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2022 summary

EARNINGS OUTLOOK
AND BUSINESS DIRECTIONS 2023

April 2023

photo: **CCC**, Sprandi HEAT, SS 2023, a March 2023 bestseller

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Key information

1. Reported Q4 2022 results better than preliminary estimates
2. Revenue growth posted by the Group in Q1’23 QTD
3. Transformation of the CCC Group’s business model in recent years in line with GO.22 and GO.25 despite a challenging environment
4. 2023 outlook – double-digit sales growth and improved profitability across all segments
5. Significant debt reduction and financing structure change by year-end 2023

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Reported Q4'22 results better than preliminary estimates
Slight improvement in gross margin and cost ratio

photo: CCC, Gino Rossi, SS23

	Q4			
	2022 REPORTED	YoY	2022 PRELIM	REPORTED VS PRELIM
REVENUE [PLNm]	*2442*	*20%*	2,428	*1%*
GROSS PROFIT	*1050*	*11%*	1,039	*1%*
gross margin [%]	*43,0%*	*-3,5 p.p.*	42.8%	*0,2 p.p.*
Selling and administrative costs	*-1121*	*8%*	-1,134	*-1%*
cost ratio [%]	*45,9%*	*-5,3 p.p.*	46.7%	*-0,8 p.p.*
Other expenses/income and impairment losses	*21*	*-58%*	38	*-45%*
EBIT [PLNm]	*-50*	*-8%*	-57	*12%*
EBIT margin [%]	*-2,0%*	*0,2 p.p.*	-2.3%	*0,3 p.p.*
EBITDA [PLNm]	*92*	*-5%*	86	*7%*
EBITDA margin [%]	*3,8%*	*-1,0 p.p.*	3.5%	*0,2 p.p.*
Adjusted EBITDA* [PLNm]	*71*	*50%*	47	*49%*
adjusted EBITDA margin [%]*	*2,9%*	*0,6 p.p.*	2.0%	*0,9 p.p.*

PLN 4.2m – increase in impairment losses on receivables

PLN 3.0m – lower valuation of foreign-currency balances

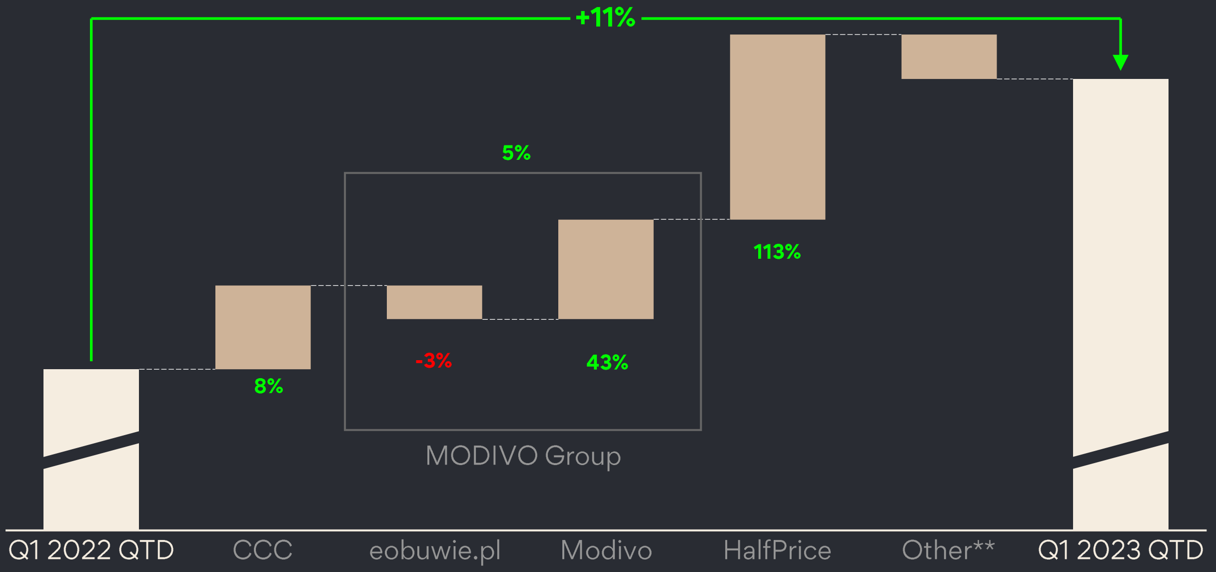
PLN 3.5m – recognised provision for litigation

