

PERFORMANCE BY SEGMENT

| CCC [PLNm] | Q4 2022 (November 2022–January 2023) | Q4 2023 (November 2023–January 2024) | Δ Q4 2023– Q4'22 | YOY |
|---|---|---|---------------------|--------|
| Revenue | 1,036 | 1,053 | 17 | 2% |
| Gross profit | 490 | 584 | 94 | 19% |
| <i>gross margin [%]</i> | 47.3% | 55.5% | | 8.1pp |
| Selling and administrative costs | -530 | -466 | 63 | -12% |
| <i>cost ratio [%]</i> | 51.1% | 44.3% | | -6.8pp |
| Other income/expenses and impairment losses | 17 | 21 | 4 | 26% |
| EBIT | -22 | 139 | 161 | |
| <i>EBIT margin [%]</i> | -2.1% | 13.2% | | 15.3pp |
| EBITDA | 73 | 214 | 142 | 195% |
| <i>EBITDA margin [%]</i> | 7.0% | 20.3% | | 13.3pp |
| Adjusted* EBITDA | 56 | 193 | 137 | 246% |
| <i>adjusted EBITDA margin [%]</i> | 5.4% | 18.3% | | 12.9pp |

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

- CCC segment's revenue up by 2% yoy, with continued retail space optimisation (-2% yoy) and consumer purchasing power still in the process of recovery.
- Gross margin up by over 8pp yoy, driven mainly by enhanced product portfolio, optimised scale and structure of promotional offers, as well as more favourable purchase terms of the new collection.
- Selling and administrative costs down by 12% despite the continued inflationary business environment, with cost reduction yoy for the sixth consecutive quarter. Positive contribution of the implemented cost reduction programme.
- Operating profit up by over PLN 160m yoy, with EBITDA margin demonstrating another consecutive quarter of sharp growth (almost threefold increase yoy).

| HalfPrice [PLNm] | Q4 2022 (November 2022–January 2023) | Q4 2023 (November 2023–January 2024) | Δ Q4 2023– Q4'22 | YOY |
|---|---|---|---------------------|--------|
| Revenue | 285 | 438 | 152 | 53% |
| Gross profit | 124 | 217 | 93 | 75% |
| <i>gross margin [%]</i> | 43.4% | 49.6% | | 6.2pp |
| Selling and administrative costs | -117 | -176 | -58 | 50% |
| <i>cost ratio [%]</i> | 41.1% | 40.1% | | -1.0pp |
| Other income/expenses and impairment losses | 1 | 0 | -2 | |
| EBIT | 8 | 41 | 33 | 431% |
| <i>EBIT margin [%]</i> | 2.7% | 9.4% | | 6.7pp |
| EBITDA | 33 | 84 | 51 | 158% |
| <i>EBITDA margin [%]</i> | 11.4% | 19.2% | | 7.8pp |
| Adjusted* EBITDA | 31 | 84 | 53 | 169% |
| <i>adjusted EBITDA margin [%]</i> | 11.0% | 19.3% | | 8.3pp |

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 by 53% supported by the consistent store chain expansion (+35% yoy) and continued increase in LFL sales.
- Sharp increase in HalfPrice's gross margin, rising more than 6pp during what is traditionally the best quarter of the year for the off-price sector. Margin expansion driven primarily by solid and constantly expanding product offerings.
- Change in selling and administrative costs linked to HalfPrice's strong development profile. Cost growth below revenue growth.
- Operating profit up more than 5 times yoy, with sharp increase in EBITDA margin both yoy (+7.8pp) and qoq (+4.9pp).

