



INVESTOR PRESENTATION

September 2023

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CEO INTRO

FROM THE BEGINNING OF THE YEAR, THE BIGGEST CHALLENGE WAS SUBSTITUTING THE LOST CONTRIBUTION FROM THE RELEASES PLATFORM. WITH ADIDAS DISCONTINUING THE COOPERATION WITH KANYE WEST AND OTHER BRANDS NOT HAVING SUCH HOT PRODUCTS IN OUR SEGMENT, WE LOST 20M CZK OF CONTRIBUTION MARGIN FROM THIS CHANNEL. WE ARE ALREADY WORKING ON REPLACING IT BY GETTING ACCESS TO OTHER BRANDS AND COLLECTIONS THAT COULD SUBSTITUTE YEEZY.

I AM HAPPY THAT THANKS TO THE GROWING REVENUE OF OUR CORE BY 16% YOY IN THE GIVEN PERIOD AND STRICT MANAGEMENT OF THE FIXED COST, WE MANAGED TO NOT ONLY COMPENSATE FOR THE LOSS BUT EVEN INCREASE ADJ. EBITDA BY APPROX 14M CZK.

WITH GAINING NEW CAPITAL IN THE MIDDLE OF THE YEAR, WE ARE YET AT THE BEGINNING OF USING THE CAPITAL TO IMPROVE THE KPIS. WE IMMEDIATELY PAID OUT DEBTS AND SIGNIFICANTLY DECREASED THE FINANCIAL COST; WE ALREADY LAUNCHED A MOBILE APP AND OPENED A NEW FLAGSHIP STORE IN BRATISLAVA CITY CENTRE. THE EFFECTS OF THESE AND UPCOMING INVESTMENTS ARE YET TO COME IN THE FORTHCOMING PERIOD.

THE EFFECT OF THE GROWING POWER OF CZK ALSO HURT OUR MARGIN. OUR MARGIN MIGHT GROW EVEN BY 4PP THANKS TO THE HARMONIZATION OF FX RATES WITH PRICE LISTS OF OUR KEY SUPPLIERS. AT THE SAME TIME, OUR KEY SUPPLIERS WILL INCREASE ALLOCATIONS FOR US IN THE FUTURE.

SEEING THIS, I REMAIN OPTIMISTIC TOWARDS OUR PROMISE TO INCREASE PROFITABILITY AND DELIVER STEADY GROWTH IN THE FOLLOWING SEASONS.

PETER HAJDUCEK, CEO



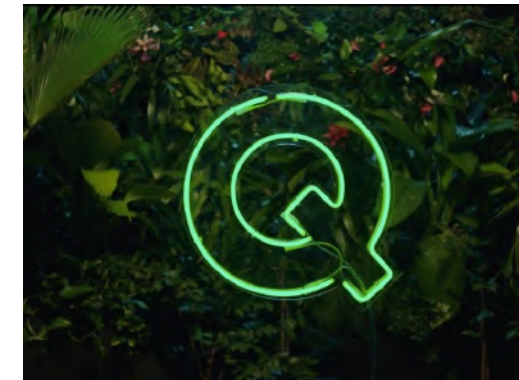
**FOOTSHOP GROUP
INTRODUCTION**



Leading online and B&M retailer of streetwear footwear, apparel and accessories



Czech based company headquartered in Prague



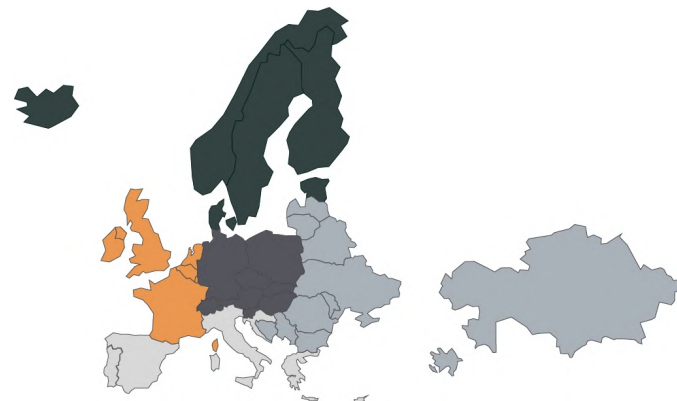
Operating through 2 online stores Footshop & Queens



Operating 4 flagship B&M stores in Prague, Bratislava, Bucharest and Budapest



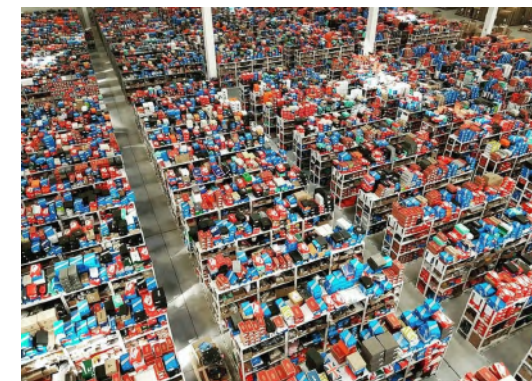
The only member of adidas Consortium in CZE, HU, RO and SVK with access to high-end products



Serving customers primarily in Europe, but with global presence



~86 FTE employees



All orders fulfilled from a warehouse of 10 000 square meters in Prague



COMPANY ESTABLISHMENT

- Peter Hajduček founded Footshop s.r.o.
- Initially, the company sold only skateboard shoes.

1st B&M STORE IN PRAGUE

- Footshop opened its first B&M store in Prague with 300+ people attending the opening celebration.

ADIDAS CONSORTIUM

- Footshop became the only Czech member of the adidas Consortium, the highest distribution level achieved by only a selected few stores globally.
- This milestone granted Footshop access to the most exclusive adidas products including adidas Yeezy.

2nd B&M STORE IN BRATISLAVA

- Footshop opened the 2nd B&M store in Bratislava.
- The company relocated to new offices and increased the number of employees to 25.

3rd B&M STORE IN BUDAPEST

- Footshop opened the 3rd B&M store in Budapest.
- Footshop, in cooperation with Lousy Auber, created the largest street art piece in Central Europe on Hotel Kiev in Bratislava.
- First sneakers in cooperation with KangaROOS were introduced.
- First investor (ENERN Forsterite s.r.o.) entered Footshop and acquired a 22% stake.
- Footshop Releases platform was launched.



4th and 5th B&M STORE OPENING

- Footshop opened 2 new stores - in Bucharest and another store in Prague.

NEW BRAND IDENTITY

- Footshop adopted new brand identity created by Studio Najbrt.
- The company expanded its product offerings to include premium brands such as Heron Preston, Rick Owens and A Cold Wall.

ACQUISITION OF QUEENS

- Footshop achieved its highest Revenues.
- The company expanded through the acquisition of its domestic competitor Queens.
- Footshop also raised additional investment from Crowdberry.

COMPANY REORGANISATION

- The market situation worsened, forcing Footshop to implement cost-cutting measures.
- 1/3 of employees was laid off.
- All Queens stores in Brno, Ostrava and Praha were closed, as well as two Footshop stores in Bratislava and Vnitroblok in Prague.
- adidas terminated the cooperation with Kanye West which ended the Yeezy era.

PRAGUE STOCK EXCHANGE LISTING

- Footshop concluded a new chapter in the history of the company by entering the Prague Stock Exchange.
- Bratislava store was re-opened at a more convenient location in the city center.
- Mobile app was launched to offer great shopping experience to mobile users (80% of sessions) (Refer to Slide [35](#)).
- The portfolio of private label products significantly expanded (Refer to Slide [36](#)).

"MULTICHANNEL RETAILING ENABLES US TO ADAPT FLEXIBLY TO MARKET TRENDS AND BRINGS US CLOSER TO OUR CUSTOMERS. IT ALSO MAKES US MORE ATTRACTIVE IN THE EYES OF OUR SUPPLIERS."

FOOTSHOP CORE

- Footshop focuses primarily on selling premium, unique and limited footwear with a strong focus on streetwear look.
- Footshop Core, as referred to in this presentation, represents Footshop Online and the B&M stores.
- The B&M stores are premium boutiques positioned in desirable locations and are often used to organise exclusive events for our customers.

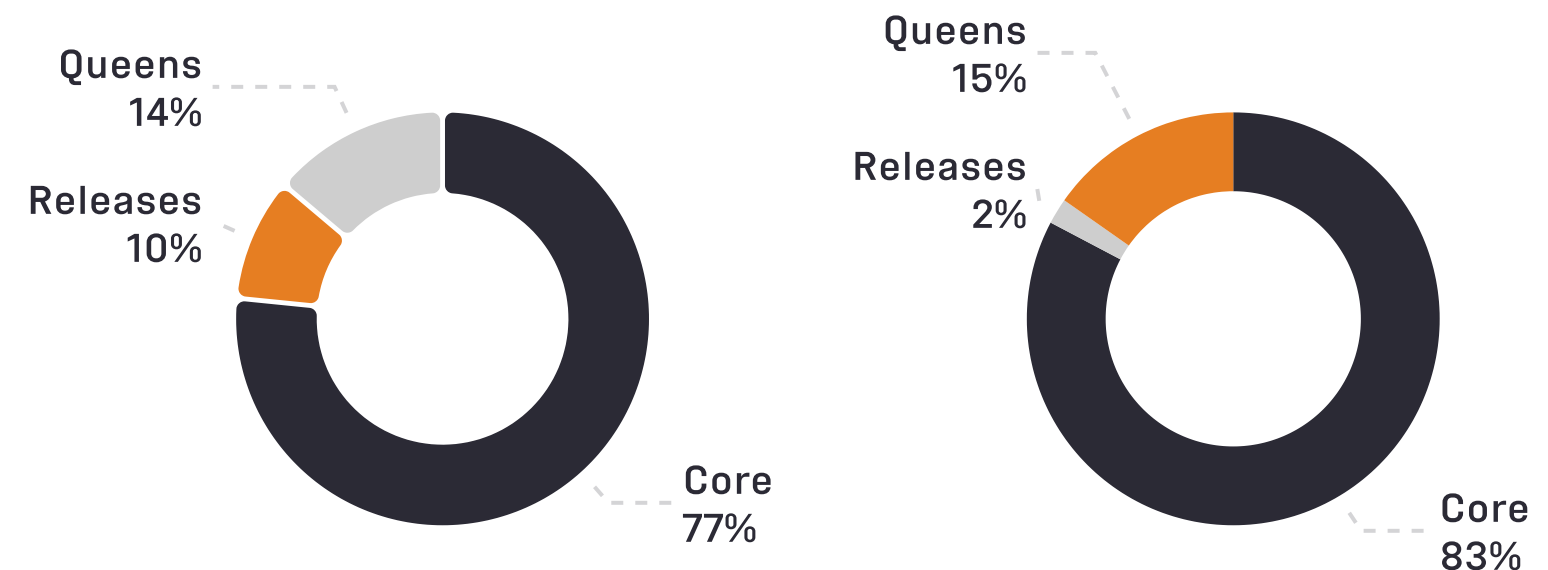
QUEENS

- Queens is positioned more in women-oriented and urban segments, aiming to sell products from head to toe.
- Queens is currently operating exclusively online, with the option to pick up an order at Footshop's B&M store in Prague.
- In the near future, we plan to open a B&M store as well (more details in the Strategy & Plans section).

