

**CCC**



## **INTERIM CONSOLIDATED DIRECTORS' REPORT ON THE OPERATIONS OF THE CCC GROUP**

**for the six months**

from February 1st 2021 to July 31st 2021.



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## ABOUT THIS REPORT

The Directors' Report on the operations of the CCC Group in the six months ended July 31st 2021 contains financial and non-financial data, showing the results and position of the CCC Group on the Polish and European markets. The Report is published in the PDF format, available in Polish and English. The Report contains logos and photographs of registered proprietary brands available in CCC stores.

On the basis of a resolution adopted by the Extraordinary General Meeting of CCC S.A. on September 26th 2019, the Articles of Association of the Company were amended with respect to the financial year. The financial and tax year of the Company is currently a period of 12 consecutive full calendar months beginning on February 1st of a given calendar year and ending on January 31st of the following calendar year. Due to the change, the financial and tax year of the Company which began on January 1st 2020 ended on January 31st 2021, and was a transition year leading to the start of a changed financial year. The first financial and tax year of the Company reflecting the change described above began on February 1st 2021 and will end on January 31st 2022. The purpose of the change is to harmonise the financial and tax year with the fashion seasons (to account for seasonality, settlement of season collections, etc.). As a result, the individual elements of the financial statements will better reflect the life cycle of successive collections.

The Report covers the period from February 1st 2021 to July 31st 2021 and contains comparative data, i.e. data for the period from February 1st 2020 to July 31st 2020 and from January 1st 2020 to June 30th 2020. To keep the information as current as possible, the Report includes a summary of events after the reporting date up to the date of issue of the Report.

## CCC IN NUMBERS

The data relate to changes in the period February 1st 2021–July 31st 2021 relative to the corresponding period of the previous year.

CHANGE IN THE GROUP'S REVENUE 56%			
INCREASE IN <b>DIGITAL</b> REVENUE 67%		SHARE OF <b>DIGITAL</b> REVENUE 51%	
INCREASE IN REVENUE OF <b>EOBUWIE.PL</b> (excluding Modivo) 59%	INCREASE IN REVENUE OF <b>MODIVO</b> 130%	INCREASE IN REVENUE OF <b>CCC</b> 45%	INCREASE IN REVENUE OF <b>DeeZee</b> 79%
SHARE OF REVENUE FROM FOREIGN MARKETS 48%	<b>29 MARKETS</b>  (22 offline) (17 online)	<b>87 SALES PLATFORMS</b>  (49 desktop) (38 mobile)	

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.



## BUSINESS OF THE CCC GROUP

The CCC Group (the "CCC Group", the "Group") is the leader of the Polish and Central European retail footwear market, one of the largest footwear manufacturers in Europe, and, through its subsidiary eobuwie.pl, is also the leader of e-commerce in Central and Eastern Europe.

The CCC Group comprises a total of 991 offline chain stores located in modern shopping centres and malls and 87 online sales platforms in Poland and 28 countries in Europe and the Middle East. CCC stores are renowned for their exciting, contemporary brands, many of which are achieving iconic status, including Lasocki, Gino Rossi, Jenny Fairy, Sprandi and DeeZee, as well as a wide range of licensed sports shoe and children's footwear brands. The CCC Group has a wide range of products, constantly expanded, picked and selected in response to the needs of consumer groups carefully targeted by particular brands.

The Group's operations are currently organised into geographical segments:

- Poland
- Central and Eastern Europe
- Western Europe

The segmentation by sales channel is as follows:

- CCC
- eobuwie.pl
- Modivo
- HalfPrice
- DeeZee
- Other activities

## BUSINESS PROFILE

The largest retailer of footwear in Central and Eastern Europe with over 20 years of experience.

Geographical diversification and diverse sales channels in 29 countries.

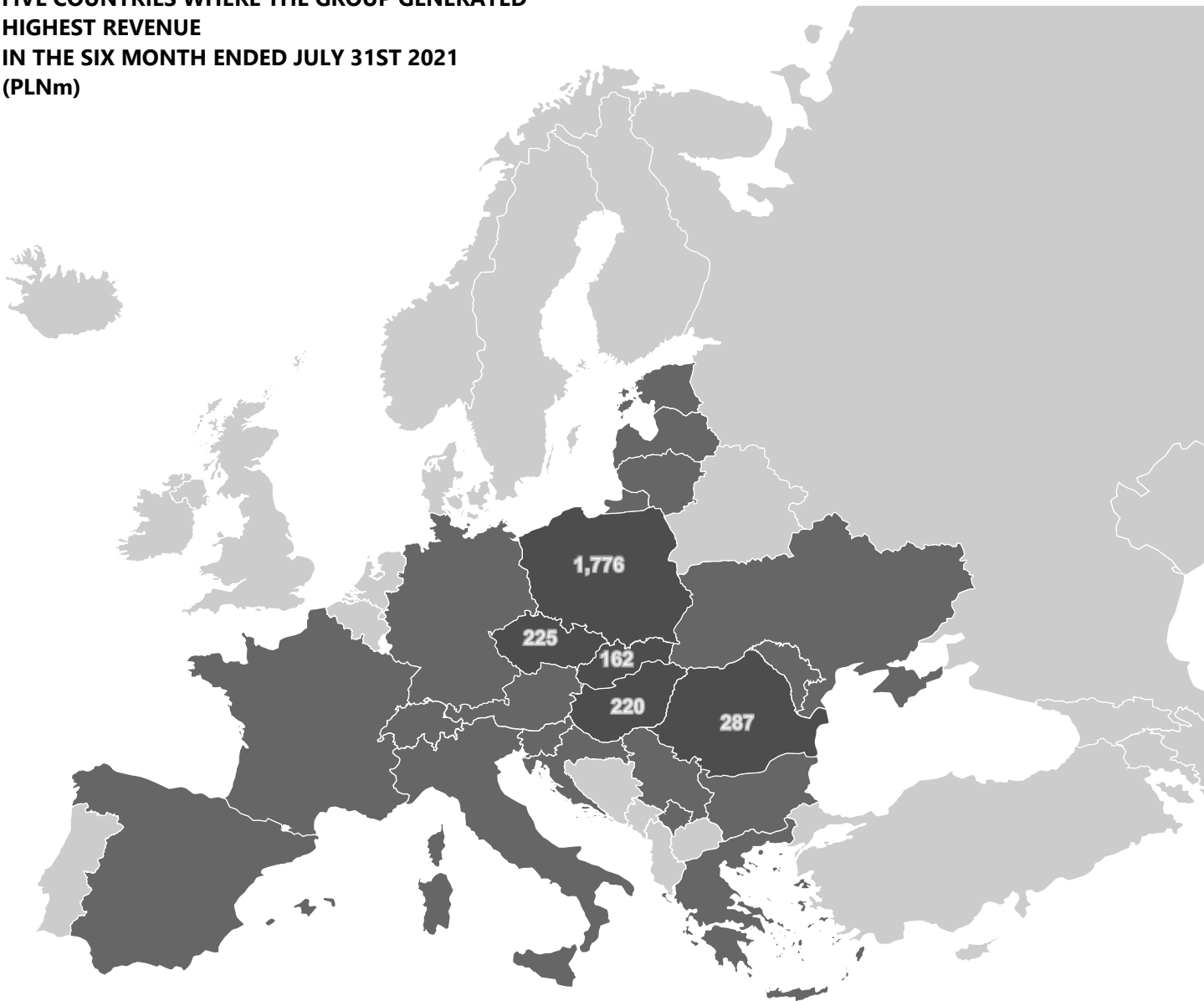
A loyal customer base supported by strong brand awareness and continuous development of the product portfolio.

