

CCC GROUP'S REVENUE

- 32% year-on-year increase in revenue posted by the Group, with Q1 2022 sales strongly affected by external factors (the pandemic, macro environment unfavourable to consumers, war in Ukraine)
- Very strong contribution of e-commerce to the Group's overall revenue, at 55%
- Changes in e-commerce performance attributable to last year's high base effect – growth in eobuwie and Modivo sales by 13% and 67%, respectively
- Increase in the CCC segment's sales by 40% year on year and 3% relative to Q1 2019 (with retail space down 3%)
- CCC omnichannel sales/sqm 6% higher compared with Q1 2019
- HalfPrice revenue up by PLN 3m quarter on quarter (+3%) with a 26% increase in retail space – virtually all new HalfPrice outlets opened in the second half of the quarter

	Q1 2021 (Feb 2021 – Apr 2021)	Q1 2022 (Feb 2022 – Apr 2022)	Δ Q1 2022- Q1 2021	YOY
CCC Group's revenue [PLNm]				
CCC Group	1428	1886	458	32%
CCC	566	790	224	40%
Eobuwie	664	747	83	13%
Modivo	97	162	65	67%
HalfPrice	1	118	117	>100%
DeeZee	25	26	1	5%
Other and unallocated ¹	75	42	-34	-45%
LFL retail CCC ²	80%	56%		
E-commerce contribution to the CCC Group's revenue	62%	55%		-7 pp

¹"Unallocated" refers to the share of the Group's wholesale to KVAG, allocated to continuing operations. In accordance with IFRS 5, intra-group transactions were eliminated in discontinued operations, therefore the margin generated by KVAG on merchandise purchased from the CCC Group is presented in revenue from discontinued operations, but cost of sales of discontinued operations pertains solely to purchases from entities outside the CCC Group. As a result, a disproportion may be seen in the cost of purchases relative to revenue (overstated gross margin expressed as a percentage). This approach has a negative effect on the reported margin on continuing operations. Furthermore, depreciation and amortisation are not charged from the date of reclassification.

²Excluding CCC e-commerce.

CCC GROUP'S FINANCIAL RESULTS

- Group's second highest quarterly gross margin in the last 3 years – margin improvement of nearly 6pp year on year and almost 2.5pp quarter on quarter
- CCC segment's margin improved by almost 10pp year on year – on the back of active price management and conservative discount policy
- Year-on-year cost growth at a level similar to revenue. Level of costs reflecting investment in strategic growth projects (approximately PLN 85m), mainly expansion of the HalfPrice chain
- Costs down by PLN 32m quarter on quarter (-3%)
- Gradual post-pandemic recovery in operating profitability – year-on-year EBIT improvement of PLN 56m
- EBITDA profitability more than doubled year on year

	Q1 2021 (Feb 2021 – Apr 2021)	Q1 2022 (Feb 2022 – Apr 2022)	Δ Q1 2021- Q1 2022	YOY
CCC Group's statement of profit or loss [PLNm]*				
Revenue	1428	1886	458	32%
Gross profit	618	928	310	50%
Gross margin [%]	43,3%	49,2%		5,9 pp
SG&A	-719	-973	-254	35%
EBIT	-101	-45	56	
EBIT margin [%]	-7,1%	-2,4%		4,7 pp
EBITDA (MSSF16)	35	110	75	212%
EBITDA margin [%]	2,5%	5,8%		3,4 pp

* The financial data presented are estimates and do not include unusual, non-recurring events.

SELECTED ITEMS OF THE STATEMENT OF FINANCIAL POSITION OF THE CCC GROUP

The year-on-year change in the Group's debt was mainly due to:

- change in the debt structure following completion of CCC's bank debt refinancing in Q2 2021, including prepayment of some debt and instalment payments towards the syndicated term loan with a concurrent reduction in the share of reverse factoring (recognised as other trade payables), which was replaced by credit facilities (disclosed as financial liabilities)
- credit facility limits established in the refinancing process, used to finance day-to-day operations and expansion of the HalfPrice chain, including capital expenditure and building optimum stock levels
- issue of 7-year bonds by CCC Shoes&Bags to PFR FIIK FIZAN, with proceeds intended to finance the purchase of a 10% equity interest in Modivo S.A. (formerly eobuwie.pl S.A.) from MKK3
- issue of bonds convertible into Modivo S.A. shares to Softbank, with proceeds intended to finance further growth of the e-commerce business

	Apr 30 2021	Apr 30 2022	Δ Apr 30 2022-Apr 30 2021	YOY
Selected items of the statement of financial position [PLNm]				
Net debt	1403	1944*	541	39%
Cash	305	494	189	62%

* Includes pln 360mn 7-year bonds related to the buyout of the 10% stake in Modivo S.A. and pln 500mn bonds issued for softbank, convertible in Modivo S.A. shares

GROWTH OF THE CCC GROUP'S OFFLINE SALES CHANNELS

- Group's retail space and number of stores stable year on year
- Decrease in the Group's retail space by 59 thousand sqm year on year, due mainly due to planned network optimisation (including transformation into the HalfPrice concept)
- Continued rollout of HalfPrice – 16 new stores opened in Q1 2022. Planned chain expansion – 50 or so stores to be added throughout 2022

	Apr 30 2021	Apr 30 2022	Δ Apr 30 2022-Apr 30 2021	YOY
Sales network rollout				
Area [m ²], including:	631 102	687 239	56 137	9%
CCC	612 700	553 893	-58 807	-10%
eobuwie	17 146	21 586	4 440	26%
HalfPrice	1 256	106 509	105 253	>100%
Number of stores, including:	953	955	2	0%
CCC	927	850	-77	-8%
eobuwie	25	30	5	20%
HalfPrice	1	66	65	>100%

RESULTS OF THE MODIVO GROUP (formerly eobuwie Group)

- Revenue recorded by the Modivo Group up 19% year on year – due to last year’s very high base effect (numerous restrictions on offline retail operations across CEE in March/April 2021) as well as global developments (macro environment unfavourable to consumers, war in Ukraine)
- Modivo segment’s sales in Germany and Italy tripled year on year
- Steep growth of the Modivo segment’s contribution to the Modivo Group’s revenue, to 18% (+5pp year on year)
- Steady improvement of the Modivo Group’s gross margin (up by 0.4pp, to 43.5%)
- Increase in costs driven mainly by growth projects (new logistic centres, marketplace, sales support systems, software development based increasingly on in-house capabilities) – cost to revenue ratio kept stable quarter on quarter
- Modivo Group’s EBITDA margin in line with the GO.25 strategy

	Q1 2021 (Feb 2021 – Apr 2021)	Q1 2022 (Feb 2022 – Apr 2022)	Δ Q1 2022– Q1 2021	YOY
Modivo Group’s statement of profit or loss [PLNm]				
Revenue*	768	916	148	19%
Poland	270	341	72	27%
Central and Eastern Europe	333	370	37	11%
Western Europe	165	204	39	24%
Gross profit	331	398	67	20%
Gross margin [%]	43,1%	43,5%		0,4 pp
SG&A	-265	-357	-92	35%
EBIT	66	41	-25	-38%
EBIT margin [%]	8,6%	4,5%		-4,1 pp
EBITDA (MSSF16)	81	59	-22	-27%
EBITDA margin [%]	10,5%	6,4%		-4,1 pp

*Revenue includes transactions with the CCC Group (current period: PLN 7m, comparative period: PLN 8m).