FOOTSHOP RELEASES

- Footshop Releases is a webpage selling limited and the most exclusive sneakers; products are released on specific dates, and customers can buy them only after registering and being drawn in a raffle.
- However, the allocation of the product for Footshop Releases is unfortunately something we have no control over.
- One of the most important brands sold through this platform was adidas Yeezy until it was discontinued in October 2022 (Refer to Slide [11](#)).

% Share of Sales Channels for 8M FY22 vs. 8M FY23



PRAGUE

BUCHAREST

BUDAPEST

BRATISLAVA

"ADIDAS YEEZY CREATED A POWERFUL FUSION OF BRAND WITH ARTIST AND PLAYED A SIGNIFICANT ROLE IN FOOTSHOP'S JOURNEY."



2013 THE DEAL



- Kanye West and adidas announced their creative partnership.

2015 THE "YEEZY BOOST 750"



- The partnership's first product, the Yeezy Boost 750, was unveiled, featuring an iconic high-top silhouette and Boost cushioning, marking the beginning of the Yeezy line.

2016 NEW DEAL BASED ON YEEZY SALES INCREASE

- adidas reported an 18% annual sales increase.
- As the popularity of West's Yeezy line grew, adidas struck a new deal with Kanye to run through 2026.

2019 YEEZY DAY



- adidas sales of Yeezy products had surpassed \$1 billion for the first time.
- adidas came up with the so-called "Yeezy Day" but Kanye West disagreed with this initiative, and the relationship started to deteriorate.

2021 THE "FOAM RUNNER"



- adidas Yeezy line remained its most-hyped product in a celebrity lineup.
- The "Foam Runner" quickly became a must-have casual footwear item, popular among resellers due to its retail price under \$90, which could fetch double or triple the price on secondary markets.

"TERMINATION OF THE PARTNERSHIP HAS FORCED US TO SEEK NEW WAYS TO GROW OUR CORE BUSINESS. WE BELIEVE THAT THE EFFECT IS ONLY TEMPORARY ."



"A FAKE YEEZY" AND ESCALATION

- Kanye accused the adidas CEO of ripping off one of his Yeezy designs and called the alleged copy "a fake Yeezy."
- Subsequently, Kanye told the media that he intended to end the partnership and continue on his own.

PARTNERSHIP TERMINATION

- adidas announced its relationship with Kanye West was under review after a series of public comments the rapper made against the company.
- The rapper also sparked outrage after antisemitic remarks on his social media, which escalated in adidas terminating its partnership with him.

THE AFTERMATH

- adidas faced a potential loss by ending the Yeezy business, with the need to potentially write off \$500 million in inventory.
- adidas named Bjørn Gulden as the new CEO.

SELLING THE YEEZY INVENTORY

- adidas decided to sell its remaining Yeezy inventory starting at the end of May.
- Part of the proceeds from the sale were meant for charity.
- Footshop was again one of the few retailers in Europe who got access to these additional drops.

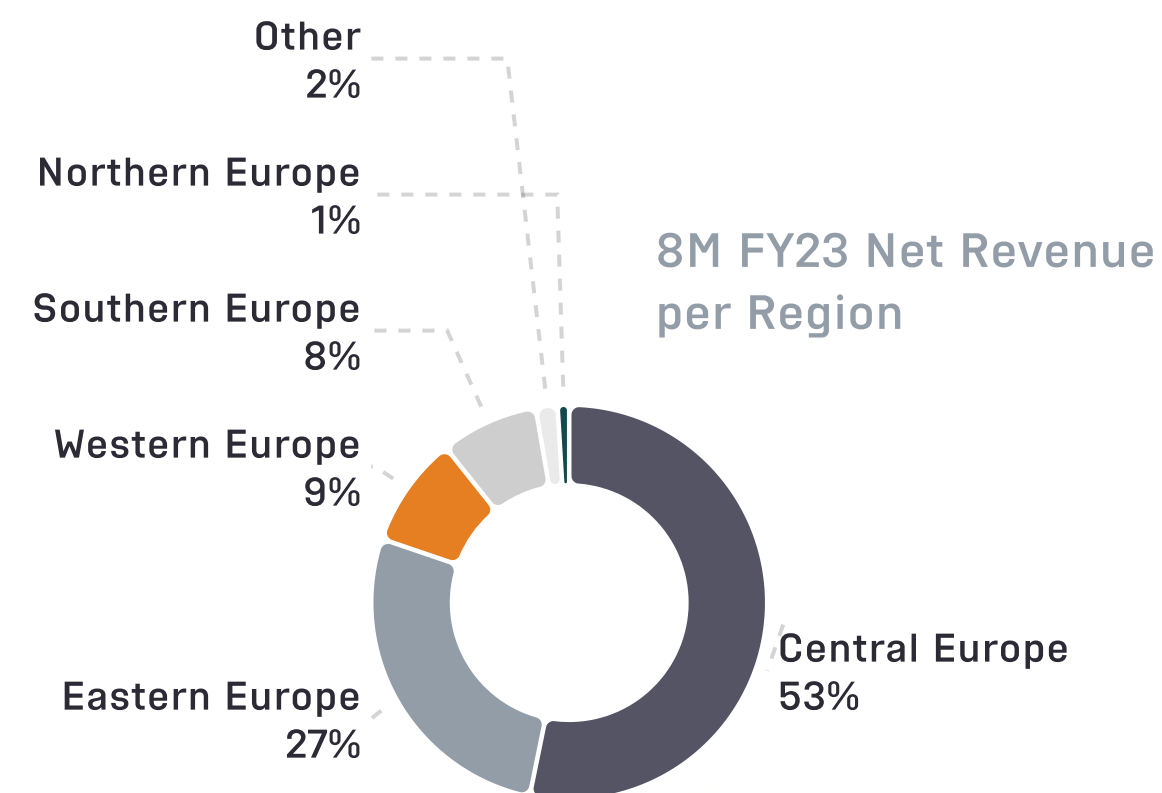
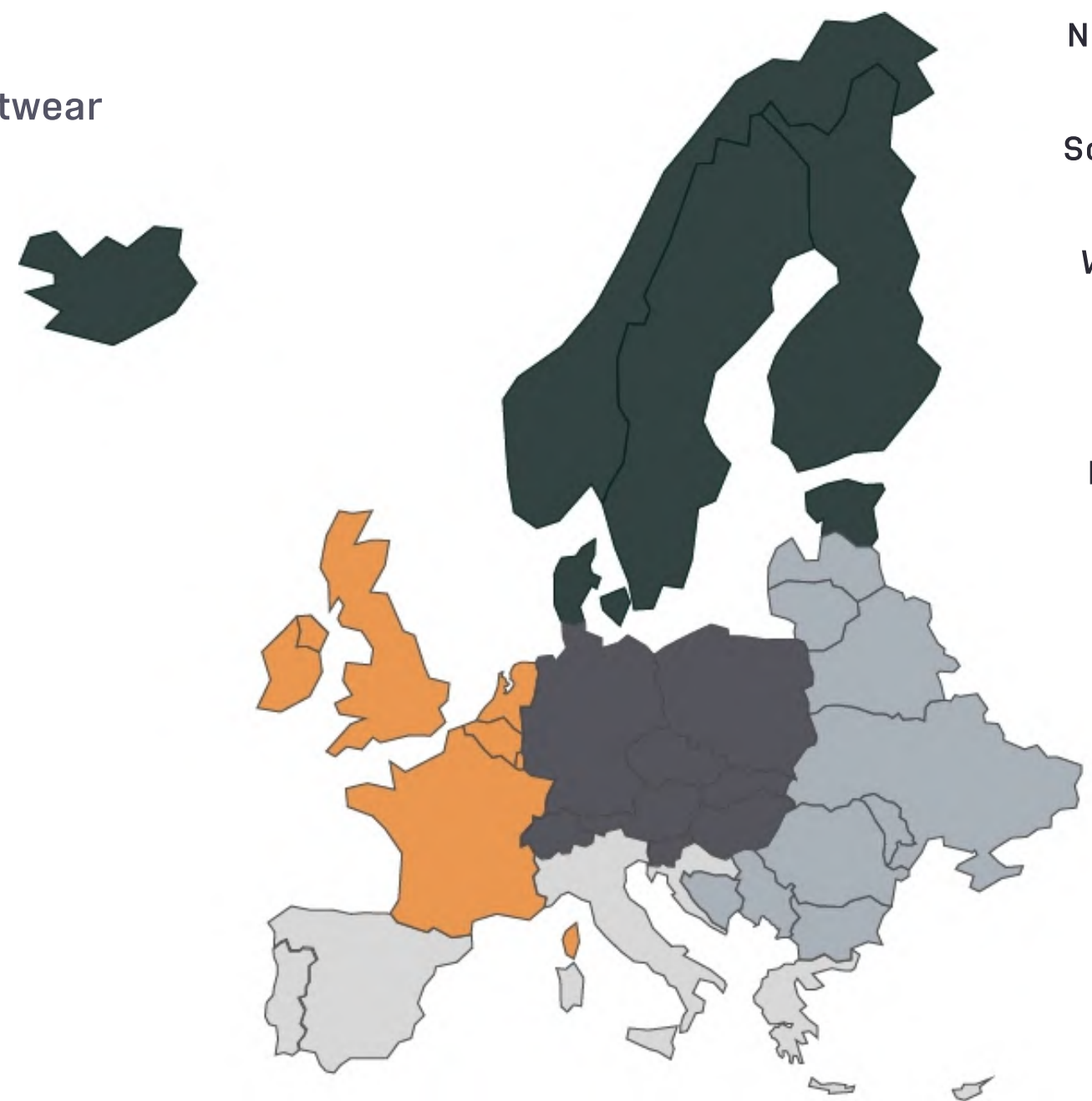
Why mention it?

- As this example shows, the allocation of product for Releases is out of our control.
- However, when we have the product, the benefits are:
 - very low marketing cost,
 - high sell-through rate,
 - growing customer base and engagement on social media.

"FOOTSHOP OPERATES AS A TRULY EUROPEAN COMPANY, WITH THE MAJORITY OF ITS REVENUE GENERATED IN CENTRAL EUROPE."

GEOGRAPHIC POSITION IN CEE REGION

- In several markets, including the Czech Republic, Footshop is the #1 player in the premium streetwear segment and the only top-tier partner for many brands.
- Most of the Revenue is realized outside of the Czech Republic. 8M FY23 Net Revenue share of the Czech Republic is 30%
- Footshop continues to expand internationally, significantly increasing its presence in Poland and Greece.