Offline retail network reinforced by digital channels, the latter accounting for 51% of the CCC Group's revenue in the six months ended July 31st 2021.

Technological innovation represented, among others, by the developed and implemented breakthrough technology of 3D foot scanners 'esize.me' and revolutionary hybrid stores eobuwie.pl.

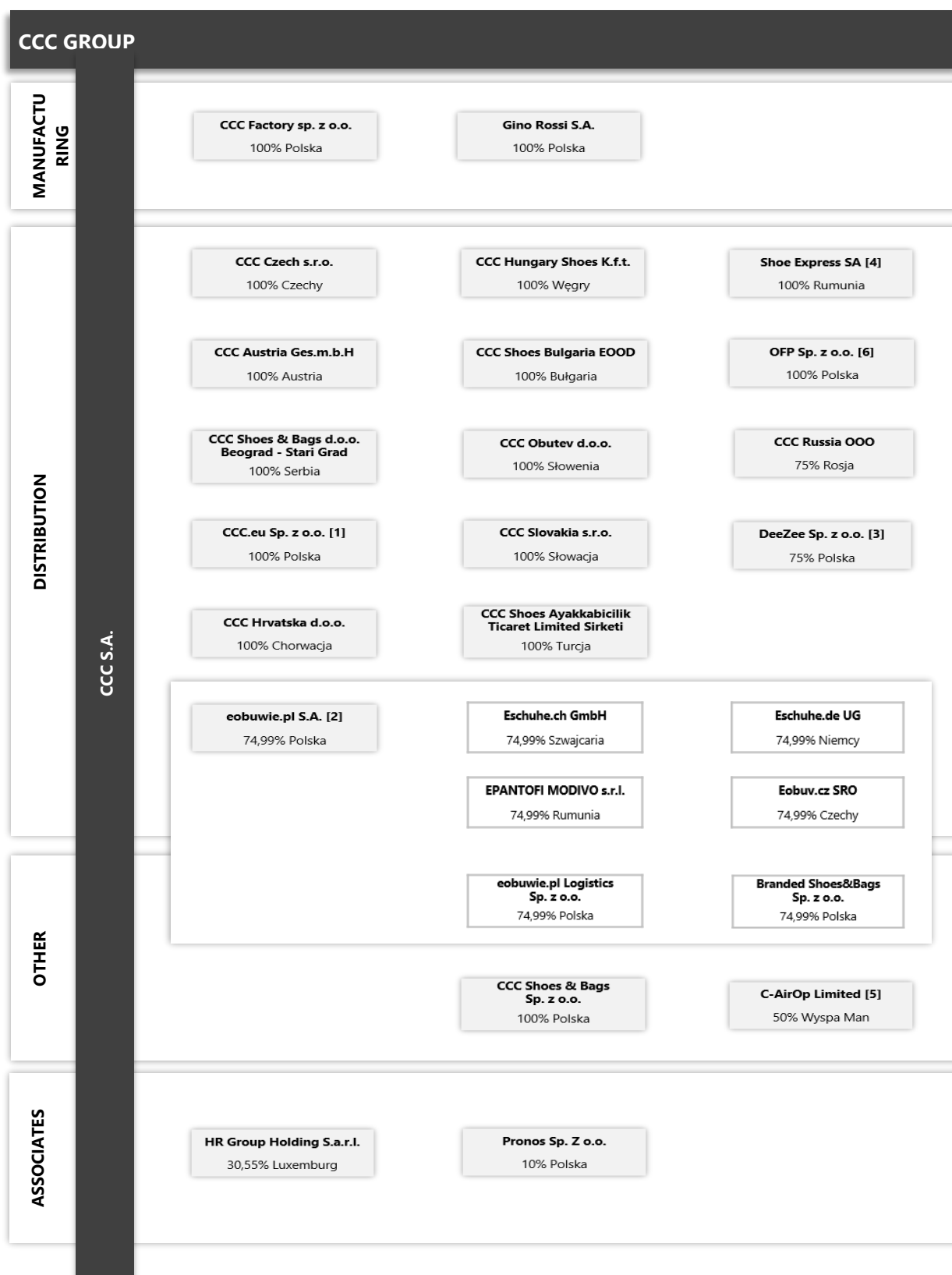
Acting responsibly, striving to meet stakeholder needs and supporting locally and globally relevant ESG initiatives.

