented the sole condition precedent to the Transaction. The Transaction was originally announced on 3 June 2026, and further details of its terms were set out in the Group's announcement of that date.

The Transaction completes Pepco Group's exit from FMCG retail, following the sale of Poundland in June 2025, and reflects the Group's strategy to simplify its structure and focus entirely on the Pepco brand and its clothing and general merchandise proposition, as set out at the 2025 Capital Markets Day.

The shares in Dealz Poland have been transferred to Modella Bidco for nominal consideration (PLN 1). On completion, Pepco Group has provided an 18-month, asset-backed vendor financing facility of up to GBP 20m equivalent, secured over inventory, in support of the Transaction. Under the terms of an exit participation agreement, Pepco Group will receive 35% of the net cash proceeds of any future onward sale of Dealz Poland with no time limit, providing the Group with meaningful participation in the potential future value creation of the business. A transitional service agreement is also in place for a finite transition period following completion.

In H1 FY26, Dealz Poland contributed approximately 6.9% of Group revenues but generated a negative EBIT, with a consequent impact on profitability and returns. With Dealz Poland deconsolidated from the Group's FY26 financial statements, the Transaction is expected to result in an enhanced revenue growth profile, higher margins and stronger cash generation.

Stephan Borchert, Pepco Group CEO, commented:

"The completion of the sale of Dealz Poland marks the final step in our strategic transformation away from FMCG retail. Pepco Group is now a pure-play business, built entirely around the Pepco brand and its clothing and general merchandise proposition across Europe."

“As we set out at our 2025 Capital Markets Day, this simplified structure will sharpen our strategic focus and unlock the full earnings potential of Pepco. We can now direct our full resources towards expanding the Pepco brand, accelerating growth in our core markets, and delivering stronger profitability and long-term shareholder value.

“We wish Modella Capital and the entire Dealz Poland team every success for the future. Dealz Poland has served Polish consumers well for many years and we are grateful to all of the team for their commitment and contribution to the Group.”

- ENDS -

ENQUIRIES

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