Footshop's presence in Europe

"IN THE DYNAMIC SNEAKER INDUSTRY, FOOTSHOP'S AGILE APPROACH TO TRACKING MARKET TRENDS AND NAVIGATING SNEAKER TIERS POSITIONS IT AS AN ADAPTIVE PLAYER, READY TO EMBRACE THE RAPID GROWTH OF SMALLER BRANDS."

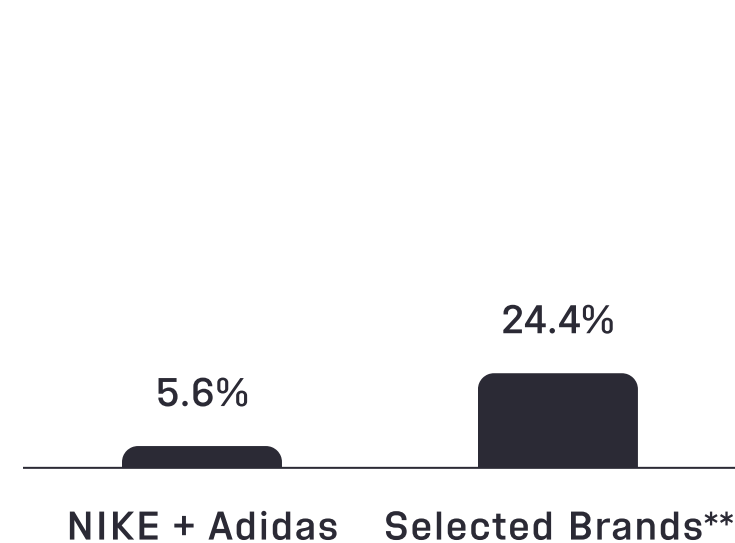
MARKET SEGMENTATION

- In the competitive sneaker market, NIKE and adidas dominate, while other brands such as New Balance, Vans, Puma, Asics, Converse, On, and Hoka also play significant roles.
- The sneaker market can be classified by Tiers:
 - Tier 1 and Tier 2: ordinary sneakers that are widely available at a range of outlets,
 - Tier 0: premium segment of the sneakers market sold exclusively through a few selected partner organizations.
 - For example adidas limits the sale of premium sneakers to members of the adidas Consortium group → only a few carefully chosen retailers, including Footshop, have the authorization to offer these top-tier products to customers.

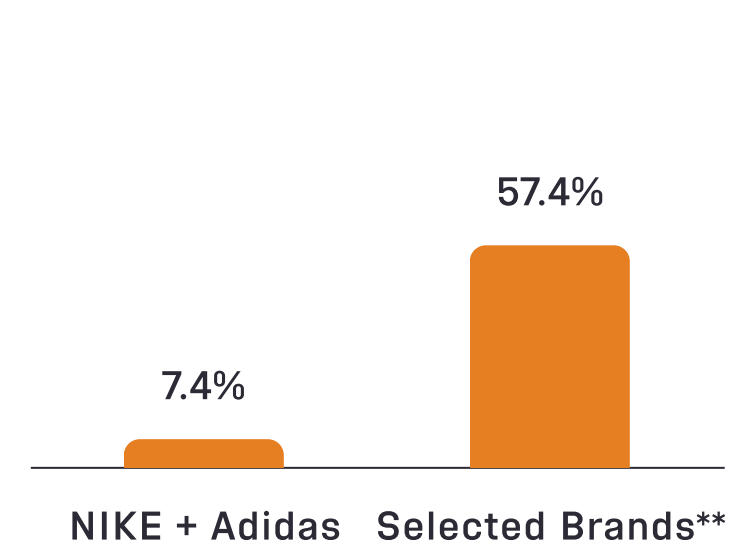
BRANDS' PERFORMANCE

- While NIKE and adidas maintain their dominance in the market, our extensive brand portfolio enables us to diversify and discover new growth opportunities.
- Finding the right product allowed us to mitigate the effect of the discontinuation of the adidas Yeezy brand.

Brand Revenue Growth in EMEA H1 22/23 [%]*



Brand Revenue Growth at Footshop Core H1 22/23 [%]



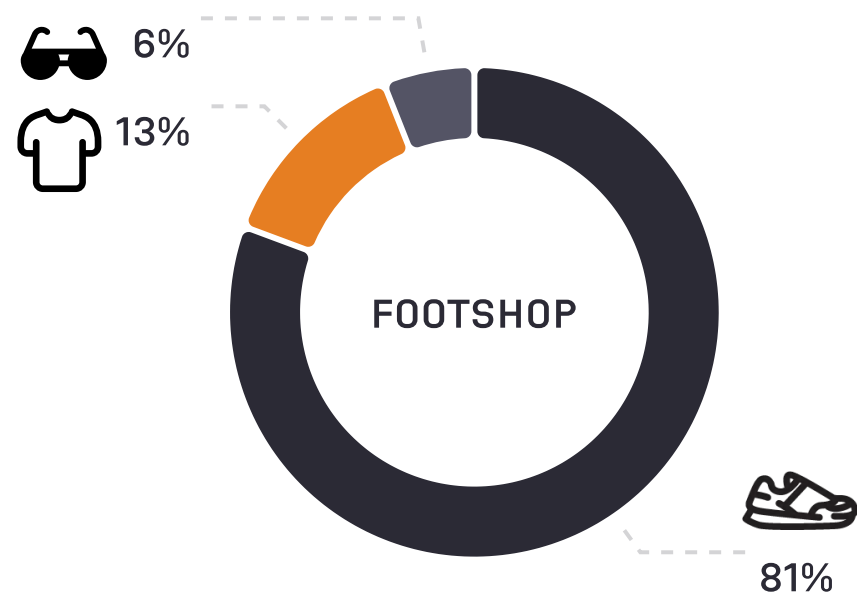
* Sources of the charts are Financial data publicly shared by the companies.
 ** Selected Brands: Puma, VF, Asics, On, New Balance, Hoka.

"AT FOOTSHOP, FOOTWEAR ACCOUNTS FOR MAJORITY OF THE PORTFOLIO, WHEREAS AT QUEENS, THE PORTFOLIO IS MORE DIVERSIFIED BETWEEN FOOTWEAR AND CLOTHING.

FOOTSHOP HAS A STRATEGIC POSITION IN THE CEE REGION

- Thanks to our strategic partnerships with suppliers, we offer unique and limited footwear with higher price points.
- Footshop's portfolio of brands includes the most prestigious streetwear brands such as NIKE, adidas, Converse, Y-3, Vans, New Balance, Asics, The North Face, Carhartt WIP, Pleasures, Comme des Garçons or Heron Preston and many others.

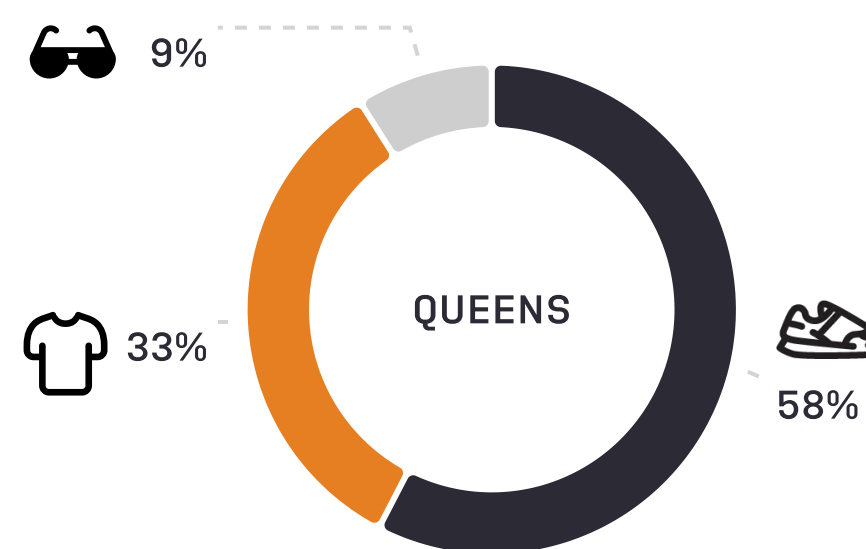
8M FY23
Category share
on Net Revenue



QUEENS DOMINATES IN THE CZECH REPUBLIC AND SLOVAKIA

- Top selling brands in Queens's portfolio include NIKE, adidas Originals, Vans, Converse, Urban classics, New Balance, The North Face, Carhartt, WIP, Lacoste.

8M FY23
Category share
on Net Revenue



Premium essence
at Footshop:

adidas Yeezy Foam
Runner FY4567

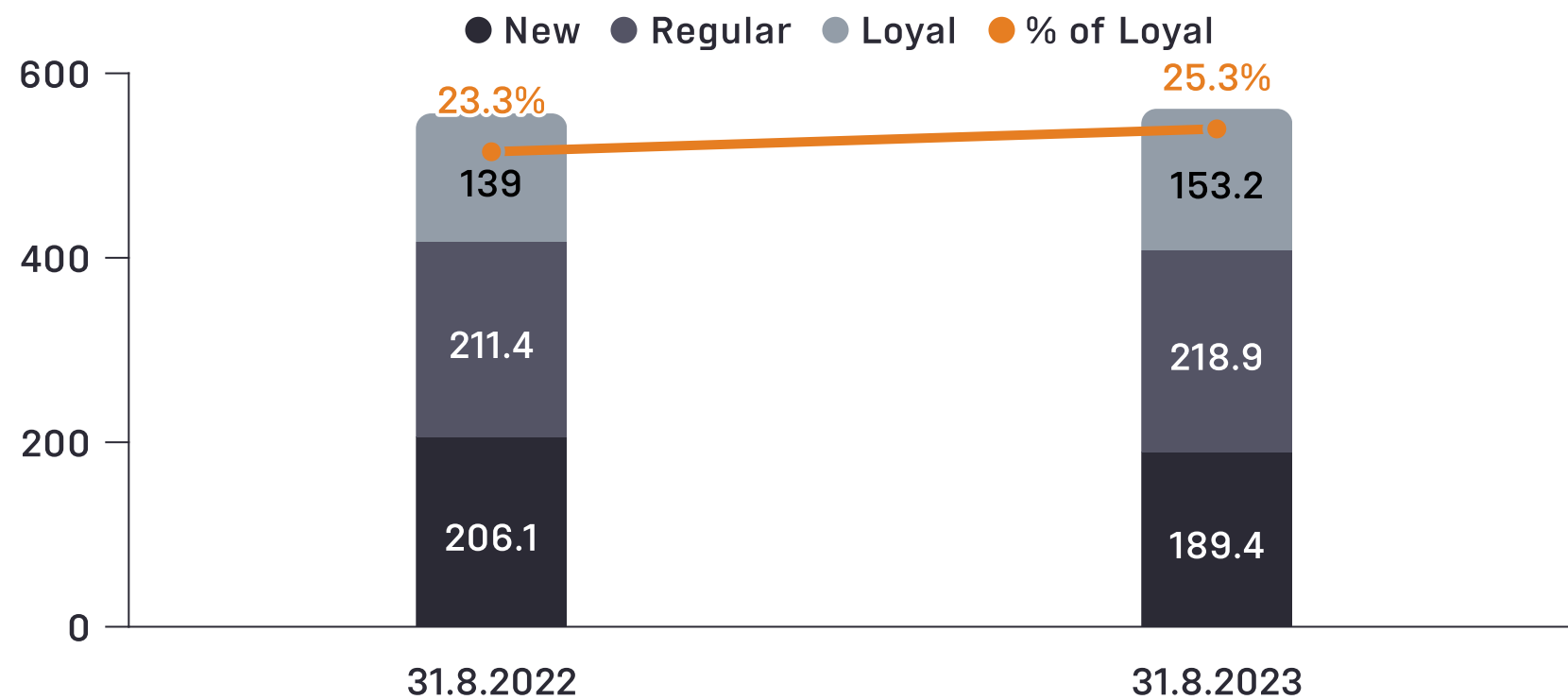
Registration count:
153 003

Winners Count: 657

Win rate: 0,43%

"THE TOTAL CUSTOMER BASE IS GROWING, WITH AN INCREASING SHARE OF LOYAL CUSTOMERS."