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

Whenever used in this presentation, the terms 'year' and 'financial year' mean a period beginning February 1st and ending January 31st. Russian operations transferred to discontinued operations

Sales growth delivered by the Group in a challenging market environment

Change in the CCC Group's revenue [PLNm]



FEBRUARY 2023

Long winter – AW collection's share of sales deliberately kept high

MARCH 2023

Full allocation of SS23 collection, spring off to a cool start
– solid market shares in the sportswear segment

APRIL 2023 MTD

'Extremely cool April' (Institute of Meteorology and Water Management), launch of sales promotion mechanics

Gross margin under pressure from long winter and cold spring

SHARE OF E-COMMERCE

52%

-1.3pp YoY

GROSS MARGIN

46%

-3.0pp YoY

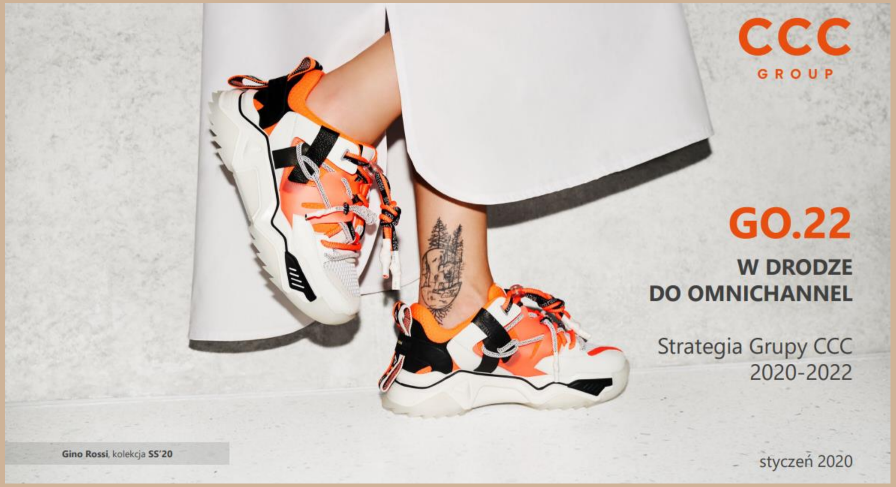
Whenever used in this presentation, the term 'Q1 QTD' means the period beginning on February 1st and ending on April 15th. 'MTD' means the period beginning on April 1st and ending on April 15th.
* Wholesale and other revenue.

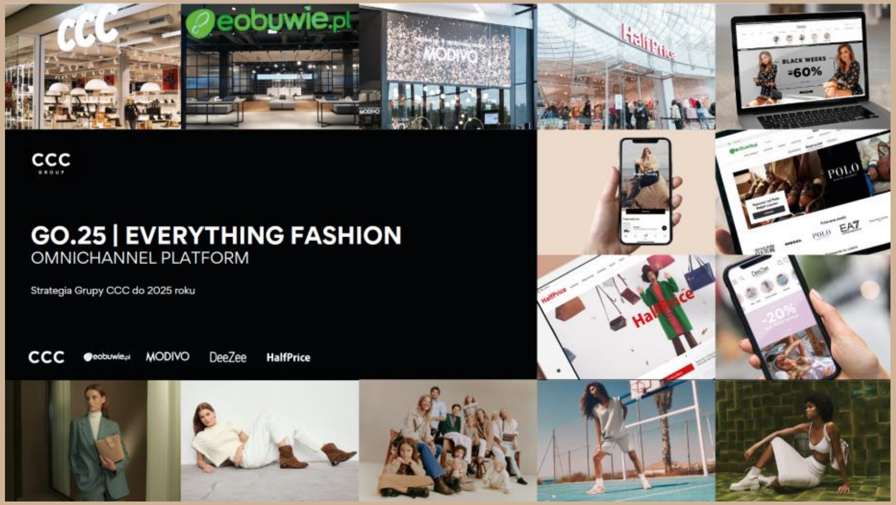
Strategic perspective in the last three years

✓ 1 Strong transformation of the CCC Group's business model over the past three years (despite an extremely challenging environment); business agility

✓ 2 Complementary business lines, segment leaders (CCC, HalfPrice, eobuwie-Modivo), generating synergies