**FIVE COUNTRIES WHERE THE GROUP GENERATED  
HIGHEST REVENUE  
IN THE SIX MONTH ENDED JULY 31ST 2021  
(PLNm)**



**STRUCTURE OF THE CCC GROUP AND ORGANISATIONAL LINKS**

CCC S.A. is the parent of the CCC Group. As at the reporting date, CCC S.A. held directly and indirectly 100% of shares in the share capital of 15 out of 19 subsidiaries located in Poland, Central and Eastern Europe, Austria and in other countries. It held 74.99% of shares in eobuwie.pl S.A., 75% of shares in CCC Russia OOO and DeeZee sp. z o.o. each, and 50% of shares in C-AirOp Limited. Financial results of these companies are consolidated using the full method. The diagram on the next page presents the organisational structure of the CCC Group, including the equity interests.



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- [1] CCC.eu sp. z o.o. is a subsidiary of CCC Shoes & Bags sp. z o.o. (99.75%) and CCC S.A. (0.25%).
- [2] eobuwie.pl S.A. is a subsidiary of CCC Shoes & Bags sp. z o.o. (74.99%).
- [3] DeeZee sp. z o.o. is a subsidiary of CCC Shoes & Bags sp. z o.o. (75%).
- [4] Shoe Express S.A. is a subsidiary of CCC Shoes & Bags sp. z o.o. (95%) and CCC.eu sp. z o.o. (5%).
- [5] C-AirOp Ltd. is a subsidiary of CCC S.A. (50%). Having analysed the functions performed by the company's shareholders, the Management Board is of the opinion that the Group continues to control the operations and management of the company.
- [6] OFP sp. z o.o. (formerly: Garda sp. z o.o., wholly-owned subsidiary of Gino Rossi S.A.) On May 31st 2021, it became a wholly-owned subsidiary of CCC S.A.
- [7] (EPANTOFI MODIVO s.r.l. was established on July 9th 2021 and the share capital was fully paid up on September 6th 2021).

## CHANGES IN THE ORGANISATION OF THE CCC GROUP IN THE SIX MONTHS ENDED JULY 31ST 2021

On February 2nd 2021, Gino Rossi S.R.O., a subsidiary of Gino Rossi S.A., was liquidated.

In 2020, the CCC Group began to explore potential financing options and search for minority investors for eobuwie.pl. On March 31st 2021, CCC Group signed agreements concerning changes in the eobuwie.pl shareholder structure, whereby the minority investors Cyfrowy Polsat S.A. and A&R Investments Limited would acquire 10% equity interests in eobuwie.pl S.A. each. In the performance of these agreements, on June 22nd 2021: (i) CCC acquired from MKK3 Sp. z o.o. (existing minority shareholder of eobuwie.pl) shares representing 10% of eobuwie.pl's share capital, and (ii) subsequently transferred the shares to Cyfrowy Polsat S.A. eobuwie.pl, (iii) CCC entered into a conditional disposal agreement with A&R Investments Limited for the transfer of ownership of eobuwie shares representing 10% of eobuwie's share capital to A&R Investments Limited. eobuwie.pl shares representing 10% of the company's share capital were transferred to A&R after the reporting date, on September 23rd 2021.

On May 18th 2021 CCC.eu sp. z o.o. acquired 5% of shares in Shoe Express S.A. from NG2 Suisse s.a.r.l.

On May 28th 2021, NG2 Suisse s.a.r.l. acquired shares in KVAG from a minority shareholder and became the owner of a 100% equity interest in KVAG, and on June 3rd 2021 CCC S.A. sold 100% of shares held in NG2 Suisse s.a.r.l. and indirectly 100% of shares held in KVAG to an external investor. (Based on the agreements in place, the CCC Group and KVAG are continuing their business partnership).

On May 31st 2021, Gino Rossi S.A., a subsidiary, and CCC S.A. signed an agreement for the sale of 100% shares in OFP sp. z o.o. Under the agreement, OFP sp. z o.o. became a wholly-owned subsidiary of CCC S.A.

On July 2nd 2021, CCC Shoes & Bags Sp. z o.o. entered into a Subscription and Investment Agreement concerning investment in eobuwie.pl together with SVF II Motion Subco (DE) LLC, a Softbank Group company, which sets out the terms and conditions on which the Investor will invest in eobuwie.pl by subscribing for unsecured bonds convertible into eobuwie.pl shares. The bonds will be automatically converted into shares in eobuwie.pl in the event of eobuwie.pl's initial public offering (IPO) or any similar transaction specified in the terms and conditions of the bonds. On October 5th 2021, an issue of PLN 500m worth of convertible bonds to a related party of SoftBank Vision Fund 2 was carried out by eobuwie.pl S.A.

In accordance with the announced strategy for Gino Rossi S.A., the Group decided to close down the subsidiary's footwear factories and the production was phased out in the first half of 2021. CCC has implemented a number of changes to optimise the Gino Rossi retail chain, including building-up the brand's presence in online sales and increasing its product offering. The Gino Rossi brand products will be marketed in CCC stores, through the digital CCC channels and eobuwie.pl.

## CHANGES IN THE ORGANISATION OF THE CCC GROUP AFTER THE REPORTING DATE

On August 24th 2021, CCC S.A. acquired a 10% interest in Xpress Delivery Sp. z o.o.

