

PERFORMANCE BY SEGMENT

CCC [PLNm]	Q2 2022 (May–July 2022)	Q2 2023 (May–July 2023)	Δ Q2 2023– Q2 2022	YOY
Revenue	1,181	1,037	-144	-12%
Gross profit	612	576	-36	-6%
<i>gross margin [%]</i>	51.8%	55.5%		3.7pp
Selling and administrative costs	-539	-489	50	-9%
<i>cost ratio [%]</i>	45.6%	47.1%		1.5pp
Other income/expenses and impairment losses	-64	31	95	
EBIT	9	118	109	
<i>EBIT margin [%]</i>	0.8%	11.4%		10.6pp
EBITDA	119	220	101	85%
<i>EBITDA margin [%]</i>	10.1%	21.2%		11.1pp
Adjusted* EBITDA	183	188	6	3%
<i>adjusted EBITDA margin [%]</i>	15.5%	18.2%		2.7pp

* EBITDA adjusted for the balance of other income/expenses and impairment losses (including one-off items)

- CCC segment's revenue down 12% yoy due to macroeconomic headwinds and last year's challenging base.
- Contribution of ccc.eu to the segment's revenue up to 28% (up by +8pp yoy and +3pp qoq) with sales up by 23% yoy.
- Gross margin up by close to 4pp due to, among others, continued working capital optimisation (inventories in the CCC segment down 34% yoy).
- Fourth consecutive quarter of decline in selling and administrative costs (in Q2 2023 down 9% yoy) – successful implementation of the cost reduction programme in an inflationary business environment.
- Solid EBIT and EBITDA margins at 11.4% and 21.2%, respectively.

HalfPrice [PLNm]	Q2 2022 (May–July 2022)	Q2 2023 (May–July 2023)	Δ Q2 2023– Q2 2022	YOY
Revenue	182	338	156	86%
Gross profit	82	128	46	56%
<i>gross margin [%]</i>	45.4%	38.0%		-7.4pp
Selling and administrative costs	-93	-147	-54	58%
<i>cost ratio [%]</i>	51.2%	43.4%		-7.8pp
Other income/expenses and impairment losses	2	1	-2	-76%
EBIT	-8	-18	-9	
<i>EBIT margin [%]</i>	-4.6%	-5.2%		-0.6pp
EBITDA	12	6	-6	-49%
<i>EBITDA margin [%]</i>	6.6%	1.8%		-4.8pp
Adjusted* EBITDA	10	6	-4	-42%
<i>adjusted EBITDA margin [%]</i>	5.4%	1.7%		-3.7pp

The figures in the table include the results of the HalfPrice omnichannel segment

* EBITDA adjusted for the balance of other income/expenses and impairment losses (including one-off items)

- HalfPrice’s revenue up 86% yoy with a 49% yoy growth in retail space.
- Continued LFL sales growth (+31% yoy), mainly due to better conversion and higher average receipt value.
- Temporary decrease in HalfPrice’s gross margin mainly due to merchandise transfers from the Modivo Group – active use of CCC Group’s business model synergies to optimise working capital in the eobuwie and Modivo business lines.
- Cost ratio down by close to 8pp yoy – operating leverage contributing to margin improvement.

Modivo Group [PLNm]	Q2 2022 (May–July 2022)	Q2 2023 (May–July 2023)	Δ Q2 2023– Q2 2022	YOY
Revenue*	984	1,026	42	4%
eobuwie.pl	797	767	-31	-4%
Modivo	187	260	73	39%
Gross profit	407	391	-16	-4%
<i>gross margin [%]</i>	41.3%	38.1%		-3.2pp
Selling and administrative costs	-379	-430	-51	13%
<i>cost ratio [%]</i>	38.5%	41.9%		3.4pp
Other income/expenses and impairment losses	-5	8	14	
EBIT	22	-31	-53	
<i>EBIT margin [%]</i>	2.3%	-3.0%		-5.3pp
EBITDA	40	-5	-45	
<i>EBITDA margin [%]</i>	4.1%	-0.5%		-4.6pp
Adjusted** EBITDA	45	-13	-59	
<i>adjusted EBITDA margin [%]</i>	4.6%	-1.3%		-5.9pp

* Revenue net of transactions completed with the CCC Group. The value of intragroup transactions in the period under review was PLN 53.0 million (PLN 18.2 million in the comparative period)

** EBITDA adjusted for the balance of other income/expenses and impairment losses (including one-off items).

- Modivo Group’s revenue up by 4% yoy (Modivo +39%, eobuwie -4%). Revenue growth in the multibrand e-commerce segment remains under pressure from the demanding competitive environment.
- Growing prominence of the Modivo business line in the Modivo Group (contribution to revenue up by 6pp yoy, to 25%), supported by the rollout of marketplace (the share of marketplace in Modivo.pl’s GMV at ~15%).
- Gross margin down 3.2pp yoy, with the decline reflecting: 1) falling consumer purchasing power, 2) overstocking in the multibrand e-commerce segment, leading to 3) aggressive pricing and discount policies pursued by competitors.
- Selling and administrative costs up yoy mainly as a result of: 1) revenue growth (variable costs), 2) costs of third-party services related to the technology transformation process coming to a close, 3) costs of operating the new hybrid stores (51% yoy increase in retail space). At the same time, the ratio of fixed costs to revenue in e-commerce reduced by 0.6pp yoy in Q2 2023, primarily on the back of lower personnel costs and a decrease in raw materials and consumables used (the effects of adjusting the organisation to the prevailing market conditions).
- Profitability in the multibrand e-commerce segment eroded by macro headwinds, fiercer competition and continued inventory balancing.