3 Final element of the transformation to be completed – reduce debt and change the financing structure





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The Group has transitioned to a modern, digitalised, multi-banner fashion platform

	2019	2023
BUSINESS LINES & CHANNELS	▪ CCC business line operating mainly offline ▪ eobuwie gradually gaining market share	▪ Complementary business lines - **CCC** – omnichannel footwear market leader in CEE - **Eobuwie** – online footwear leader in CEE - **HalfPrice** – off-price leader in CEE - **Modivo** – fast-growing fashion platform
PRODUCTS	▪ Focus on the footwear category ▪ Mostly non-branded products ▪ CCC products not sufficiently attractive	▪ Broad portfolio of key brands[1] ▪ Quality product, sustainable collections, capsule collections, sportswear ▪ Revised purchasing/inventory management policy; stock integration ▪ Entry into the apparel category at Modivo and HalfPrice
CUSTOMERS	▪ Large customer base but untapped CRM potential	▪ Extensive customer analytics capabilities ▪ Deliberate customer migration between business lines
TECHNOLOGY & OPERATIONS	▪ Tech debt being addressed ▪ Limited knowledge and tools	▪ Scaled infrastructure dedicated to e-commerce ▪ Digital supply chain

2019	2020	2021	2022	2023
	(COVID)	(COVID)	(war in Ukraine, macro slowdown)	

[1] Selected new private brands (Gino Rossi, Badura, DeeZee, Americanos), refreshed private brands (Sprandi, JennyFairy); new third-party brands (sportswear brands including Adidas, Puma, and Vans)

The Group doubled its revenue despite market headwinds

Effects of the Group's transformation in 2019–2022

REVENUE	SHARE OF ONLINE SALES	ADDRESSABLE MARKET	CUSTOMER
x2 FY'22 vs FY'19 PLN 9.1bn vs PLN 5.4bn	**50%** +25p.p. FY'22 vs FY'19 CCC business line – 22%, FY'22	**x4** New business lines EUR 20bn vs EUR 5bn FY'22[1]	**+70%** Active customers 14 vs 8 m FY'22 vs FY'19

[1] Apparel and footwear market in CEE6, Euromonitor

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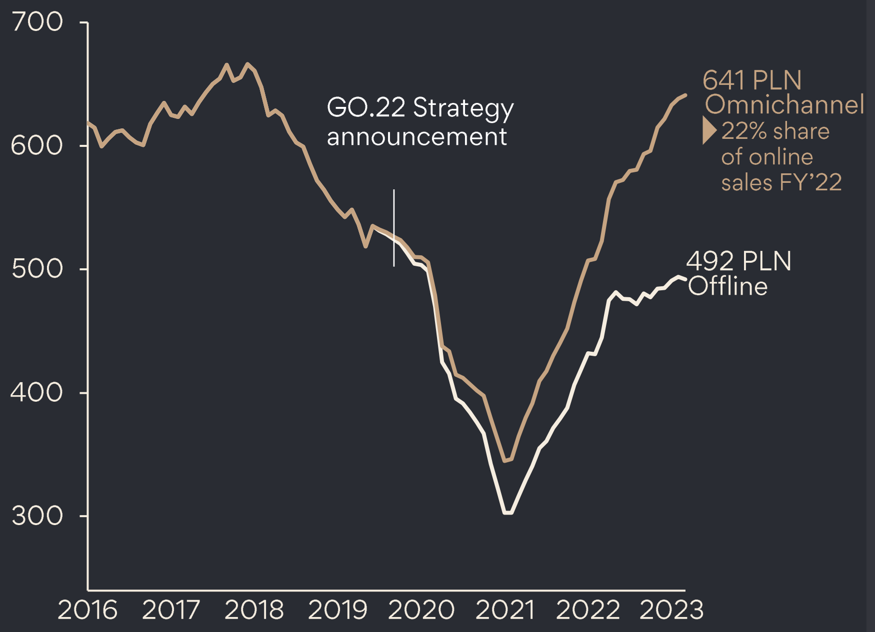
Successful transformation visible at the operational level at CCC

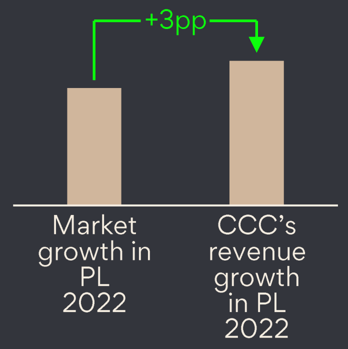
1 Recovering sales/m² [PLN] in the new model