After the reporting date, the CCC Group established OFP Austria GmbH, making a capital contribution of EUR 2m. The change was not registered with the court by the date of publication. The company is a subsidiary of OFP Sp. z o.o.

## CHANGES IN MANAGEMENT PRINCIPLES / MANAGEMENT STRUCTURES OF THE CCC GROUP IN THE SIX MONTHS ENDED JULY 31ST 2021

On March 29th 2021, the Supervisory Board passed resolutions to increase the number of members of the Management Board to six persons and to appoint Adam Holewa as Vice President of the Management Board, with effect from April 1st 2021, Igor Matus as Vice President of the Management Board, with effect from June 7th 2021, and Kryspin Derejczyk as Vice President of the Management Board, with effect from July 1st 2021.

Following the changes, as at the reporting date the Management Board consisted of:

Marcin Czyczerski, President of the Management Board  
Mariusz Gnych, Vice President of the Management Board  
Karol Półtorak, Vice President of the Management Board  
Adam Holewa, Vice President of the Management Board  
Igor Matus, Vice President of the Management Board  
Kryspin Derejczyk, Vice President of the Management Board

On July 12th 2021, Henry McGovern resigned as member of the Supervisory Board of CCC with immediate effect.

## CHANGES IN MANAGEMENT PRINCIPLES / MANAGEMENT STRUCTURES OF THE CCC GROUP AFTER THE REPORTING DATE

On September 16th 2021, the Supervisory Board resolved to increase the number of Management Board members to seven persons and to appoint Adam Marciniaak as Vice President of the Management Board for Technology and Digitalisation of the CCC Group as of September 16th 2021.

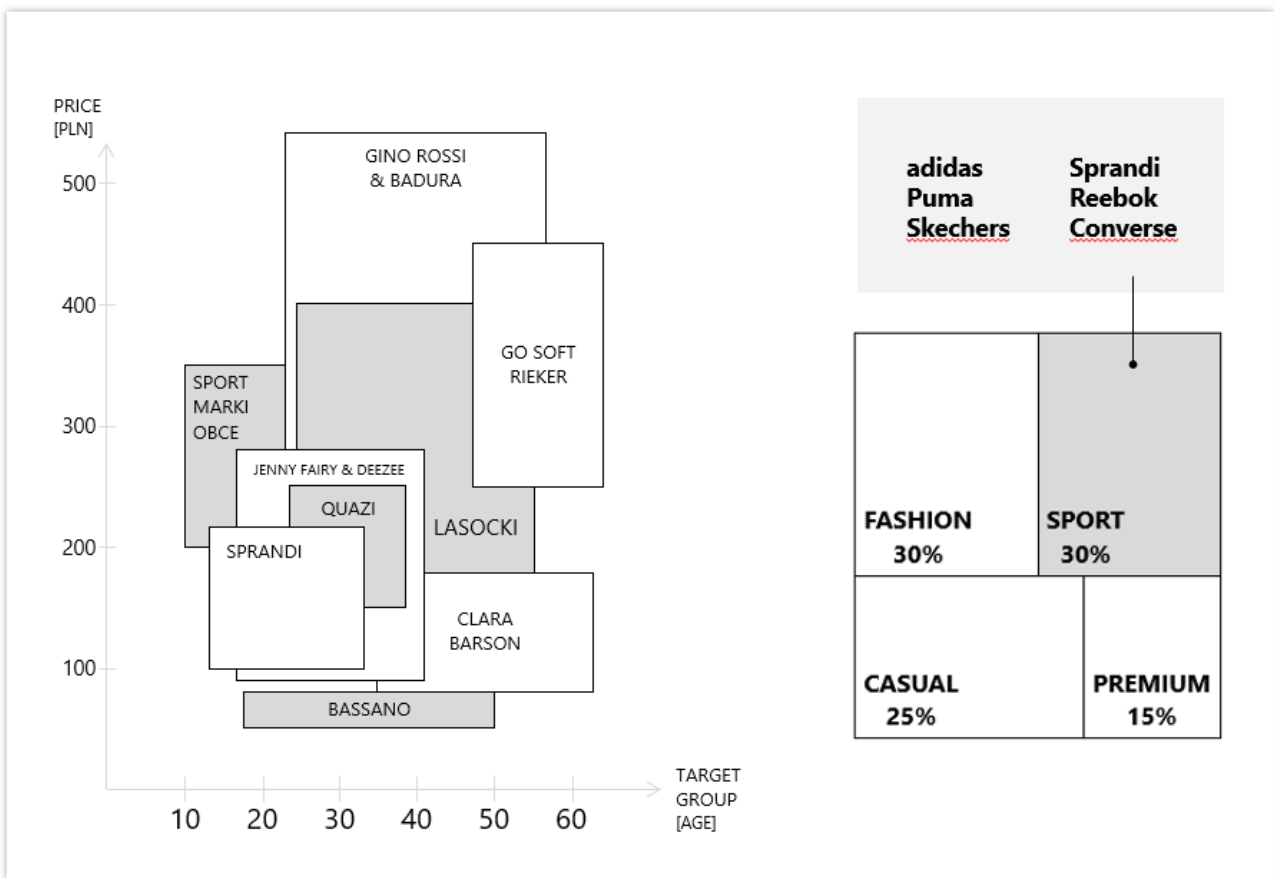




**PORTFOLIO**

The portfolio of CCC-branded products includes both popular own brands and recognised third-party brand names. In the six months ended July 31st 2021, 75% of the CCC's sales were generated by ten leading brands, namely Lasocki, Jenny Fairy, Sprandi, adidas, Gino Rossi, DeeZee, Go Soft, Neli Blu, Lanetti and Rieker.