CCC GROUP'S FINANCIAL RESULTS

CCC Group [PLNm]	Q2 2022 (May–July 2022)	Q2 2023 (May–July 2023)	Δ Q2 2023– Q2 2022	YOY
Revenue	2,377	2,422	45	2%
Gross profit	1,129	1,108	-21	-2%
<i>gross margin [%]</i>	47.5%	45.7%		-1.8pp
Selling and administrative costs	-1,028	-1,075	-48	5%
<i>cost ratio [%]</i>	43.2%	44.4%		1.2pp
Other income/expenses and impairment losses	-71	39	110	
EBIT	31	72	41	131%
<i>EBIT margin [%]</i>	1.3%	3.0%		1.7pp
EBITDA	179	221	42	23%
<i>EBITDA margin [%]</i>	7.5%	9.1%		1.6pp
Adjusted* EBITDA	250	182	-68	-27%
<i>adjusted EBITDA margin [%]</i>	10.5%	7.5%		-3.0pp

* EBITDA adjusted for the balance of other income/expenses and impairment losses (including one-off items)

- Group sales up by 2% yoy.
- Continued strong contribution of e-commerce to the Group's overall revenue (at 52%).
- Improved EBIT and EBITDA yoy. Positive effect of exchange differences

GROWTH OF CCC GROUP'S OFFLINE SALES CHANNELS

	July 31st 2022	July 31st 2023	Δ July 31st 2023–July 31st 2022	YOY
Area [m ²], including:	685,081	752,593	67,512	10%
CCC	533,520	527,550	-5,970	-1%
Eobuwie	22,926	34,646	11,720	51%
HalfPrice	127,899	190,397	62,498	49%
Number of stores, including:	929	973	44	5%
CCC	819	816	-3	0%
Eobuwie	33	48	15	45%
HalfPrice	76	109	33	43%

- CCC's retail space down 6 thousand m² yoy with store chain saturation maintained at a level matched to the market size and continued efforts to rightsize the average store area.
- Implementing the plan to expand eobuwie hybrid stores and eobuwie zones in CCC stores – expanding access to Reserve & Collect service and efficient returns management.
- Continued HalfPrice expansion with 8 new stores opened in Q2 2023 and further to be added in 2023.

SELECTED ITEMS OF THE STATEMENT OF FINANCIAL POSITION

Modivo Group [PLNm]	April 30th 2023	July 31st 2023	Δ July 31st 2023-April 30th 2023	QOQ
Gross debt*	918	958	41	4%
(-) Cash	139	77	-62	-45%
Net debt, including:	778	881	103	13%
Bonds convertible into Softbank shares	664	698	35	5%
Net financial debt	115	183	68	59%

* Excluding reverse factoring (reverse factoring also is included in the definition of a bank covenant applicable to Modivo S.A.)

- The increase in debt mainly due to the capitalisation of interest on Softbank bonds, which represent the largest component in the debt structure.
- The decrease in cash attributable to lower use of financial instruments to reduce financing costs.
- Increased reliance by the Group on reverse factoring arrangements in connection with the ongoing process to contract orders for the coming seasons.

CCC Group excluding MODIVO Group [PLNm]	April 30th 2023	July 31st 2023	Δ July 31st 2023-April 30th 2023	QOQ
Gross debt	1,348	1,130	-218	-16%
(-) Cash	255	348	92	36%
Net debt	1,093	782	-311	-28%
(-) Bonds issued to PFR*	390	345	-45	-12%
(+/-) other adjustments**	16	6	-10	-62%
Net financial debt	718	443	-275	-38%
(+) Reverse factoring	195	243	48	25%
(+) Bank guarantees	117	124	7	6%
Net exposure	1,029	809	-220	-21%

* Debt under bonds issued to PFR is not included in covenants; in the financial statements, its amount is included in liabilities under borrowings and bonds and in other financial liabilities.

** For the purpose of calculating the net exposure covenant – adjustments for measurement of derivatives and SCN.

- Continued process to deleverage and achieve the lowest level of net financial debt and net financial exposure of the CCC Group (excluding the Modivo Group) since 2018.
- Quarter-on-quarter decrease in the use of credit facilities of the CCC Group (excluding the Modivo Group) due to the implementation of the working capital optimisation programme, continued cost-saving measures in the CCC segment, and the effect of the second tranche of funds paid to subscribe for CCC shares (PLN 293 million) in May.
- Increased use of reverse factoring products reflecting merchandise payments from the SS23 collection and contracts signed for the next AW23 season.

Inventories * [PLNm]	July 31st 2022	July 31st 2023	Δ July 31st 2023–July 31st 2022	YOY
CCC	1,454	967	-487	-34%
HalfPrice	220	429	209	95%
MODIVO Group	1,253	1,193	-59	-5%

* Includes goods in transit, purchased on FOB basis (goods in sea transit).

- 34% yoy decrease in CCC segment’s inventory. Inventory cycle at about 204 days, having improved by 81 days yoy. Working capital optimisation programme in the CCC business line reflecting strategic assumptions.
- HalfPrice inventory increase (+95%) due to expansion of the retail chain. Expanded product range and improved inventory at HalfPrice as key drivers of LFL sales growth (+31%).
- Modivo Group’s inventory went down by PLN 253 million qoq (-5% yoy) due to the successful implementation of the working capital optimisation programme, which will be continued in the second half of 2023.