

PERFORMANCE BY SEGMENT

CCC [PLNm]	Q3 2021 (August 2021– October 2021)	Q3 2022 (July 2022– October 2022)	Δ Q3 2022– Q3 2021	YOY
Revenue	1,122	1,142	20	2%
Gross profit	603	611	8	1%
<i>gross margin [%]</i>	53.7%	53.5%		-0.2pp
Selling and administrative costs	-588	-580	8	-1%
<i>cost ratio [%]</i>	52.4%	50.8%		-1.6pp
Other income/expenses and impairment losses	15	-22	-37	
EBIT	30	9	-21	-70%
<i>EBIT margin [%]</i>	2.7%	0.8%		-1.9pp
EBITDA	147	112	-35	-24%
<i>EBITDA margin [%]</i>	13.1%	9.8%		-3.3pp
Adjusted* EBITDA	132	134	2	2%
<i>adjusted EBITDA margin [%]</i>	11.8%	11.8%		0.0pp

The figures in the table include the results of the CCC omnichannel segment and the Other Activities segment

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

- CCC segment's sales up by 2% yoy with a 1% decline in retail space and rightsized inventory levels (-2% yoy).
- ccc.eu's sales up by 61% yoy – growing contribution of e-commerce to CCC's total revenue (+7pp yoy).
- Omnichannel sales/m² up by 9% yoy on vigorous growth of ccc.eu and a marked yoy increase in shopping basket value.
- CCC's gross margin largely unchanged despite inflationary pressures along the supply chain, effectively mitigated by active pricing policy.
- Selling and administrative expenses down by 1% against a backdrop of rising energy costs and challenging labour market.
- EBIT affected by one-off items (PLN 37m yoy change in the balance of other income/expenses), in particular exchange rate movements.
- Total negative effect of exchange rate movements of PLN 94m (mainly gross margin, lease costs, and balance of other income/expenses).
- EBITDA adjusted for one-off items up by PLN 2m yoy (EBITDA margin at 11.8%).

HalfPrice [PLNm]	Q3 2021 (August 2021– October 2021)	Q3 2022 (July 2022– October 2022)	Δ Q3 2022– Q3 2021	YOY
Revenue	82	258	176	214%
Gross profit	41	130	89	217%
<i>gross margin [%]</i>	50.0%	50.4%		0.4pp
Selling and administrative costs	-43	-118	-75	174%
<i>cost ratio [%]</i>	52.4%	45.8%		-6.7pp
Other income/expenses and impairment losses	0	1	1	
EBIT	-2	12	14	
<i>EBIT margin [%]</i>	-2.4%	4.7%		7.1pp
EBITDA	1	32	31	
<i>EBITDA margin [%]</i>	1.2%	12.3%		11.1pp
Adjusted* EBITDA	1	33	32	
<i>adjusted EBITDA margin [%]</i>	1.2%	12.6%		11.4pp

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

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

- Three-fold increase in HalfPrice’s sales with a 177% yoy growth in retail space.
- LFL sales up by 25%, mainly on the back of a 30% yoy increase in traffic.
- Gross margin up by 0.4 pp yoy, staying significantly above strategic target (~45%).
- Costs growing at a considerably slower rate than revenue –contribution of operating leverage to improved profitability.
- Just over a year on since the format inception, HalfPrice achieves operating profitability and solid, double-digit EBITDA margin.

MODIVO Group [PLNm]	Q3 2021 (August 2021– October 2021)	Q3 2022 (July 2022– October 2022)	Δ Q3 2022– Q3 2021	YOY
Revenue*	822	1,008	186	23%
eobuwie.pl	701	779	78	11%
Modivo	121	229	108	89%
Gross profit	351	406	55	16%
<i>gross margin [%]</i>	42.7%	40.3%		-2.4pp
Selling and administrative costs	-309	-409	89	28%
<i>cost ratio [%]</i>	37.6%	40.6%		3.0pp
Other income/expenses and impairment losses	4	-5	9	
EBIT	46	-8	-54	
<i>EBIT margin [%]</i>	5.6%	-0.8%		-6.4pp
EBITDA	62	10	-52	-83%
<i>EBITDA margin [%]</i>	7.5%	1.0%		-6.5pp
Adjusted** EBITDA	58	15	-32	-57%
<i>adjusted EBITDA margin [%]</i>	7.0%	1.5%		-5.5pp

The figures in the table include the consolidated results of the MODIVO Group

*Revenue includes transactions with the CCC Group (current period: PLN 16.2m, comparative period: PLN 11.5m).

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

- MODIVO Group's revenue growth gaining momentum qoq. Robust sales growth despite fiercer market competition. More revenue growth could have been captured but for substantial deterioration in macro conditions.
- Gross margin under pressure from intense pricing competition – aggressive discounts across the broad market.
- Increase in MODIVO Group's expenses driven mainly by strong sales growth (variable costs), delivery of strategic plans (launch of the marketplace platform, new mobile apps and store openings) and higher unit cost of performance marketing (cost per click) at major traffic providers. Operating margin kept intact on the back of cost-saving measures (about PLN 30m).