The product mix of CCC offline and ccc.eu stores comprises key units corresponding to the individual own brands or product categories. The portfolio has been designed so that its elements address demand from various groups of customers, depending on their fashion preferences, age, or disposable income. Thus, the CCC and ccc.eu stores offer footwear for children and youth, casual and formal footwear for men and women, sports footwear, sneakers as well as a broad range of accessories, including bags, purses, wallets, suitcases, sunglasses, and small apparel items. The online store additionally offers branded sportswear. Product prices range from PLN 59.99 to PLN 599.99. The graph below illustrates the structure of CCC's product portfolio.



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Provided below is a detailed description of selected own brands of CCC.

## DeeZee

Latest trends, original combinations, bold looks and colours, and lots of fun – here comes the DeeZee girl! It is fashion made unique, plus exciting designs, patterns, shapes, and prints. DeeZee is the perfect way to define and express your personal style. It is a brand for young women looking for fresh outfit inspiration and a bold look that includes a remarkable set of accessories. It has never been so bold, fashionable and colourful!



## JENNY FAIRY

Jenny Fairy is a real crown jewel in CCC's portfolio dedicated to young women who love the hottest trends in fashion. It brings together the latest trends in fashion aesthetic with functionality and a unique and eye-catching design. The brand's cheeky and bold styles are created in line with trends set on fashion runways, city streets and Instagram accounts. The pieces can be worn from morning till evening as an element of an elegant outfit as well as slightly casual everyday look. Jenny Fairy perfectly fits into the fashion freedom space where every woman can develop her own unique style.



**GINO ROSSI**

Timeless classics with a modern twist. Minimalist designs for true fashion aficionados and connoisseurs of minimalist aesthetics. Refined and simple, premium quality materials, accessories and products. Gino Rossi is fashion for city dwellers in their 30s who are well-educated, ambitious and conscious consumers and see themselves as citizens of the world. The brand is a tribute to top styles and timeless classics that keep up with the latest trends.



**LASOCKI**

Lasocki for the family, or top quality traditional craftsmanship enclosed in a trusted brand. Classic, elegant, timeless, and inherently close to nature. Lasocki is for everyone, about everyone and for every family, for any time of day and year. Natural leather, fine materials, versatile and timeless designs that easily become casual collectible companions in the most enjoyable family moments. Lasocki is renowned for heavy-duty cross-generational comfort and chic, as well as proven design solutions that work.



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Ready, Sprandi, go! A brand of sports and urban footwear that rocks, complemented with durable and extremely functional clothing with a retro twist. Excellent quality materials, cutting-edge technologies and ergonomic cuts deserve the attention of sports enthusiasts who look for retro fashion inspirations. The most relaxed style, eye-catching details and trendy colours will easily cater to even the most sophisticated tastes! Comfortable Sprandi sneakers are a great choice for workout and a city stroll that will perfectly match comfortable and stylish tracksuits. The new Sprandi goes along with the wellness hype, comprising indoor and outdoor workout products, encompassing any form of exercise, from yoga to jogging.



Furthermore, CCC offers other iconic sports brands: adidas, Champion, Reebok, Puma, New Balance, Converse, Skechers, Vans or Crocs, and includes children’s footwear featuring some of the beloved Disney characters. Under Armour will also join the CCC family this year!

The CCC Group’s portfolio is complemented by products offered by eobuwie.pl and Modivo. A majority of revenue generated by the two channels is derived from sales of third-party brands, which are brands supplied by footwear and clothing manufacturers widely recognised by consumers. Currently, eobuwie.pl collaborates with more than 580 brands, offering more than 85,000 designs to its customers, And Modivo collaborates with more than 480 brands, offering about 200,000 designs. The eobuwie.pl Group’s portfolio also includes own brands, with their share constantly on the rise. The key own brands of the eobuwie.pl Group are Eva Longoria, Eva Minge, Togoshi, Sergio Bardi, Rage Age, Quazi, and Creole. A brief description of each of them is provided below.

## —eva longoria

Eva Longoria is a collection created in collaboration with the popular Hollywood actress, who is known for her excellent sense of trends and feminine style. Longoria was an active participant in the design process, and the resulting line reflects her style preferences, her love for subtle colours and fresh versions of timeless forms. The shoes, bags and accessories endorsed by the actress are distinguished by premium quality materials and careful workmanship. The collection focuses on elegant cuts and universal colours, such as black, brown, nude and white, but it also features bold styles for a night out as well as comfortable everyday pieces. Targeted at women, the line proves that comfortable and trendy can go hand in hand.

## EVA MINGE

The collection is distinguished by bold combinations of hues, patterns and prints, blending classic forms with the latest trends. The women's line comprises shoes, bags, and accessories. Timeless stilettos, comfortable designer sneakers, and ankle boots with a rock'n'roll attitude – every woman will find something for herself. The Eva Minge collection is full of rich embellishments, rhinestones and patches, which make the products perfect for everyday wear (by people who love a quirky style) or as a complement to less formal outfits when originality counts the most.

## TOGOSHI

Original patterns, statement colours, bold prints and eye-catching embellishments are the differentiators of the Togoshi brand, which is winning the hearts of streetwear style and comfort lovers. The brand encompasses footwear, handbags and accessories that will make you stand out from the crowd and make a bold fashion statement. Togoshi is the youngest of eobuwie.pl's own brands, but it has been rapidly gaining popularity and recognition among customers, particularly young people, owing to its designer forms and styles that keep up with the latest trends in fashion. The brand highlights uniqueness, so it should be the number one choice for those who appreciate practical and comfortable but also trendy and original pieces.

## Sergio Bardi

The Sergio Bardi brand proves that Italian shoes are synonymous with top quality and original design. The broad range comprises both men's and women's collections and compelling items dedicated to the youngest generation of fashion lovers. What makes Sergio Bardi stand out are timeless looks that are perfect for everyday wear and a great addition to sharper styles. The most popular items for women are slides, ballet flats, loafers, sandals, ankle boots and stilettos, while men can choose from a wide selection of shoes, chelsea boots, and sneakers. Sergio Bardi is a brand for fans of minimalism who value timeless classics. As all looks are inspired by world trends, they will appeal to people fond of original styles.