Development of Footshop Core customer base (thousands)



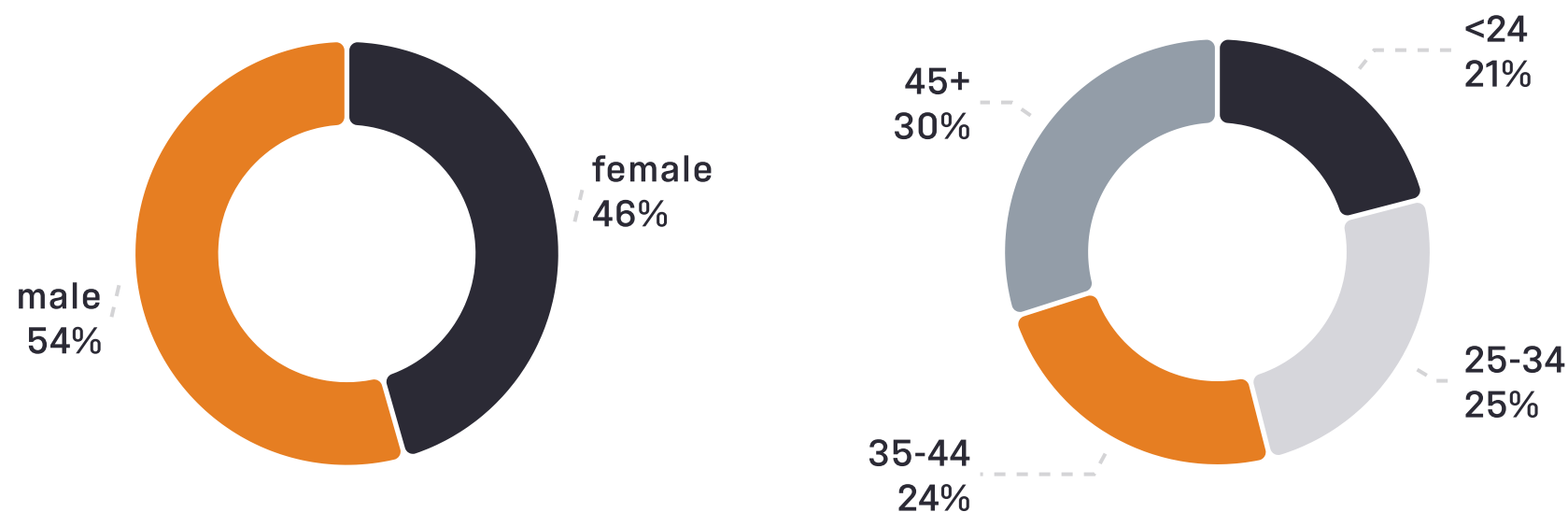
FOOTSHOP CORE CUSTOMER BASE

- 604k unique online customers purchased in Footshop in FY23, from which:
 - 153k were loyal*
 - 219k were regular**
 - 189k were new***
- Since the establishment of Footshop in 2012, more than 1M customers have placed an order.

OUR CUSTOMERS ARE YOUNG PEOPLE

- We are targetting young customers who are highly engaging with us on social media, and our product offer is wide enough to be relevant for any age group.
- Genderwise, our customers are distributed almost equally.
- 70% of our customers are less than 45 years old.

8M FY23 Footshop Core customers by Gender and Age group



* loyal customers = at least 2 purchases in last 2 years
 ** regular customers = 1 purchase between 1 and 2 years ago
 *** new customers = 1 purchase in the last year

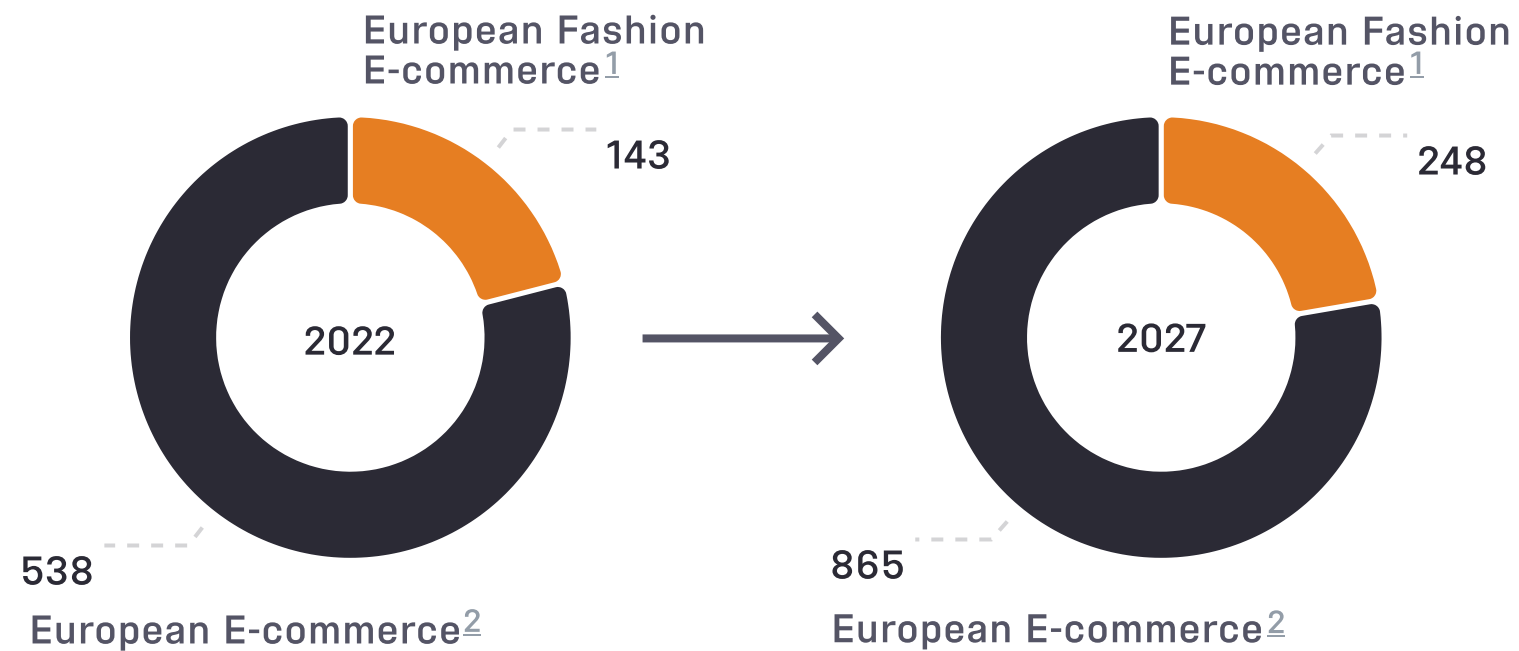
MACROECONOMIC ENVIRONMENT

"DESPITE DECREASING DEVELOPMENT OF THE CZECH E-COMMERCE, OUR CORE BUSINESS DELIVERED DOUBLE-DIGIT GROWTH, WHICH IS IN LINE WITH PROJECTIONS OF THE EUROPEAN FASHION E-COMMERCE MARKET."

EUROPEAN ONLINE MARKET IS EXPECTED TO GROW STEADILY

- Forecast of Online Fashion Revenue in Europe:¹
 - 248BN EUR by 2027
 - 28.7 % of Total Online Revenue in Europe (2022: 26.6%)
 - CAGR 2023-2027: 10.5%

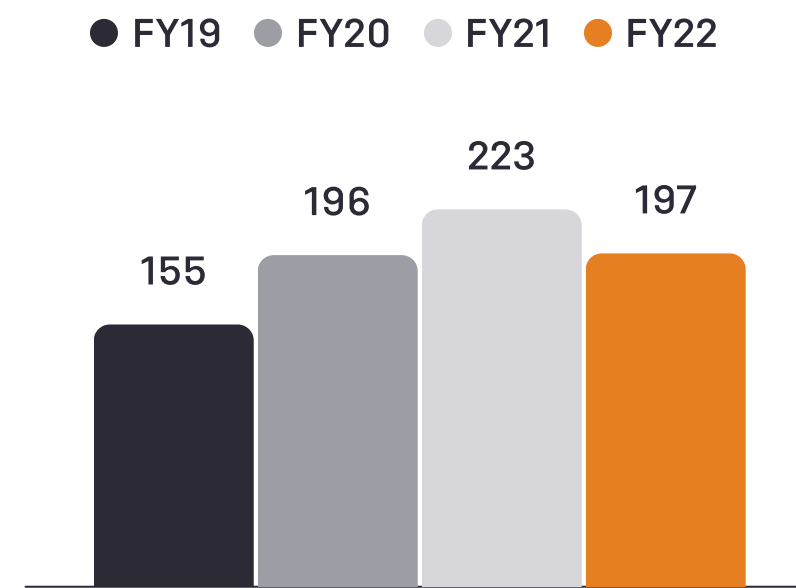
Online Fashion Revenue of respective year in BN EUR



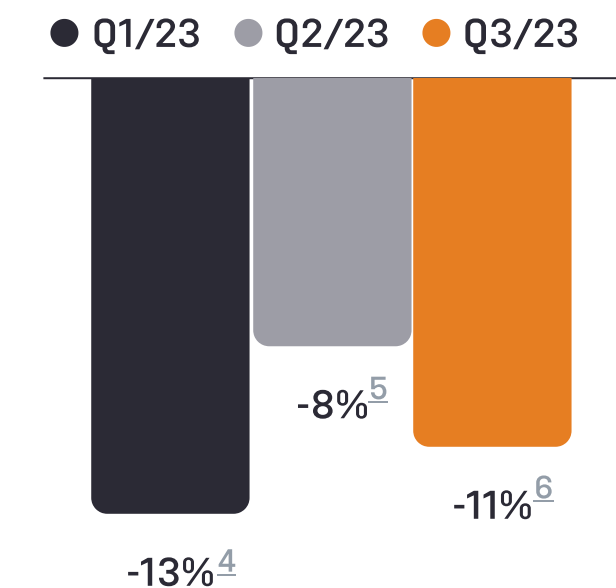
E-COMMERCE IN THE CZECH REPUBLIC IS ON THE DECLINE TRAJECTORY

- The Czech e-commerce has been decreasing.
 - FY 2022: -12% y/y
 - Q3 2023: -11% y/y

Czech E-commerce Revenue in BN CZK³



Czech E-commerce Revenue y/y development in 2023



"PAST EUR/CZK FX RATE TRENDS NEGATIVELY IMPACTED FOOTSHOP'S PROFITABILITY, BUT WE ANTICIPATE A FAVORABLE SHIFT THAT WILL BENEFIT OUR FINANCIAL OUTLOOK."