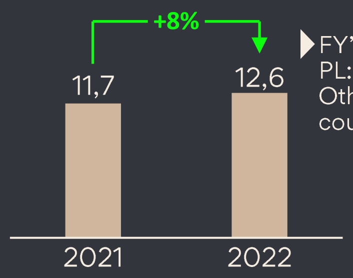
- 11% InStore orders [Q4 2022]
- 30% share of online sales [Q4 2022]
- >50% OMS share of online sales [Jan 2023]
- 50% of sales generated by mobile app [Jan 2023]

2 Offer well received by customers

Growing faster than the market[1]



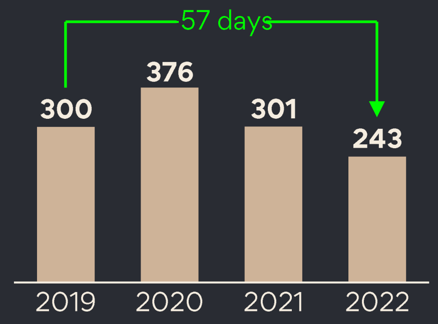
Number of CCC club members



FY'22 vs FY'21
PL: +6%
Other countries: +61%

3 Major improvement in operating efficiency

50.1%	47.0%	51.7%	52.2%	Gross margin [%]
1,421	1,648	1,451	1,045	Inventory [PLNm]



Inventory turnover period (days)[2]

OPERATING CASH FLOW[3]

PLN 595m

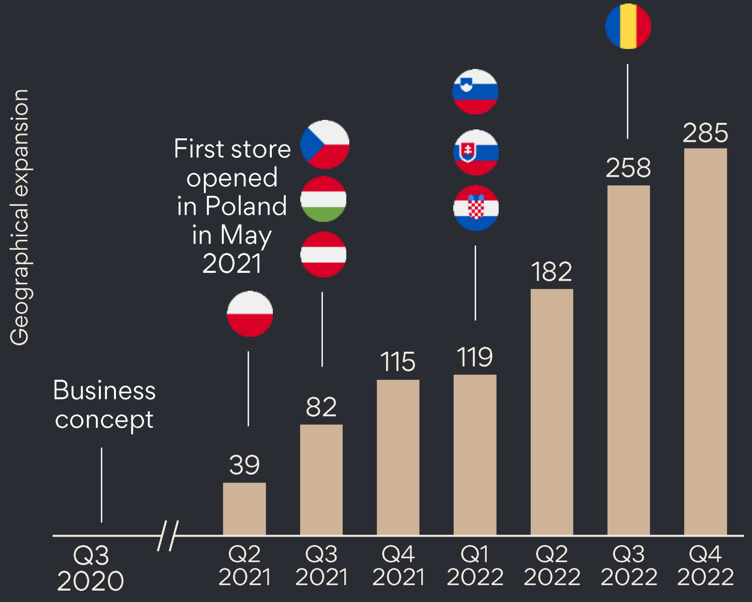
FY'22

[1] Data for the footwear market in Poland in 2022; for the CCC business line – total revenue in Poland
[2] Inventory turnover period for 2019 including KVAG
[3] OCF = net income adjusted for depreciation and amortisation, write-downs and impairment losses, gain on investing activities, borrowing costs, income tax, change in working capital

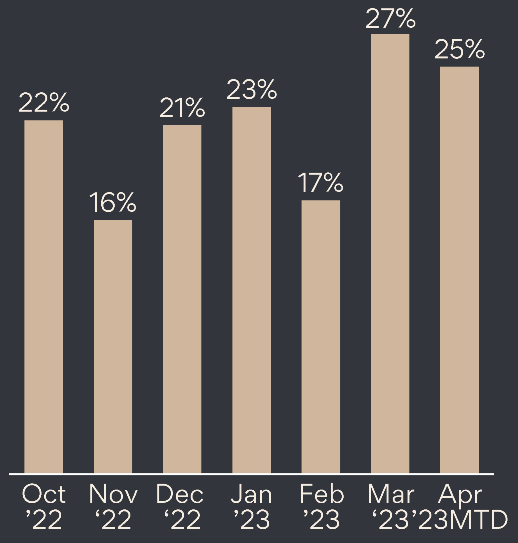
HalfPrice well received by customers and profitable in its first full year of operation