## RAGE AGE

Rage Age is a rebellious brand with a rock'n'roll soul that stands out for bold creativity and unique design. The brand's portfolio includes both men's and women's collections that share the common features of urban minimalism and original form, dabbling in compelling trends. Apart from timeless classics, including stilettos or loafers, the women's collection includes bold sneakers, knee-high boots, and sandals. The brand offers men original sports shoes, low-cut shoes, and chelsea boots. The collections are developed in line with the fair trade and less waste philosophy, which means it relies on top quality materials and applies the principles of responsible production.

## QUAZI

Quazi is an Italian brand with an established presence in Poland. It focuses primarily on excellent workmanship, which is considered to be key in delivering shoes that are comfortable to wear. The most popular women's shoes are ankle boots resembling bover boots and worker boots, and low-heel sandals. Men prefer classic loafers and sneakers. The brand's collections respond to the individual needs of customers, highlighting the unique character of every outfit.

### Creole

Premium quality materials, meticulous workmanship and attention to detail – eobuwie.pl's own brand Creole proves there is no need for compromise. Excellent tailoring goes hand in hand with knowledge of the latest trends. The result? Stylish handbags and accessories suitable for every occasion. The brand offers handy postman bags, capacious shoppers, charming clutch bags and even baguette bags, which have become quite popular recently. A wide range of styles, colours and designs will satisfy the most demanding customers.

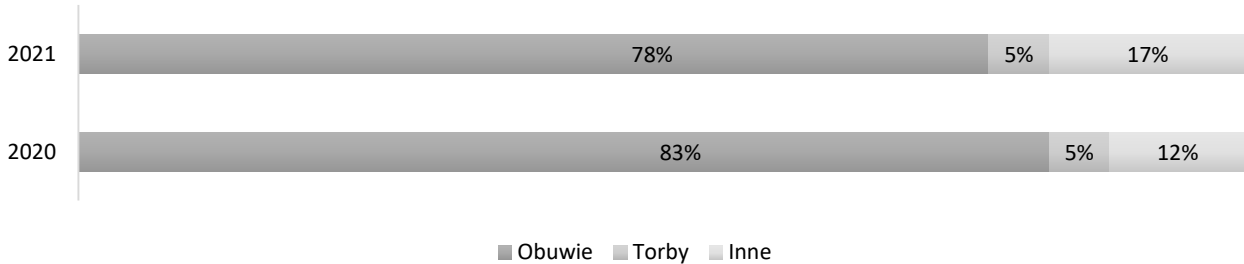
The CCC Group's individual sales channels and products sold through them are complementary (omnichannel). Customers choose between them taking into account the price and availability of the preferred brand, among other factors. There is little overlap between the product portfolios of the individual sales channels, which helps to maintain their unique character.



## SALES MIX

The Group's sales mix changed in step with the development of the e-commerce business. In the first half of FY 2021, a year-on-year increase in the share of other merchandise (17%) in total sales was recorded. While footwear accounted for 78% of total sales. The breakdown of retail sales remained unchanged, with the share of footwear at 88%, handbags at 6%, and other products at 6%.

### Sales mix



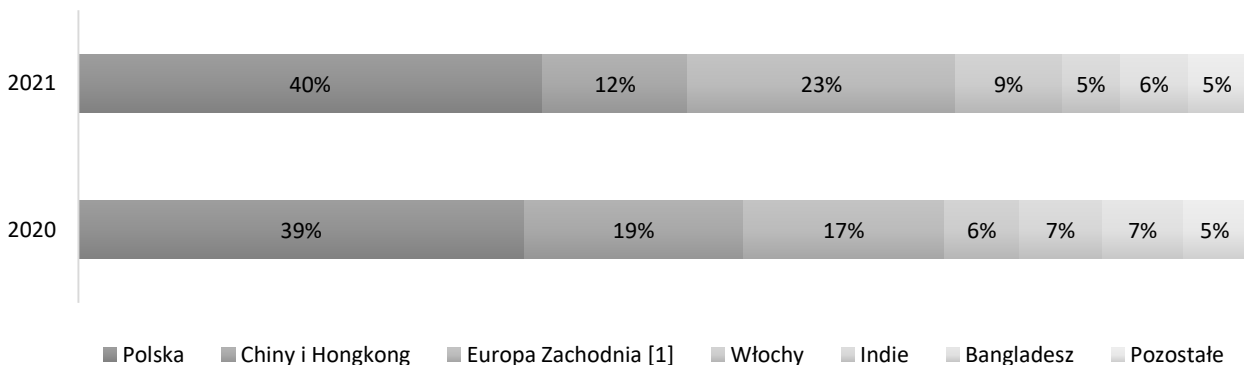
## BUSINESS MODEL

### SUPPLIERS

CCC.eu sp. z o.o. is the supplier of goods for the CCC chain. The company procures goods from domestic and foreign suppliers.

The eobuwie.pl Group purchases merchandise for the eobuwie.pl and Modivo online platforms and offline stores of the same names through its parent eobuwie.pl S.A. In the six months ended July 31st 2021, the purchases effected by eobuwie.pl already accounted for over 50% of the CCC Group's total purchases of merchandise. A considerable part of eobuwie.pl's suppliers have presence in Poland. Their share in total purchases in 2021 was 55%. The purchasing structure of the CCC Group, including purchases by the eobuwie.pl Group, is presented below.

### Geographical structure of purchases



[1] Austria, Belgium, France, Germany, the Netherlands, Switzerland, Denmark

For a detailed description of the supply chain, see the Non-financial Report of the CCC Group for the 2020 financial year.

