

REVENUE

- Sales in the fourth quarter of 2020 improved by 2% yoy on high conversion rates in the offline channel and yoy growth in online sales.
- Yoy growth recorded for both online and offline by October 20th – good reception of collection by customers. Retail sales in the entire quarter adversely affected by the second and third lockdowns in Poland and in many foreign markets.
- Rising growth momentum in the online channel, with revenue up 84%. 52% share of online sales in the CCC Group's total sales.
- Six-fold yoy increase in ccc.eu's revenue. ccc.eu's 18% share in CCC Polska's revenue (up 8pp qoq).

CCC Group revenue	Q4 2019	Q4 2020	Δ Q4 2019–Q4 2020	YOY
Revenue [PLNm]	1,597	1,623	26	2%
Retail network	1,100	719	-381	-35%
CCC	1,048	688	-360	-34%
Eobuwie	23	23	0	0%
Gino Rossi	29	8	-21	-72%
e-commerce	460	846	386	84%
Eobuwie	425	698	273	64%
CCC	20	123	103	515%
DeeZee	10	21	11	110%
Gino Rossi	5	4	-1	-20%
Wholesale	37	58	21	57%
Of which not allocated ¹	3	48	45	
LFL retail CCC ²	-9%	-38%		
LFL retail CCC ² open stores	-9%	-12%		

¹ "Not allocated" 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 of discontinued operations, but cost of sales of discontinued operations pertains solely to purchases from entities outside the CCC Group. As a result, a disproportion can be seen in cost of sales 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.

² Excluding CCC e-commerce

CCC GROUP'S FINANCIAL RESULTS

- Gross margin down 2.5pp yoy, mainly due to a lower offline margin on increased clearance sales before the government lockdown of retail stores and the high share of e-commerce in the Group's revenue. Gross e-commerce margin improved 2.7pp yoy, driven by, among other factors, a higher margin delivered by eobuwie and DeeZee and ccc.eu's growing contribution to e-commerce revenue. The decrease in gross margin was also an effect of the approach applied to the presentation of discontinued operations and the allocation of revenue to the "not allocated" category, as mentioned above. The adopted presentation method¹ led to a 1.4pp decrease in gross margin.
- 17% year-on-year increase in costs, mainly under other distribution costs, driven by rapid e-commerce growth (up 84% yoy).
- Operating profit/(loss): PLN -31m due to the second wave of pandemic and further sales restrictions in brick-and-mortar stores.

	Q4 2019	Q4 2020	Δ Q4 2019- Q4 2020	YOY
Statement of profit or loss [PLNm]				
Revenue	1,597	1,623	26	2%
Gross profit	772	743	-29	-4%
Gross margin [%]	48.3%	45.8%		-2.5 pp
Distribution costs and administrative expenses, other income and expenses	658	773	115	17%
Operating profit/(loss)	114	-31	-145	
EBITDA	278	117	-161	-58%

EOBUWIE GROUP'S FINANCIAL RESULTS

- Strong increase in eobuwie's revenue quarter on quarter.
- Strongest growth in revenue recorded in Italy, Greece and Germany – over 150%.
- Growing contribution of South Europe to the eobuwie Group's revenue (from 9% to 15% yoy).
- Consistent improvement in gross margin, up by 1pp.
- Twofold increase in EBITDA margin yoy

	Q4 2019	Q4 2020	Δ Q4 2019- Q4 2020	YOY
eobuwie Group's statement of profit or loss [PLNm]				
Revenue	448	721	273	61%
Poland	178	236	58	33%
Central and Eastern Europe	198	307	109	55%
Northern and Western Europe	30	72	42	140%
Southern Europe	42	106	64	152%
Gross profit	195	321	126	65%
gross margin [%]	43.5%	44.5%		+1.0pp
EBIT	16	52	36	225%
EBIT margin [%]	3.6%	7.2%		+3.6pp
EBITDA	23	76	53	230%
EBITDA margin [%]	5.2%	10.5%		+5.3pp

CCC Group continues works and analysis, that were communicated before, aimed at ensuring adequate capital at eobuwie.pl level to fully respond to market opportunities in e-commerce. One of the contemplated solutions is to attract a new minority investor who would support eobuwie with ca. 0.5bn PLN of primary capital. It cannot be ruled out that such transaction would include a sell down of a part of secondary shares in eobuwie.pl owned by CCC, however with an assumption that CCC Group will remain a majority shareholder with control rights that will allow for full-consolidation of eobuwie.pl.

At current stage, no binding decision on the structure or the amount has been made. Group estimates that current analyses, will allow for further decisions and a signing of the potential transaction in Q1 2021.

GROWTH OF OFFLINE SALES CHANNELS

- A slight yoy increase in retail space (up 2%).
- Dynamic rollout of the eobuwie hybrid store network and the launch of an interactive Modivo store.
- Decrease in the number of brick-and-mortar stores compared with the fourth quarter of 2019: three stores.

	Q4 2019	Q4 2020	Δ Q4 2020–Q4 2019	YOY
Growth				
Area [m ²]	678,635	692,615	13,980	2%
CCC	659,977	671,490	11,513	2%
Gino Rossi	6,713	3,979	-2,734	-41%
Eobuwie	11,945	17,146	5,201	44%
Number of stores	1,063	1,060	-3	0%
CCC	985	999	14	1%
Gino Rossi	59	36	-23	-39%
Eobuwie	19	25	6	32%