| Modivo Group [PLNm] | Q4 2022 (November 2022–January 2023) | Q4 2023 (November 2023–January 2024) | Δ Q4 2023– Q4'22 | YOY |
|---|---|---|---------------------|--------|
| Revenue* | 1092 | 1015 | -76 | -7% |
| eobuwie.pl | 775 | 693 | -82 | -11% |
| Modivo | 317 | 322 | 6 | 2% |
| Gross profit | 426 | 366 | -59 | -14% |
| <i>gross margin [%]</i> | 39.0% | 36.1% | | -2.9pp |
| Selling and administrative costs | -461 | -454 | 7 | -1% |
| <i>cost ratio [%]</i> | 42.2% | 44.8% | | 2.5pp |
| Other income/expenses and impairment losses | 1 | 5 | 4 | 343% |
| EBIT | -34 | -83 | -49 | |
| <i>EBIT margin [%]</i> | -3.1% | -8.2% | | -5.1pp |
| EBITDA | -12 | -54 | -42 | |
| <i>EBITDA margin [%]</i> | -1.1% | -5.3% | | -4.2pp |
| Adjusted** EBITDA | -13 | -59 | -46 | |
| <i>adjusted EBITDA margin [%]</i> | -1.2% | -5.8% | | -4.6pp |

* Revenue net of transactions completed with the CCC Group. The value of intragroup transactions in the period under review was PLN 60.2m (PLN 16.6m in the comparative period).

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

- Modivo Group's revenue down by 7% yoy (eobuwie down by 11%, Modivo up by 2%). E-commerce sales under pressure from the challenging competitive environment, the consumer purchasing power still in the process of recovery, and a focus on working capital optimisation.
- Growing prominence of the Modivo business line in the Modivo Group (contribution to revenue up by 3pp yoy, to 32%), supported by the rollout of marketplace (the share of marketplace in Modivo.pl's orders in January 2024 at 27%).
- Gross margin down by about 3pp yoy, reflecting the optimisation of inventory levels and inventory structure being in its final stages. Modivo Group successfully implemented a plan to reduce inventory below PLN 1bn (by PLN 302m yoy) and improve its age structure (with the share of current collections in inventory up by 17pp yoy).
- Selling and administrative costs down by 1% despite a rise in minimum wages and higher unit cost of performance marketing, supporting inventory optimisation. Decrease in fixed e-commerce costs by 25% driven by the successful implementation of a cost savings programme – a stringent recruitment policy, organisational structure optimisation, and reduction in expenditures related to raw materials and energy.

CCC GROUP'S FINANCIAL RESULTS

| CCC Group [PLNm] | Q4 2022 (November 2022–January 2023) | Q4 2023 (November 2023–January 2024) | Δ Q4 2023– Q4'22 | YOY |
|---|---|---|---------------------|--------|
| Revenue | 2442 | 2527 | 86 | 4% |
| Gross profit | 1050 | 1181 | 130 | 12% |
| <i>gross margin [%]</i> | 43.0% | 46.7% | | 3.7pp |
| Selling and administrative costs | -1121 | -1110 | 11 | -1% |
| <i>cost ratio [%]</i> | 45.9% | 43.9% | | -2.0pp |
| Other income/expenses and impairment losses | 21 | 26 | 5 | 23% |
| EBIT | -50 | 96 | 147 | |
| <i>EBIT margin [%]</i> | -2.0% | 3.8% | | 5.9pp |
| EBITDA | 92 | 243 | 151 | 164% |
| <i>EBITDA margin [%]</i> | 3.8% | 9.6% | | 5.8pp |
| Adjusted* EBITDA | 71 | 217 | 146 | 207% |
| <i>adjusted EBITDA margin [%]</i> | 2.9% | 8.6% | | 5.7pp |

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

- Group's revenue up by 4% yoy, with the consumer purchasing power still in the process of recovery.
- Group's gross margin up by nearly 4pp, driven by sharp growth in CCC's and HalfPrice's margins (by 8pp and 6pp, respectively).
- Selling and administrative costs slightly down yoy, with 10% expansion in retail space. Tight cost discipline within each business line.
- Group's operating profit up by nearly PLN 150m yoy, with EBITDA margin up by about 6pp.