- Footshop is obligated to purchase goods in CZK from certain suppliers, while the wholesaler's product prices are denominated in EUR and converted to CZK at a fixed currency rate based on the supplier's price list (not reflecting actual trends).
- As a result, Footshop faces reduced Gross Margin while still needing to maintain competitiveness within the fashion e-commerce market.
- At present, the Exchange rates in suppliers' price lists should be gradually updated to reflect current levels of FX rates.

Model Example - products sold to Eurozone

2023 Price list FX rate given by Supplier	26.2
2024 Price list FX rate given by Supplier	25.5
FX rate 2023 - average [1-8/2023] ⁷	23.8
FX rate 2024 - forecasted ⁸	24.7

	2023		2024	
	EUR	CZK	EUR	CZK
Wholesaler Product price	100	2,620	100	2,550
Recommended Retail price	175	4,159	175	4,323
Gross Profit		1,539		1,773
Gross Margin		37.0%		41.0%

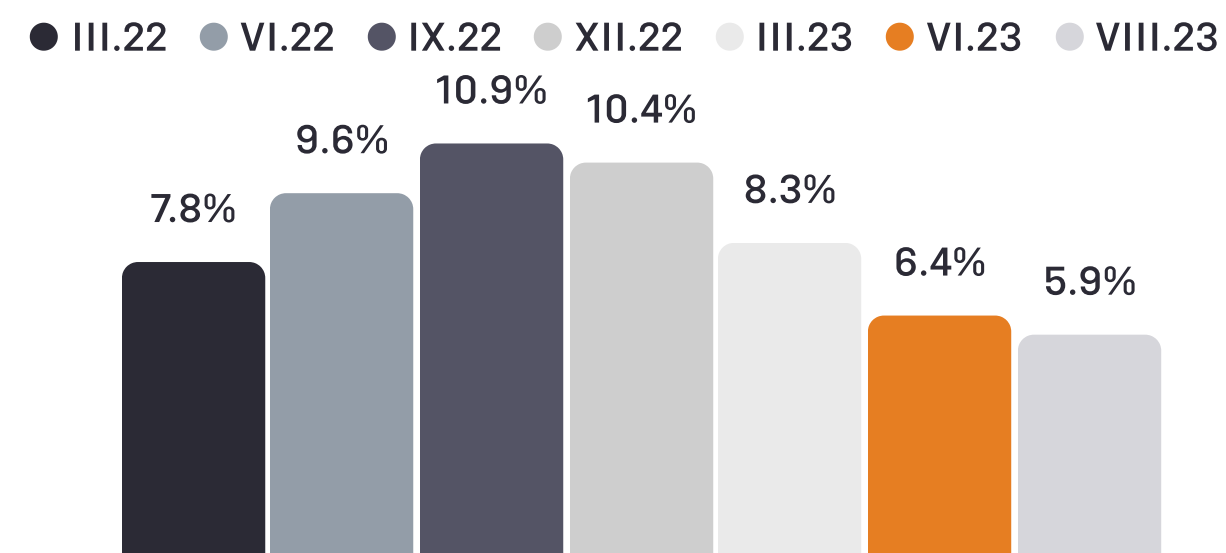
With the mentioned changes, we expect to see a possible **4% increase in our Gross Margin.**

"FOOTSHOP SUSTAINS BUSINESS RESILIENCE DESPITE INFLATION AND REALIZES GAINS FROM THE CURRENCY CHANGE IN ITS LOANS."

INFLATION HAS LIMITED IMPACT ON OUR BUSINESS

- Despite the challenges posed by inflationary pressures, there continues to be high demand for the goods included in Footshop's portfolio.
- On the cost side, the impact of inflation on higher operating costs has been effectively managed through the implementation of price ceilings. While there have been increases in personnel costs, these adjustments have not risen to the same level as inflation. The risk is that price inflation may not be directly reflected in consumer prices to the full extent.

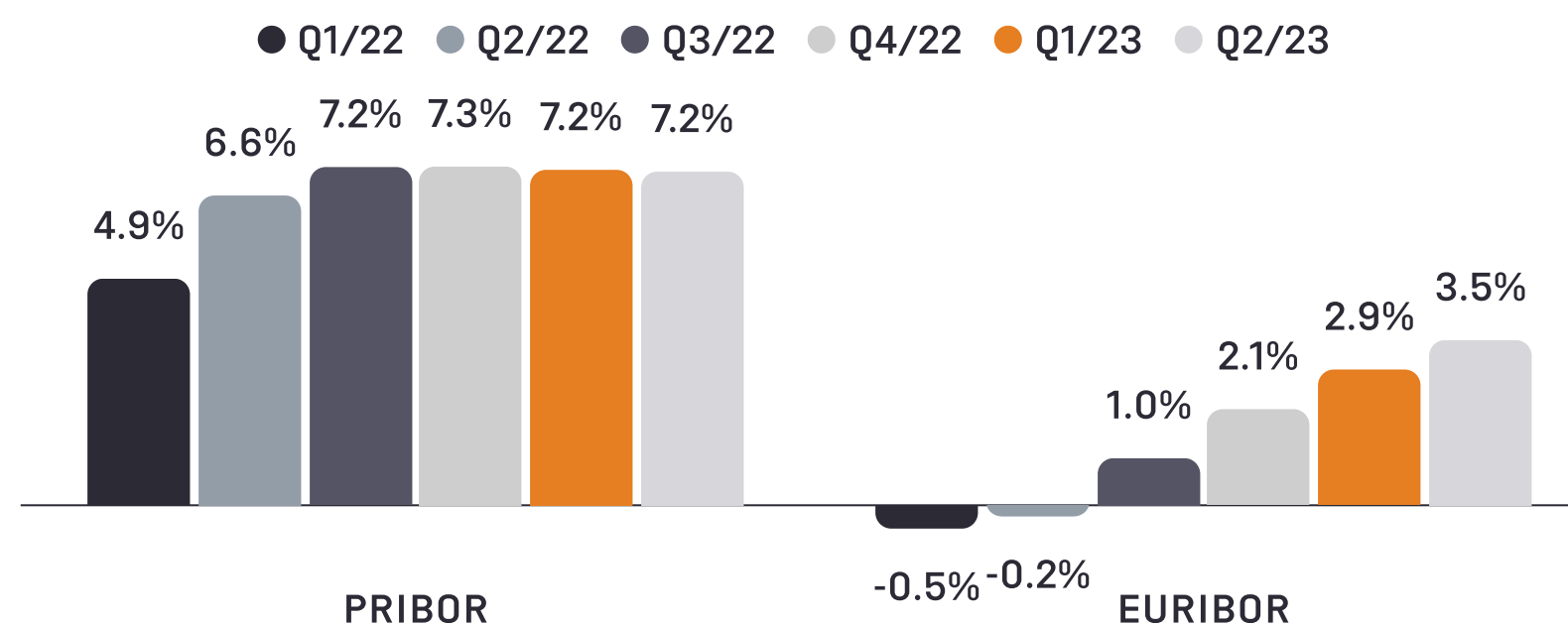
Inflation in Eurozone (%)⁹



FOOTSHOP IS PROFITING FROM TRANSITIONING BANK LOANS TO EUR

- Footshop successfully transitioned its bank loans from CZK to EUR currency last year. Consequently, the company is now influenced by the development of EURIBOR rates, which have been consistently lower than PRIBOR rates.
- The forecast for EURIBOR 3M rates in Q3 2024 stands at 3.57%.¹⁰

PRIBOR and EURIBOR development (%)¹¹



~~OUR~~ RESULTS

OUR RESULTS
AGGREGATED FINANCIAL METRICS

RESULTS FOR 8 MONTHS OF YEAR 2023

650M CZK

Net Revenue

FY22: 641M CZK

Δ y/y: +1.4%

12.4M CZK

Adj. EBITDA

FY22: -1.4M CZK

Δ y/y: +13.7M CZK

37.2%

Gross Margin

FY22: 37.3%

Δ y/y: -0,0pp

1.9%

Adj. EBITDA margin

FY22: -0.2%

Δ y/y: +2.1pp

"DESPITE THE DECLINE IN THE CZECH E-COMMERCE MARKET AND A DECREASE IN REVENUE FROM THE FOOTSHOP RELEASES PLATFORM, WE RECORDED A Y/Y INCREASE IN REVENUE THANKS TO THE DOUBLE-DIGIT GROWTH OF FOOTSHOP CORE."

M CZK	8M FY22	8M FY23	% change
Net Revenue	641.0	650.1	1 1.4%
<i>Goods</i>	627.7	641.7	2.2%
<i>Services</i>	13.2	8.3	-36.9%
COGS	393.8	402.8	2.3%
Gross Profit	247.2	247.3	0.0%
Gross Margin %	37.3%	37.2%	2 - 0.0pp
Services	177.2	179.2	1.2%
Consumption of Material & Energy	5.7	5.8	2.0%
Personnel expenses	66.1	50.2	-24.1%
Other operating revenues	2.2	0.5	-76.8%
Other operating expenses	1.7	0.3	-83.5%
Adj. EBITDA*	-1.4	12.4	
Adj. EBITDA Margin %	-0.2%	1.9%	2.1pp

NET REVENUE INCREASED, GROSS MARGIN WAS FLAT

- 1 Footshop FY23 Group Net Revenue recorded a slight increase of 1.4% y/y.
 - However, the Sales channel structure of Net Revenue has significantly changed (Refer to Slide 29).
 - Expressed in number of orders, Footshop has processed a total of 446K orders in FY23 in comparison with 444K orders in FY22.
- 2 % Gross Margin remained at the same level (37%) y/y, which we consider to be a success as the Net Revenue structure has changed (Refer to Slide 29), and we had to compensate for lost opportunities through other channels.