Fast-growing scale of business

- ✓ Leading off-price player in CEE
- ✓ 98 stores in eight countries
- ✓ Brand recognition 49%
  (+24pp over three quarters in 2022)
- ✓ EBITDA break-even achieved in 2022

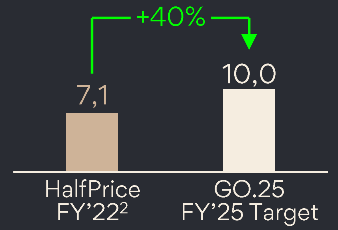


Strong LFL[1] sales growth

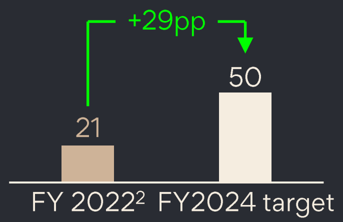


Great potential for the future

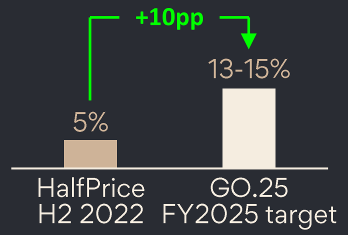
Sales/m² [PLN thousand][2]



CCC customer migration to HP [%][3]



EBITDA margin [%][4]



[1] April 2023MTD LFL sales as at April 16th 2023 (April 15th–16th forecast)
[2] Sales calculated by reference to an average floor area for the full year (beginning of year + end of year)/2
[3] 21% active CCC club members (at least one transaction made in the last 12 months), as at the end of March 2023
[4] Pre-MSSF 16 EBITDA margin

Eobuwie continues its strategy of an online footwear sales specialist, addressing current market challenges

1 Online footwear leader in CEE

#1
in CEE

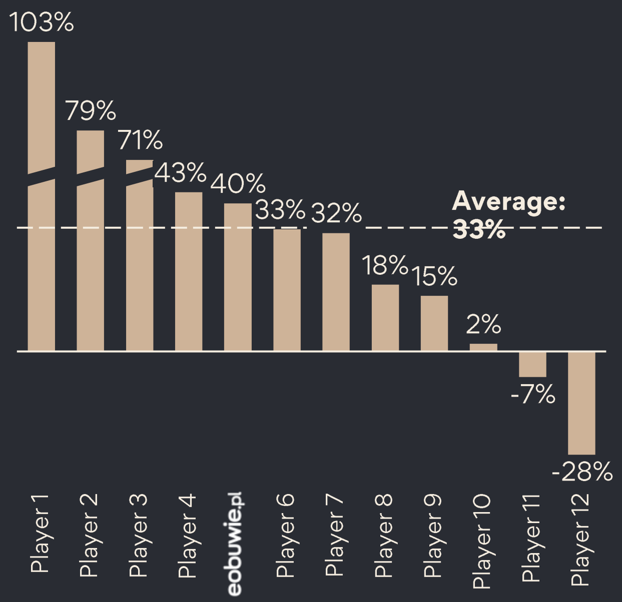
19
markets in total

8.2
active customers
FY'22 (+8% YoY)

PLN 3bn
revenue
FY'22 (+8% YoY)

2 2022 challenging to the sector

Rising inventory levels



Change in inventory levels vs change in revenue [FY 2022 vs FY2021][1]

3 In the process of addressing challenges

Inventories

- Renegotiating with suppliers / revised approach to purchasing function
- New stock margin 46% (+0.4pp YoY)
- Old stock margin 36% (-2.9pp YoY) (data for Feb-Mar'23)

Costs

- Reducing fixed costs -5% Mar 2023 vs Feb 2023 (excluding retail)
- HQ staff optimisation -8% Mar'23 vs Nov'22

Technology

Platform migration to M2
- 10 markets / 29% of business migrated
- PL May 2023
- 100% to be migrated by end of Nov'23

New mobile app
- All markets since Q4 2022
- App's share in sales: 24% (+8pp Mar'23 YoY)
- 50% higher conversion (Mar 2023 vs Oct 2022)