GROWTH OF CCC GROUP'S OFFLINE SALES CHANNELS

| | 31 Jan 2023 | 31 Jan 2024 | Δ 31 January 2024–31 January 2023 | YOY |
|------------------------------------|-------------|-------------|---|-----|
| Area [m ²], including: | 710,350 | 780,592 | 70,242 | 10% |
| CCC | 530,281 | 517,805 | -12,476 | -2% |
| eobuwie | 27,967 | 36,527 | 8,560 | 31% |
| HalfPrice | 152,102 | 226,261 | 74,159 | 49% |
| Number of stores, including: | 948 | 974 | 26 | 3% |
| CCC | 819 | 799 | -20 | -2% |
| eobuwie | 38 | 52 | 14 | 37% |
| HalfPrice | 91 | 123 | 32 | 35% |

- Reduction of CCC's retail space by 2% yoy – continued efforts to optimise the chain's profitability.
- 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 expansion of HalfPrice – 2 new stores in Q4 2023.

SELECTED ITEMS OF THE STATEMENT OF FINANCIAL POSITION

| Modivo Group [PLNm] | 31 Oct 2023 | 31 Jan 2024 | Δ 31 January 2024–31 October 2023 | QOQ |
|--|-------------|-------------|-----------------------------------|------|
| Gross debt* | 1,066 | 1,058 | -8 | -1% |
| (-) Cash | 144 | 112 | -32 | -22% |
| (-) Convertible bonds issued to Softbank | 734 | 773 | 38 | 5% |
| Net financial debt | 188 | 174 | -14 | -7% |
| Reverse factoring | 320 | 234 | -86 | -27% |

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

- Predominant share in Modivo Group's debt of Modivo S.A. convertible bonds issued for Softbank. Qoq change in Modivo Group's debt due mainly to bond interest capitalisation.
- Modivo Group's net financial debt excluding the convertible bonds at PLN 174m.

| CCC Group excluding MODIVO Group [PLNm] | 31 Oct 2023 | 31 Jan 2024 | Δ 31 January 2024–31 October 2023 | QOQ |
|---|-------------|-------------|-----------------------------------|------|
| Gross debt | 1113 | 1076 | -37 | -3% |
| (-) Cash | 426 | 164 | -263 | -62% |
| Net debt | 686 | 912 | 226 | 33% |
| (-) Bonds issued to PFR* | 351 | 345 | -6 | -2% |
| (+/-) other adjustments ** | -1 | -10 | -9 | |
| Net financial debt | 334 | 557 | 223 | 67% |
| (+) Reverse factoring | 219 | 235 | 16 | 7% |
| (+) Bank guarantees | 132 | 119 | -13 | -10% |
| Net exposure | 685 | 910 | 226 | 33% |

* 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.

- Fifth consecutive quarter of consistent deleveraging of the CCC Group (excluding Modivo Group). Gross debt down by approximately 35% yoy (by PLN 590m).
- Continued implementation of cost savings and working capital optimisation programmes in the CCC segment in 2023 helped reduce gross debt to PLN 1,076m.
- Credit limits reduced by a total of PLN 160m in Q4, marking the final stage of the CCC Group's deleveraging process planned for 2023.

| Inventories * [PLNm] | 31 Jan 2023 | 31 Jan 2024 | Δ 31 January 2024-31 January 2024 | YOY |
|----------------------|-------------|-------------|---|------|
| CCC | 1045 | 1191 | 147 | 14% |
| HalfPrice | 328 | 632 | 304 | 93% |
| Modivo Group | 1298 | 996 | -302 | -23% |

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

- Inventories in CCC segment up by 14% yoy, adequately matched to target sales. Inventory cycle at about 224 days, having improved by 39 days yoy. Inventory growth qoq due to seasonality and stocking-up for the new SS24 season.
- HalfPrice's inventory increase (+93% yoy) due to expansion of the chain. In qoq terms, HalfPrice's inventories slightly down. Expanded product range and improved inventory at HalfPrice as key drivers of LFL sales growth.
- Modivo Group's inventories down by 23% yoy (PLN 302m) due to successful implementation of the working capital optimisation programme. As planned, Modivo Group's year-end inventories brought down to less than PLN 1bn. Inventory age structure also improved significantly, with markedly higher yoy component of current collections.