## LOGISTICS

The CCC Group has two main logistics centres, the Centre in Polkowice responsible for supplies to the offline chain stores, and the Centre in Zielona Góra, which provides logistics support for the e-commerce channel.

### Logistics Centre in the Legnica Special Economic Zone (LSEZ) in Polkowice

The company's development, increased demand for its products and ever greater requirements in terms of distribution efficiency contributed to the implementation of the largest project in the Group's history, i.e. the construction of a Logistics Centre in the Legnica Special Economic Zone (LSEZ) in Polkowice. The Centre is a modern complex of large-area buildings.

The most important facility of the Logistics Centre is a fully automated high-bay mini-load warehouse, with a total area of 23.1 thousand m<sup>2</sup>, which can hold up to 5 million pairs of shoes, i.e. over 500 thousand cardboard boxes of various sizes. It is the largest facility of its kind in Central Europe. Forty percent of the capital expenditure was financed from EU funds through the Innovative Economy programme.

The new Distribution Centre, combined with the existing sorting plant, can handle over 100,000 cardboard boxes (or c.a. 1.1m pairs of shoes) in two working shifts. The mechanisation process provides support for future growth and a platform for further expansion of the logistics processes. Moreover, the current storage space at the facility, of approximately 110,000 m<sup>2</sup>, can be further optimised.

In the six months ended July 31st 2021, a project was completed to adapt one of the warehouses in Polkowice to the processes employed by the new HalfPrice concept. The 20 thousand sq.m. facility was modernised in terms of its technical infrastructure and equipment. New rack systems were installed, increasing the efficiency of the goods storage area to 5.8 million SKUs. New processes and goods handling areas were modelled, allowing the distribution efficiency to be ultimately increased to 1.5 million pcs per month in 2022. Ultimately, some 5,400 people are to be employed at the HalfPrice warehouse.

The CCC Group invests in logistics also in the e-commerce segment, a case in point being the new 15,000 sq.m. K3 Logistics Centre built in Zielona Góra. In addition, a decision was made to extend the K3.2 warehouse building by a further 22,3 sq.m. of usable space, as well as to extend the office and staff amenity areas, manoeuvring yards and the necessary infrastructure. Construction work is expected to be completed at the end of the second quarter of 2022.

### E-Commerce Logistics Centre in Zielona Góra

The new eobuwie.pl logistics centre in the Lubuski Industrial Park in Zielona Góra is an investment that strengthens the Group's presence on its existing European markets and improves the logistics support for the Group business, including online sales and other retail operations.

December 2019 saw the completion of the logistics centre with an area of approximately 40,000 sq.m., with the commencement of goods storage and automation still in the same year, followed by the start of shipment processing in the first quarter of 2020.

In the first half of FY 2020, work on a 15 thousand sq.m. extension of the Logistics Centre began. The occupancy permit was obtained on January 12th 2021 and the production use of the warehouse space commenced.

In connection with the expansion of its own warehouse, eobuwie.pl has decided to abandon the warehouse leased from Panattoni. The lease was terminated in August 2021, making it possible to optimise logistics costs and improve lead times, as all of eobuwie.pl's merchandise goods will be stored in a single building.

eobuwie.pl has also decided to extend the K3 warehouse building by a further 22 thousand m<sup>2</sup> of floor space. The contractor selection process is under way and the construction work is slated for completion in the fourth quarter of 2022. At the same time, work is under way to further expand the advanced warehouse automation systems, which will double the capacity of the distribution centre in Zielona Góra, significantly accelerating the processing of sales orders and returns.

In December 2020, eobuwie.pl also signed a contract for a six-year lease of a 15,000 sq.m. warehouse building in Bucharest, Romania. The plan is to serve customers in the Romanian, Bulgarian and Greek markets from this location, and the launch of operations is scheduled for the fourth quarter of 2021. The new distribution centre in Romania will allow the company to optimise delivery times and thus increase sales in the three markets.



## DISTRIBUTION

Distribution within the CCC Group is allocated to three geographical regions:

- Poland,
- Central and Eastern Europe,
- Western Europe,

The breakdown of the Group's operations by distribution channel is as follows:

### CCC Omnichannel

Sales under the CCC brand are made through the omnichannel, i.e. the total contribution from the offline and digital channels. As the largest segment, it accounts for 49% of revenue and operates in all three regions.

### eobuwie.pl Omnichannel

Sales under the eobuwie.pl brand are made through the omnichannel, i.e. the total contribution from the offline and digital channels. As the second largest segment, it accounts for 40% of revenue and operates in all three regions.

### Modivo Omnichannel

Sales under the Modivo brand are made through the omnichannel, i.e. the total contribution from the offline and digital channels. The segment accounts for 6% of revenue and operates in all three regions.

### DeeZee Digital

Sales under the DeeZee brand are made exclusively through the digital channel. The segment accounts for 2% of revenue and is entirely allocated to Poland.

### HalfPrice

Sales under the HalfPrice brand are made exclusively through the offline channel. The segment accounts for 1% of revenue. As at the reporting date, HalfPrice stores operated only in Poland, but at the time of issue of the Report they were already present in all three regions.

**Other Activities** – the segment includes wholesale, franchise, manufacturing and other activities. It accounts for 2% of revenue and covers only Poland.