[1] Comparison group: Mytheresa, Asos, Farfetch, Answear, AboutYou, Boohoo, Boozt, Revolve, Zalando, Adidas, VFCorp; Calculation method = (FY2022 inventory/FY2021 inventory) - (FY2022 revenue/FY2021 revenue)

Scaled Modivo with a fast growth profile supported by marketplace expansion

Business case for Modivo launch

Launched as a business line complementary to eobuwie

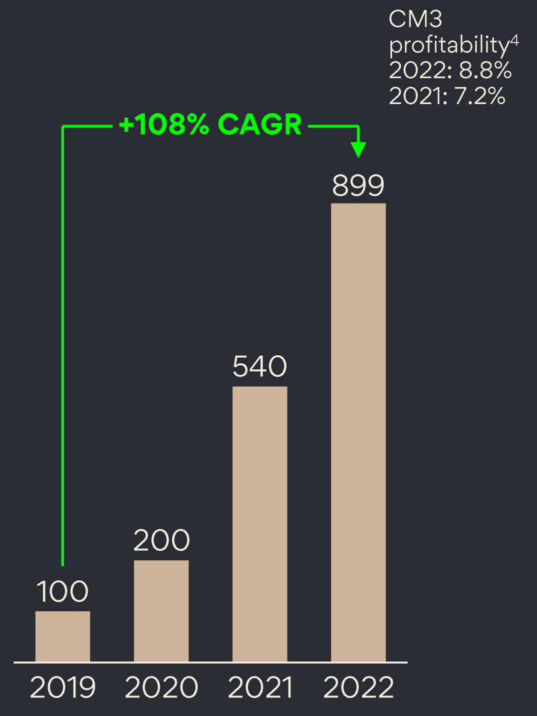
SYNERGIES

- ✓ 70% of customers shopping on eobuwie and Modivo[1]
- ✓ Shared supplier base

OTHER SOURCES OF LEVERAGE

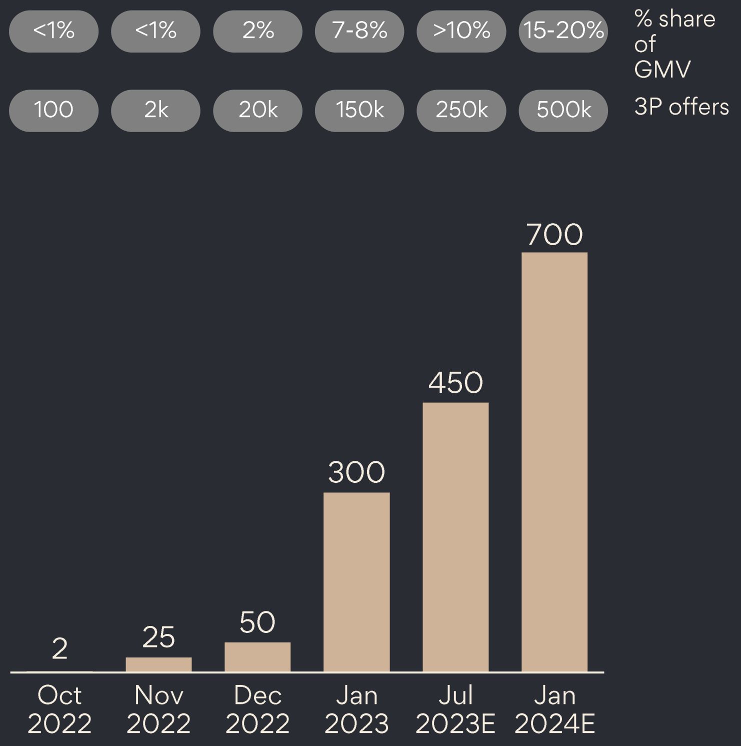
- ✓ TAM 3–4x bigger than footwear
- ✓ Asset-light model
- ✓ 2–3x higher purchase frequency for cross buyers[2]

Quick scaling with solid profitability vs peers



Revenue [PLNm]

Marketplace as a growth engine



Number of marketplace merchants[3]

[1] 70% of Modivo's 1.3 million customers were eobuwie customers; [2] 5.8x transactions/year for cross buyers vs 2.1x for eobuwie and 2.0x for Modivo
[3] Number of registered merchants (with completed AML/KYC checks); [4] CM3 – contribution margin (net of marketing, logistics, payment and other variable costs)

The omnichannel business model generates synergies as a source of competitive advantage for the CCC Group