CCC GROUP'S FINANCIAL RESULTS

CCC Group [PLNm]	Q3 2021 (August 2021– October 2021)	Q3 2022 (July 2022– October 2022)	Δ Q3 2022– Q3 2021	YOY
Revenue	2,055	2,424	331	18%
Gross profit	1,011	1,163	152	15%
<i>gross margin [%]</i>	49.2%	48.0%		-1.2pp
Selling and administrative costs	-954	-1118	164	17%
<i>cost ratio [%]</i>	46.4%	46.1%		-0.3pp
Other income/expenses and impairment losses	16	-24	40	
EBIT	73	21	-52	-71%
<i>EBIT margin [%]</i>	3.6%	0.9%		-2.7pp
EBITDA	212	173	-39	-18%
<i>EBITDA margin [%]</i>	10.3%	7.2%		-3.1pp
Adjusted* EBITDA	196	197	1	1%
<i>adjusted EBITDA margin [%]</i>	9.5%	8.1%		-1.4pp

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

- Strong revenue growth recorded by the Group (+18% yoy) from last year's challenging base (+28%)
- Solid gross margin retained despite rapidly growing contribution of e-commerce to the Group's revenue.
- Slight yoy decline in EBITDA margin adjusted for one-off items, despite unfavourable macro climate, global inflationary pressures and weaker PLN.

GROWTH OF THE CCC GROUP'S OFFLINE SALES CHANNELS

	October 31st 2021	October 31st 2022	Δ October 31st 2022–October 31st 2021	YOY
Area [m ²], including:	616,354	700,533	84,179	14%
CCC	541,038	535,114	-5,924	-1%
eobuwie	19,080	23,705	4,625	24%
HalfPrice	51,246	141,714	90,468	177%
Number of stores, including:	897	943	46	5%
CCC	828	824	-4	0%
eobuwie	27	35	8	30%
HalfPrice	33	84	51	155%

- Decrease in CCC's retail space by 6 thousand m² yoy, reflecting mainly planned network optimisation (e.g. reduction of the average store area).
- Continued rollout of HalfPrice – 8 new stores in Q3 2022. Network expansion plans for 2022 downsized to about 90 stores as a measure to enhance cash flows.

SELECTED ITEMS OF THE STATEMENT OF FINANCIAL POSITION

MODIVO Group [PLNm]	July 31st 2022	October 31st 2022	Δ October 31st 2022–July 31st 2022	QOQ
Gross debt*	778	756	-22	-3%
(-) cash	325	155	-170	-52%
Net debt, including:	453	601	148	33%
Bonds convertible into Softbank shares	564	593	29	5%
Reverse factoring	247	250	3	1%

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

CCC Group excluding MODIVO Group [PLNm]	July 31st 2022	October 31st 2022	Δ October 31st 2022–July 31st 2022	QOQ
Gross debt	1,788	1,799	11	1%
(-) cash	385	327	-58	-15%
Net debt	1,403	1,472	69	5%
(-) Bonds issued to PFR*	358	373	15	4%
(+/-) other adjustments **	8	11	3	39%
Net financial debt	1,037	1,088	51	5%
(+) reverse factoring	266	259	-7	-3%
(+) bank guarantees	113	110	-3	-2%
Net exposure	1,416	1,457	41	3%

* 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 accrued interest, measurement of derivatives, and SCN

Net exposure is a key covenant applied in bank agreements, which is tested against EBITDA. The Company wishes to stress that EBITDA as defined for the two business units (CCC and MODIVO Group) in their bank agreements differs materially from EBITDA as reported in the financial statements and preliminary estimates of financial results due to, among other factors, different methods for recognising impairment and exchange differences, measuring derivatives, and disclosing leases under IFRS 16, as well as a number of different restatements.

Inventories * [PLNm]	October 31st 2021	October 31st 2022	Δ October 31st 2022–October 31st 2021	YOY
CCC	1,332	1,304	-27	-2%
HalfPrice	119	355	236	198%
MODIVO Group	1,057	1,415	358	34%

* Includes FOB (Free on Board) goods

- 2% yoy decrease in CCC segment's inventory, with sales growing by 1%. 44-day yoy reduction in the inventory cycle. Inventory levels reduced on higher resales and rightsized procurement of merchandise.
- Increase in HalfPrice's inventories in line with sales growth. Expanded product range and improved inventory at HalfPrice as key drivers of LFL sales growth (+25%) and operating profitability.
- Inventory increase at MODIVO Group (+34%) linked to vigorous growth of eobuwie and Modivo business lines. AW22 procurement limited in response to prevailing market conditions as a means of preserving gross margin and reducing required investment in working capital.