Net Revenue in M CZK and % Gross Margin for 8M of respective year



*EBITDA not including Profit/Loss from Financial Operations

"WELL-TIMED AND CORRECTLY EXECUTED COMPANY REORGANIZATION IN FY22 RESULTED IN A SIGNIFICANT REDUCTION IN PERSONNEL COSTS AND CONTRIBUTED TO ADJ. EBITDA* GROWTH OF 13.7M CZK."

M CZK	8M FY22	8M FY23	% change
Net Revenue	641.0	650.1	1.4%
<i>Goods</i>	627.7	641.7	2.2%
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Gross Margin %	37.3%	37.2%	- 0.0pp
Services	177.2	179.2	1.2%
Consumption of Material & Energy	5.7	5.8	2.0%
Personnel expenses	66.1	50.2	1 -24.1%
Other operating revenues	2.2	0.5	-76.8%
Other operating expenses	1.7	0.3	-83.5%
Adj. EBITDA*	-1.4	12.4	
Adj. EBITDA Margin %	-0.2%	1.9%	2.1pp

ADJ. EBITDA GREW SIGNIFICANTLY

- Adj. EBITDA grew by 13.7M CZK y/y from -1.4M in FY22 to 12.4M CZK in **1** FY23.
- Main driver: significant y/y cost savings of 24.1% in personnel expenses
- From the performance standpoint, Q1 is the weakest quarter because of stock clearance and stocking up for the new season.
- The profitability tends to increase throughout the year, and Q4 is usually our strongest quarter.

Adj. EBITDA for 8M of respective year in M CZK



*EBITDA not including Profit/Loss from Financial Operations

"THE RETURN RATE REMAINS AT RELATIVELY LOW LEVELS COMPARED TO THE AVERAGE RETURN RATE IN THE FASHION INDUSTRY. IN EVERY AREA OF THE COMPANY, WE CONTINUOUSLY SEEK OPPORTUNITIES FOR SAVINGS AND OPTIMIZATION."

Return rate (8M of respective year)



% Logistics costs of Net Revenue from Goods (8M of respective year)



% Marketing costs of Net Revenue from Goods (8M of respective year)



RETURN RATE REMAINS BELOW 20%

- The Return Rate remains consistent y/y, staying below 20%, which is comparatively low for the fashion industry.
- This is because of the relatively high share of the Footwear category on Net Revenue.

% LOGISTICS COSTS ARE DECREASING

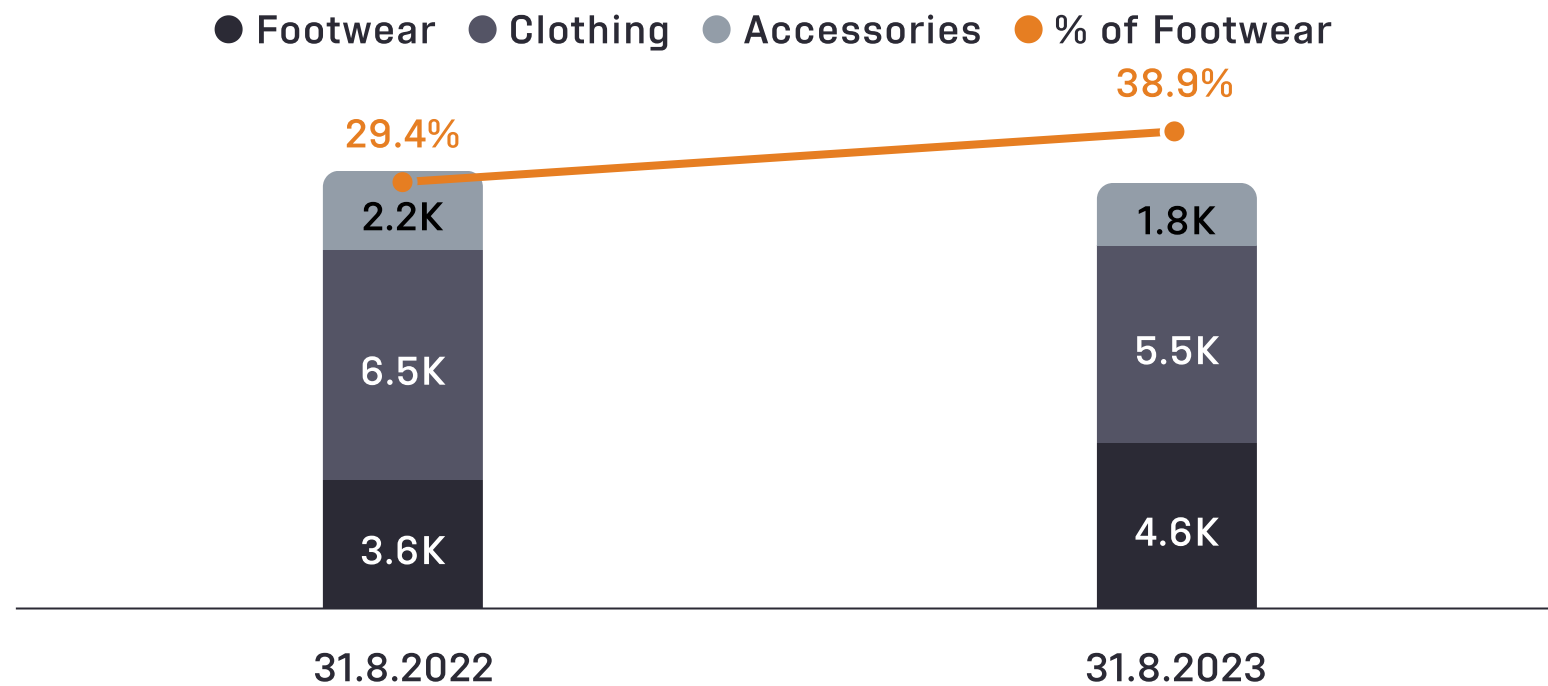
- Share of logistics costs on Net Revenue is decreasing y/y as we successfully re-negotiated the prices with carriers.

% MARKETING COSTS ARE SLIGHTLY HIGHER

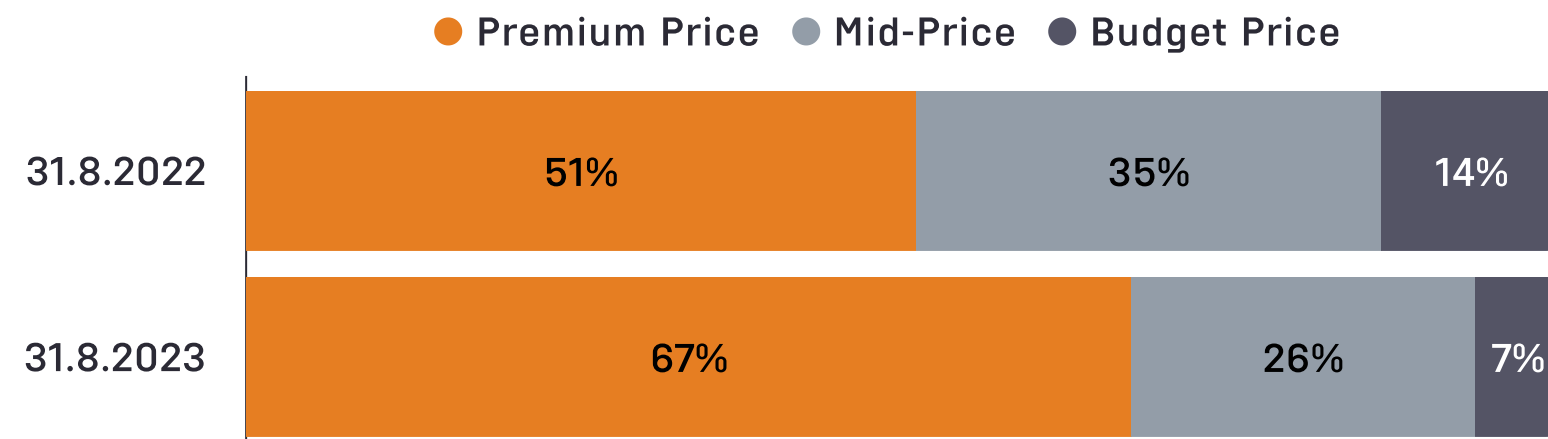
- Marketing costs share on Net Revenue increased y/y by 1.0pp due to different mix of sales channels.

"WE MAINTAIN OUR FOCUS ON PREMIUM PRODUCTS WHILE INCREASING THE SHARE OF FOOTWEAR IN OUR PRODUCT PORTFOLIO, RESULTING IN GROWING AOV."

products of Footshop Core on offer in K CZK



% price categories* share of Footshop Core



*Price categories definition can be found on [slide 47](#) of the presentation.

STOCK VALUE

- Stock value increased y/y from 251M CZK to 268M CZK.

DEVELOPMENT OF PRODUCT OFFER

- Footshop has 12k unique products available in stock for immediate ordering
- The total number of products on offer has decreased by 2.8% between FY22 and FY23. The share of footwear with higher turnover and price points has increased by 29%, and as of 31.8.2023, footwear represented 39% of total products in stock.