SUPPLIERS

Global brands

Private brands

+ licences (new)

FULL-PRICE

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OFF-PRICE

HalfPrice

CUSTOMERS

14 million unique active customers of the Group in FY'22 vs 101 million CEE population[1]

- Segments
- Price points
- Building share of wallet

PROCUREMENT SYNERGIES AND A MORE ATTRACTIVE OFFER FOR CUSTOMERS

[1] CEE (Bulgaria, Croatia, Czech Republic, Estonia, Lithuania, Latvia, Poland, Romania, Slovakia, Slovenia, and Hungary)

2023 outlook

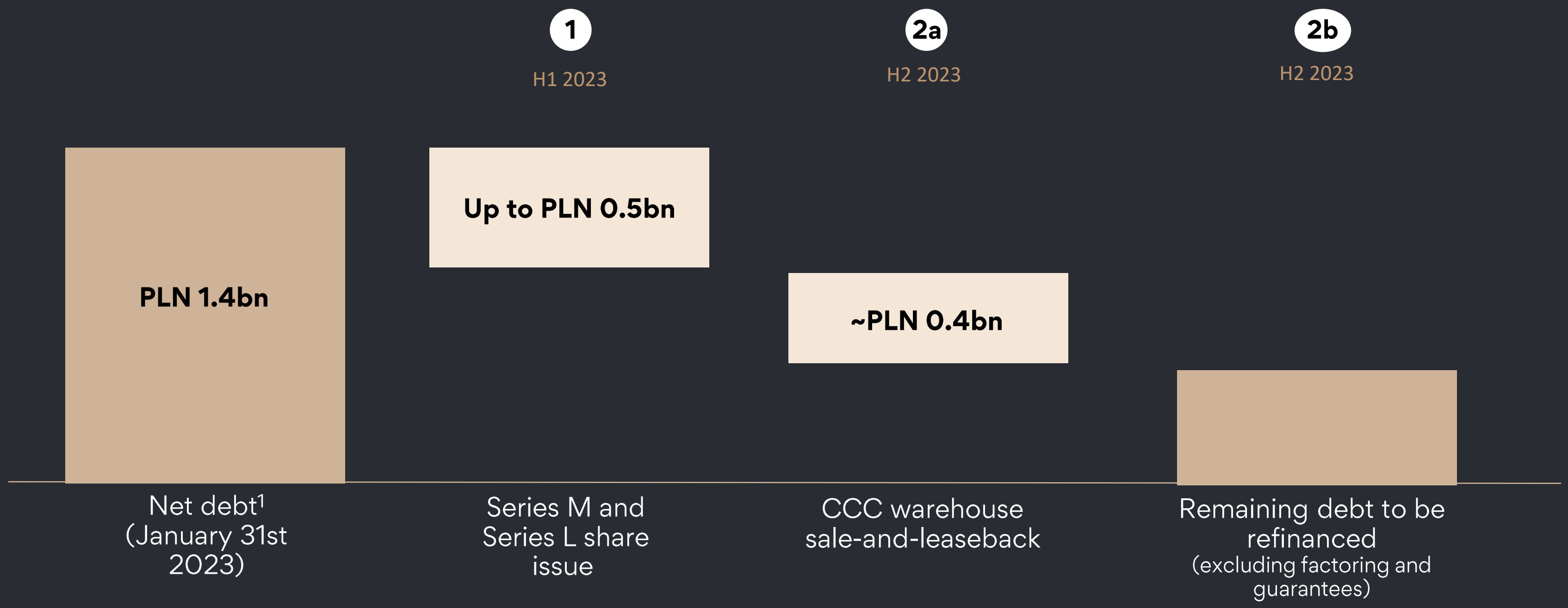
Double-digit sales growth and 10%+ EBITDA margin at the Group

	CCC GROUP	CCC	HalfPrice	MODIVO SA
Revenue (PLNbn) [2022]	**10.2-11.0** 9.1	4.4-4.8 4.2	1.2-1.5 0.8	4.5-4.7 4.0
Gross margin [%] [2022]	**47-50** 46.7	54-56 52.2	45-46 46.3	40-42 41.3
Cost ratio* [%] [2022]	**43-44** 46.2	47-48 52.0	39-40 46.7	39-40 40.2
EBITDA margin [%] [2022]	**10-12** 5.8	14-16 8.1	10-12 10.1	4-6 2.5
CAPEX (PLNm) [2022]	**~320** 455	~160 265		~160 190

* SG&A costs/revenue

Closing the transformation of its business model, the CCC Group is reducing its debt ...

CCC Business Unit (CCC, HP, DeeZee)



<u>In parallel:</u>
+ EBITDA improvement

<u>Not included here but expected in 2023–2024:</u>

+ Increased factoring lines
+ IPO Modivo
+ separate capital for HalfPrice
- MKK3 option

Ring fencing

Modivo Business Unit (Modivo, eobuwie)

PLN 729m Net debt[1] including Softbank[2] (IPO mandatory conversion)

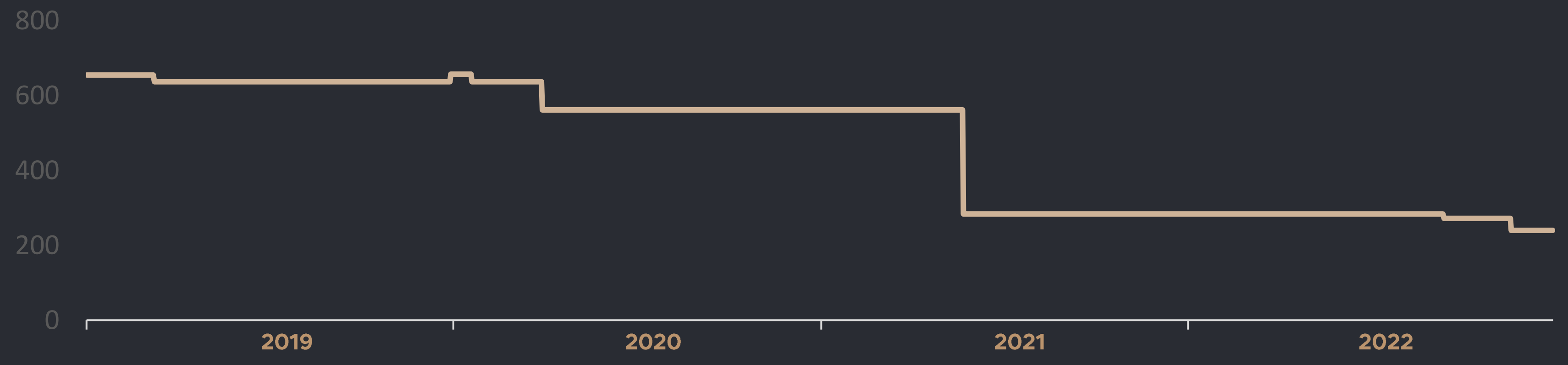
PLN 77m Net debt[1] excluding Softbank[2] (IPO mandatory conversion)

1 – Net debt = bank borrowings + bonds - cash; as at January 31st 2023 excluding reverse factoring and guarantees
2 – The bonds mature in August 2024; they are subject to early conversion into shares on an IPO

... Seeking to optimise its utilisation through maximising the share of reverse factoring, among other measures

Reverse factoring lines available (CCC Business Unit comprising CCC, HP, DeeZee)

	2019	2020	2021	2022
Revenue [PLNbn]	**4.0**	**3.1**	**4.2**	**5.2**
Inventory [PLNbn]	**1.4**	**1.7**	**1.6**	**1.3**
Reverse factoring limit [PLNbn]	**0.6**	**0.6**	**0.3**	**0.2**



Key facts

1. Q4’22 EBITDA reported by the Group exceeded preliminary estimates by 7%
2. 11% revenue growth reported by the Group for Q1’23 QTD
3. Transformation of the CCC Group’s business model in recent years in line with GO.22 and GO.25 despite a challenging environment
4. Prospect of PLN +10bn in revenue and +10% EBITDA margin in 2023
5. Significant debt reduction and financing structure change by year-end 2023

photo: CCC, Jenny Fairy, SS23

Thank you!

Contact:

Wojciech Latocha
Head of IR
+48,887,448,312
wojciech.latocha@ccc.eu

Szymon Filipczak
Head of Strategy and Development
+48 887 661 354
szymon.filipczak@ccc.eu

Upcoming events:

May 29th–30th 2023

Polish Capital Market Conference, mBank & WSE, Warsaw

May 31st–June 2nd 2023

Future in CEE – ERSTE Consumer & Technology Conference, Warsaw

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