PRIMARY FOCUS ON PREMIUM PRODUCTS

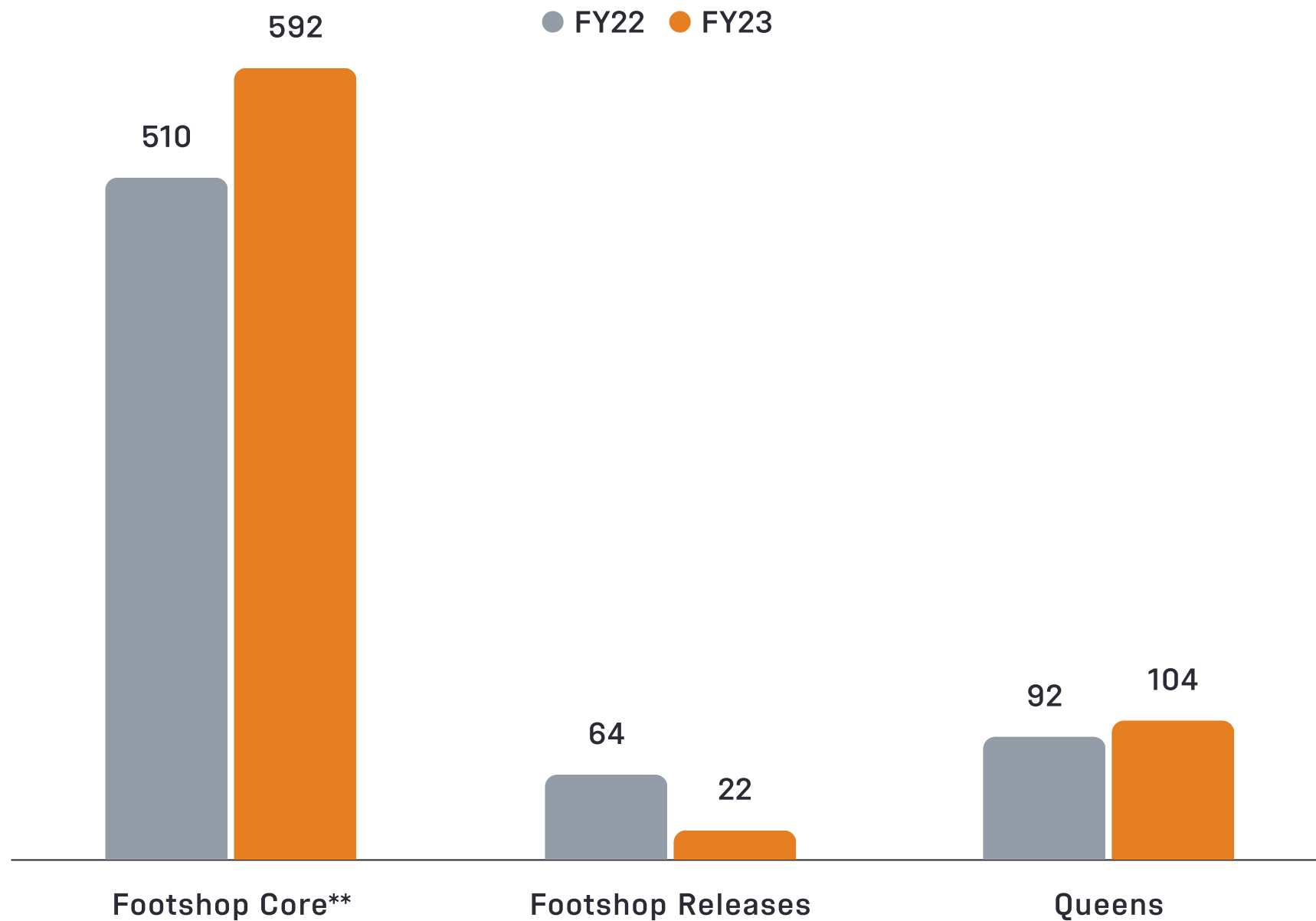
- Footshop Core premium price product share increased by 31% (16pp) between FY22 and FY23.
- The development corresponds with our portfolio's increasing share of Footwear and premium brands.
- As a result, the AOV at Footshop Core has grown to the current level of 2 127 CZK.
- At Queens, the AOV amounts to 1 727 CZK.

Four **OUR RESULTS**

BREAKDOWN BY SALES CHANNEL

"WE WERE ABLE TO OFFSET THE DECLINE IN REVENUE FROM RELEASES WITH DOUBLE-DIGIT GROWTH IN REVENUE FROM FOOTSHOP CORE."

Net Revenue from Goods* for 8M of respective year in M CZK



CORE BUSINESS REVENUE INCREASED 16% Y/Y

- The Footshop Core Net Revenue grew by 16.1% from 510M CZK to 592M CZK between FY22 and FY23.
- Net Revenue from Footshop Releases declined by 65% y/y.
- As a result of these dynamics, total Net Revenue grew only slightly.

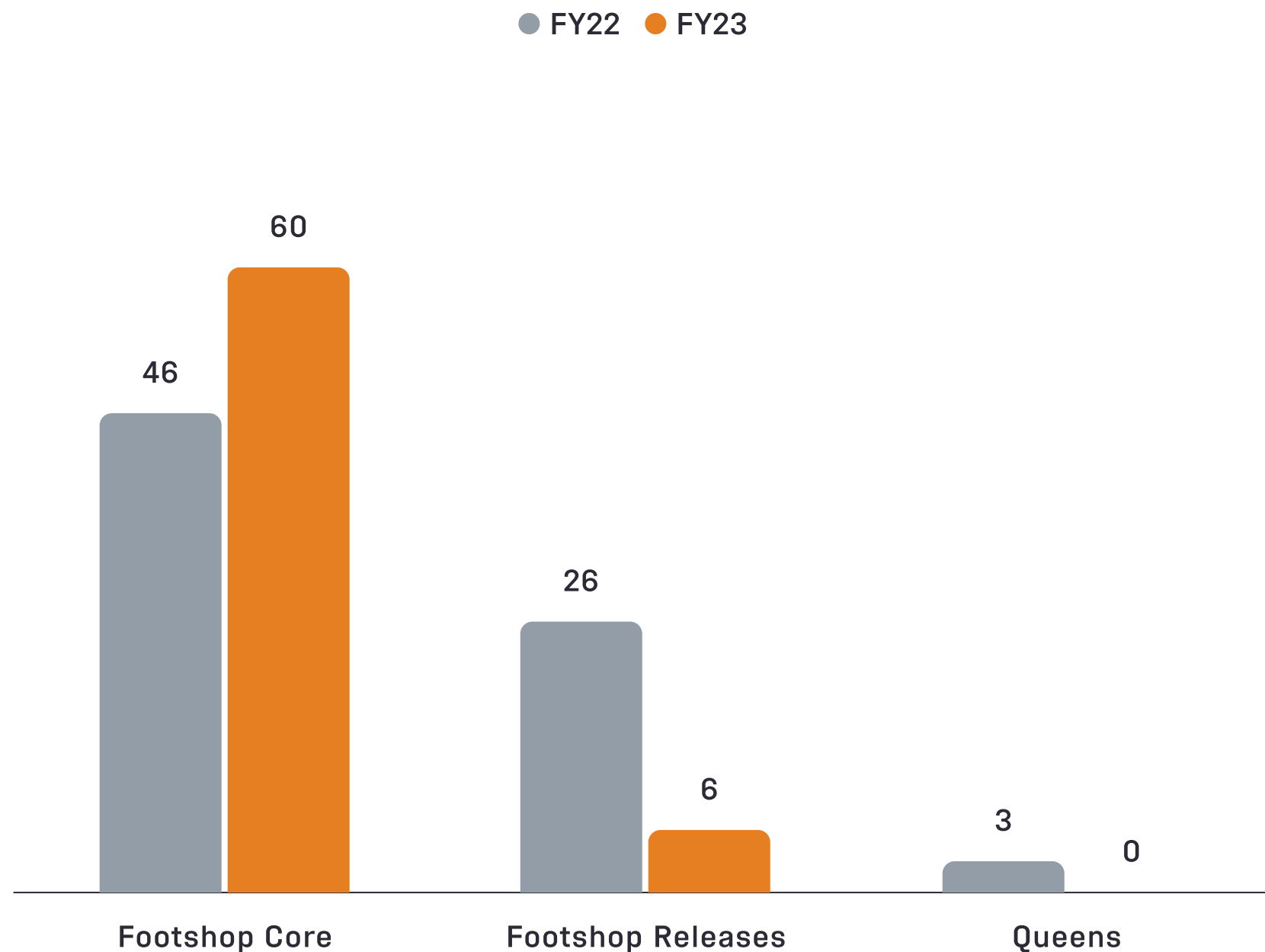
RELEASES PLATFORM

- The decline of Net Revenue from the Releases was caused mainly by the discontinuation of the adidas Yeezy brand when adidas decided to terminate the contract with Kanye West in Q4 2022. (Refer to Slide 11)
- Allocations of limited sneakers are an external factor; therefore, in FY23, we mainly focused on developing the Footshop Core business.
- A relevant replacement for the Yeezy brand hasn't been introduced yet, but we expect the situation to change in FY24.

* Net Revenue shown in this chart is not consolidated (intercompany transactions ARE NOT eliminated)

"THE FOOTSHOP CORE'S CONTRIBUTION TO PROFITABILITY HAS GROWN SIGNIFICANTLY, AND WITHOUT THE FOOTSHOP RELEASES DISRUPTION, OVERALL PROFITABILITY WOULD HAVE INCREASED EVEN MORE."

Contribution Margin* in M CZK for 8M of respective year



RELEASES' NEGATIVE IMPACT ON PROFITABILITY

- FY23 Gross Margin was negatively impacted by (1) a decline in Footshop Releases margin contribution and (2) a decline in Queens % Gross Margin. The negative development of the FX rate in the current period impacted both.
- The Revenue outage from Footshop Releases had a significantly negative impact on the company's overall profitability.
- Without this external factor, the company's profitability would be growing significantly faster.

* Contribution Margin shown in this slide is NOT calculated from consolidated P&L statement (intercompany transactions ARE NOT eliminated)

Four OUR RESULTS

KEY NON-FINANCIAL EVENTS

1

CLOSING THE TRANSACTION

In June FY23, we successfully concluded the transaction with WOOD&Company, and by August 2023, Footshop achieved a significant milestone by securing a listing on the STANDARD market of the Prague Stock Exchange.

2

EXPANSION OF THE B&M NETWORK

In August FY23, we expanded our brick-and-mortar retail network by establishing a new store in Bratislava. This marks the first newly opened establishment in 4.5 years.

3

MOBILE APP

In August FY23, we introduced a mobile app for our customers, which, within only two weeks of its launch, became a vital sales channel with a 15% share of Net Revenue.

4

PRIVATE LABEL

We started to work hard on expanding our portfolio of own-brand products. We believe that private label will increasingly contribute to Gross Margin growth in the future, and its share of Net Revenue will also grow.

"IN AUGUST 2023, FOOTSHOP ACHIEVED ANOTHER SIGNIFICANT MILESTONE IN ITS HISTORY BY LISTING ON THE PRAGUE STOCK EXCHANGE."

CLOSING THE TRANSACTION

- In June 2023, we successfully concluded the transaction with WOOD SPAC One.
- As of August 2023, Footshop was listed on the STANDARD market of the Prague Stock Exchange.

NEW FUNDS USAGE

- The funds from the transaction are primarily intended for:
 1. Strengthening of the Company's financial position
 2. Further expansion of the Company:
 - a. geographic expansion
 - b. broadening of the B&M store network
 - c. product expansion



"AFTER A CHALLENGING YEAR 2022 AND THE CLOSURE OF 2 OF FOOTSHOP B&M STORES, WE WERE THRILLED TO EXPERIENCE THE JOY OF REOPENING A NEW BOUTIQUE AGAIN. OUR RETURN TO BRATISLAVA WAS A MEMORABLE EVENT."

FOCUS ON CONTINUOUS STRENGTHENING OF PARTNERSHIPS, GEOGRAPHICAL EXPANSION ACTIVITIES, ENGAGING AND EXPANDING OUR CUSTOMER BASE, HELPING & SUPPORTING THE COMMUNITY AND BUILDING FUTURE CORNERSTONES OF OUR BUSINESS.



One of the best spots for "street" shopping, at the heart of the city center, the design & elements of the store are closely connected to our Street art project "Hotel Kyjev"

Opening party with up to 1000 people with currently one of the best music artist from the rap scene, Gleb

"WE WANTED TO MAKE THE SHOPPING EXPERIENCE EVEN MORE ENJOYABLE FOR OUR CUSTOMERS, AND SINCE 80% OF OUR SESSIONS COMES FROM MOBILE DEVICES, WE DECIDED TO LAUNCH OUR OWN MOBILE APP."

Substantial adidas contribution

- We developed the app with financial support from adidas, which also became the exclusive partner of the launch campaign.
- We promoted the campaign only through non-paid channels such as social media, email or banners on the website.
- The campaign brought great results; the app accounted for 20% of total revenues in the first weeks.

10M+ CZK

NET REVENUE

> 34K

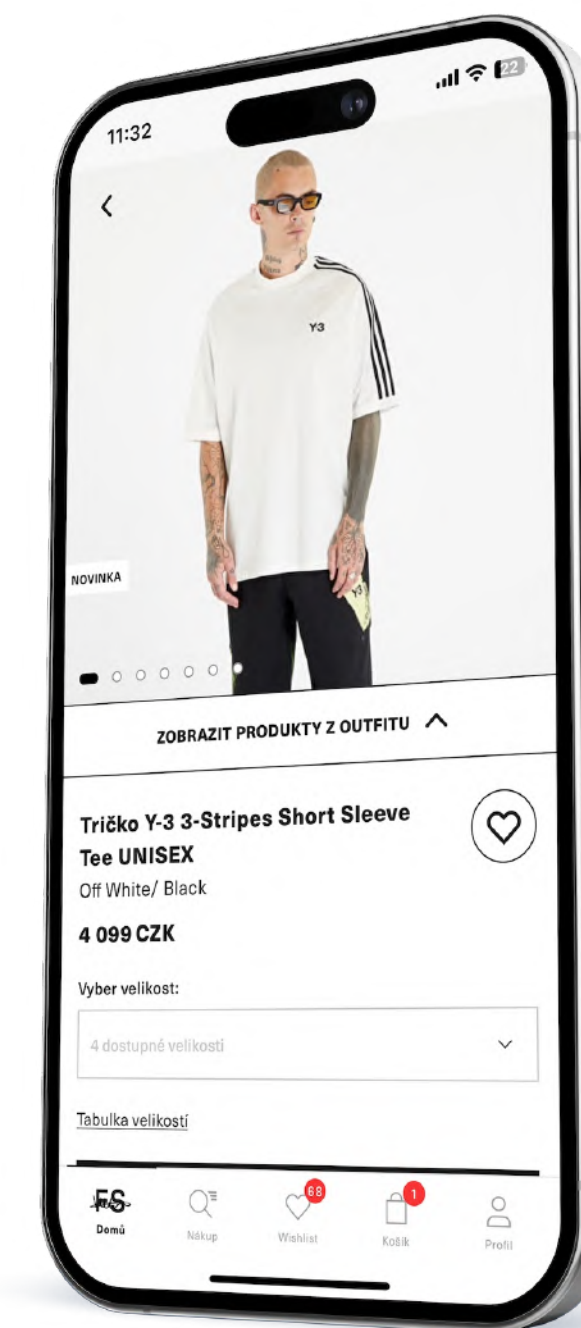
DOWNLOADS

0 CZK

MARKETING COSTS

★ 4,9/5

iOS&ANDROID
RATING



"WE LAUNCHED THE FOOTSHOP LABEL WITH ALREADY STRONG DROPS, BUILDING LABEL'S PORTFOLIO THROUGH CAREFULLY CURATED ANNUAL PLAN AND BUILDING BRAND AWARENESS HAND IN HAND WITH GAINING HIGHER MARGINS ON PRODUCTS."

PROUD DROP - FOLLOWING FOOTSHOP'S TRADITION WITH A NEW STRONG LEAD

- Proud Drop was the first collection launched by the new team designated exclusively to Private Label.
- A capsule collection of 8 SKUs with a strong ambassador behind - Jan Bendig brought a buzz to our online and retail stores.



SNEAKER SOCKS DROP - SOCKS DESIGNED TO MATCH SPECIFIC SNEAKERS

- Our own production based in Czechia gives us an option of flexibility when it comes to minimum order quantities and time scheduling.
- Boxes designed for the sneaker socks that resemble sneaker boxes give an elevated feel and are displayed boldly in the B&M stores.
- The online store offers options to push specific combinations with sneakers and adds organic visibility throughout the Footshop platform.
- Marketing activation is connected to strong names, David Luu, a professional skater, and Marketa Vondroušová, a Wimbledon winner.



"WE LAUNCHED THE FOOTSHOP LABEL WITH ALREADY STRONG DROPS, BUILDING LABEL'S PORTFOLIO THROUGH CAREFULLY CURATED ANNUAL PLAN AND BUILDING BRAND AWARENESS HAND IN HAND WITH GAINING HIGHER MARGINS ON PRODUCTS."

BRATISLAVA OPENING DROP - BUILDING BRAND AWARENESS & CAPITALIZING ON OUR EVENT

- A limited drop available only in the Bratislava store creates an exclusive selection for the customer.
- Creating a wider range of FTSHP products and solidifying our position as a streetwear brand.



EVERYDAY DROP - WORKING WITH VOLUMES, THAT HELP US BRING THE OPTIMUM MARGIN

- With our own international production, we can focus on capitalizing on our products and bringing superior quality to the customer.
- Our products are comparable with the top-tier brands we offer regarding the material's quality, but we still get to keep the price tag of our mid-tier competitors. That being said, we maintain margins of 55% on average, 15% more than the retail products we offer.
- Drop will be launched in 12/2023.



FUTURE

"WE KEEP OURSELVES BUSY WITH BUILDING THE FUNDAMENTS FOR LONG-TERM GROWTH. THIS IS THE LIST OF TARGETS FOR THE UPCOMING PERIOD."

Sales Channels

Inventory

Queens

Target H1/24

- 100K downloads of our Mobile App with a score of 4,5+ and share on Revenue of at least 15%.
- Opening the new Footshop Store in Warsaw and Queens Store in Prague.
- 75% of Footshop Revenue is generated abroad.

- Private Label to generate 15M+ CZK Revenue in 2024 with a Margin at least 5pp above company average.
- Exclusive launch of the brand BAPE as one of five retailers in Europe.
- Launch of Active Category on the website with a focus on Running and Trail.

- Queens Rebranding with the new logo and corporate identity.
- Launch of the new Queens website on all current language mutations.
- Launch of 8 new language mutations of the Queens Website.
- Open the new Queens store in Prague.

Long-Term Vision

- 500K downloads of our Mobile App with score 4,5+ and share on Revenue of at least 25%.
- 10 B&M stores in European Capital Cities

- Private Label to generate 10% of Total Revenue with 50%+ Margin
- 2 new exclusive brands or sub-brands a year chosen by data-driven selection
- 100M CZK Revenue coming from Active Category

- Integrate back office operations to gain profit from economy of scale
- Develop the brand and inventory to offer products complementary to Footshop

While working on new opportunities, we are also improving our operations in all aspects.

We focus on improving the efficiency of each area, using the new capital to increase margins and keep a healthy and cost-efficient working capital structure.

~~THANK YOU~~

FEEL FREE TO CONTACT US:

 investor.relations@footshop.cz

~~APPENDIX~~

KEY TERMINOLOGY (1/2)

Term	Explanation
Adj. EBITDA	EBITDA not including Profit/Loss from Financial Operations
Adidas Consortium	a special division or program within the Adidas brand that focuses on collaborations with external partners, including fashion designers, sneaker boutiques, artists, and other brands; the goal of Adidas Consortium is to create unique and limited-edition footwear and apparel collections.
B&M store	brick-and-mortar store; physical retail store with where customers can shop in person
Contribution Margin	a portion of a company's revenue that is available to cover its fixed costs and contribute to the profit
COGS	Cost of Goods Sold
Footshop Core	sales channel Online + B&M Stores
Footshop Releases	Footshop's webpage selling limited and the most exclusive sneakers; products are released on specific dates, and customers can buy them only after registering and being drawn in a raffle
FTSHP	Footshop
FY	Financial year
Gross Profit	Net Revenue - Cost of Goods Sold
Gross Margin	Gross Profit / Net Revenue
Net Income	Profit of the company after deducting all expenses and taxes from total Net Revenue

KEY TERMINOLOGY (2/2)

Term	Explanation
Net Revenue	Total Revenue after subtracting returns, allowances and discounts, including Revenue from Shipping
Raffle	A way of randomly allocating limited sneakers to customers.
Releases Platform	same as Footshop Releases
SKU	Stock Keeping Unit
the Company	Footshop a.s.
Yeezy	adidas Yeezy
y/y	year-on-year

SOURCES (1/2)

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METHODOLOGY (1/2)

Slide no. / Chart (Table) Title	Explanation
<u>9</u> / % Share of Sales Channels for 8M FY22 vs. 8M FY23	% Share on NOT consolidated Net Revenue (intercompany transactions are NOT eliminated).
<u>13</u> / 8M FY23 Net Revenue per Region	% Share on NOT consolidated Net Revenue (intercompany transactions are NOT eliminated).
<u>13</u> / Footshop presence in Europe	Countries where Footshop has ever shipped at least 1 order.
<u>14</u> / Brand Revenue Growth at Footshop Core H1 22/23	Year-on-year growth per Brand calculated on Net Revenue.
<u>24, 25</u> / P&L statement	<p>FY23: P&L STATEMENT IS NOT AUDITED. Consolidated P&L statement prepared in accordance with IFRS accounting standards.</p> <p>FY22: P&L STATEMENT IS NOT AUDITED. In FY22, the Company did not prepare financial statements in accordance with IFRS accounting standards. Therefore, to obtain figures comparable with FY23, we relied on the consolidated financial statements prepared in accordance with Czech GAAP. We applied the same IFRS adjustments that were applied in the P&L statement for the year FY23.</p>
<u>26</u> / % Logistics costs of Net Revenue from Goods	Share of delivery costs on NOT consolidated Net Revenue (intercompany transactions are NOT eliminated).
<u>26</u> / % Marketing costs of Net Revenue from Goods	Share of performance marketing costs on NOT consolidated Net Revenue (intercompany transactions are NOT eliminated).
<u>27</u> / # products of Footshop Core on offer (thousands)	Number of SKUs offered to customers through Footshop websites. Does not include Queens product offer.

METHODOLOGY (2/2)

Slide no. / Chart (Table) Title	Explanation
<p><u>27</u> / % price categories share of Footshop Core</p>	<p>Price Categories are defined based on selling price in CZK as follows: Footwear: 0-1499: budget price; 1500-3499: mid price; 3500+: premium price Apparel: 0-1099: budget price; 1100-2499: mid price; 2500+: premium price Accessories: 0-799: budget price; 800-1999: mid price; 2000+: premium price</p>
<p><u>29</u> / Net Revenue from Goods* for 8M of respective year in M CZK</p>	<p>NOT consolidated Net Revenue (intercompany transactions ARE NOT eliminated).</p>
<p><u>30</u> / Contribution Margin* in M CZK for 8M of respective year</p>	<p>Contribution Margin is NOT calculated from consolidated P&L statement (intercompany transactions ARE NOT eliminated).</p>