## MARKET ENVIRONMENT AND COMPETITION IN OUR KEY REGIONS

The main exogenous factors affecting the Group's business are the macroeconomic environment, industry outlook, and the competitive environment in the Group's key operating regions. For a detailed analysis of these factors, see Section 'Factors and events with a bearing on the performance of the CCC Group/ Macroeconomic growth in Poland and Macroeconomic growth in Poland and Central and Eastern Europe



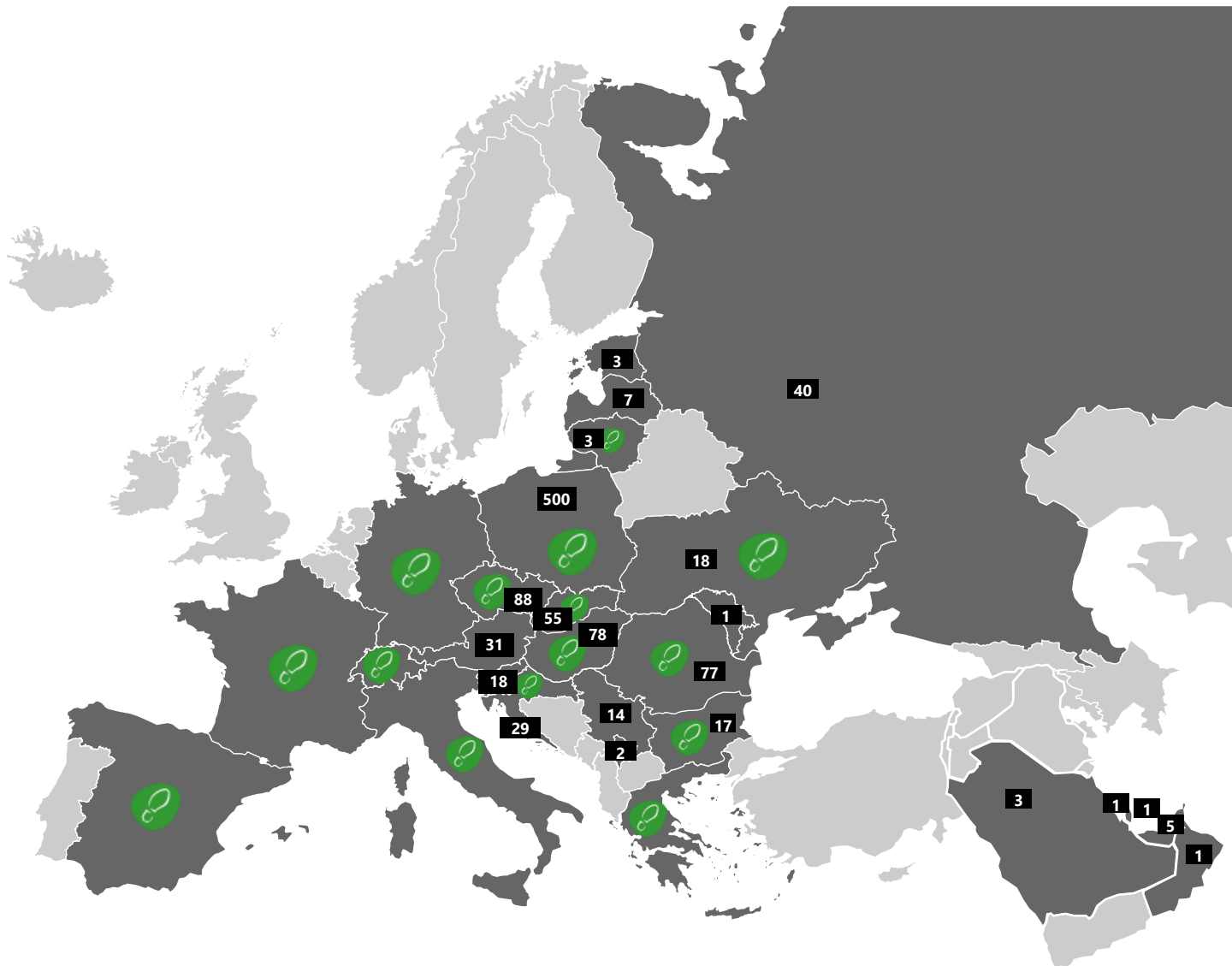
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**GEOGRAPHICAL COVERAGE OF CCC GROUP SALES CHANNELS**

The CCC Group's principal market is the Polish footwear sales market (Central and Eastern Europe). The footwear market is projected to grow at a CAGR of around 7% in 2020–2025. The CCC Group's slice of the Polish footwear market is growing every year. In 2020, the share of the Group in the country's fragmented footwear retail market is estimated at close to 30%.

Outside Poland, the Group operates in Central and Eastern Europe, Western Europe, the Baltic States, the Balkans and the Middle East. The Group's showrooms operate in large shopping centres or at attractive high-street locations.

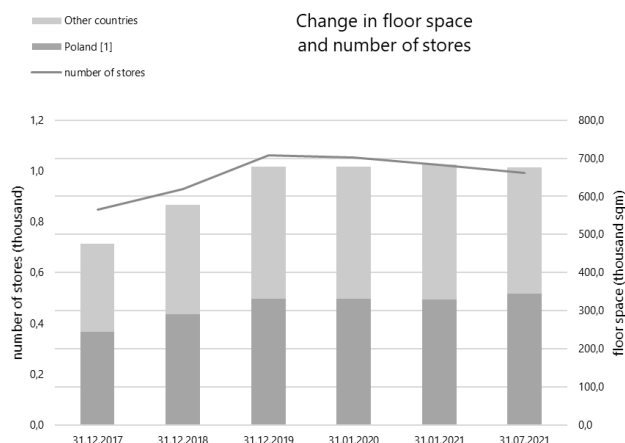
The table below shows the availability of sales channels at the Group. The number reflects all the Group's stores in a given country, while the eobuwie.pl logo shows that platform's presence in the region.



The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

CHAIN	TYPE	July 31st 2021		January 31st 2021		
		m2	NUMBER	m2	NUMBER	
CCC	Poland	294,324	450	309,493	462	
	Hungary	54,513	78	57,297	79	
	Czech Republic	53,097	87	53,988	90	
	Romania	48,122	77	47,696	78	
	Slovakia	34,856	55	35,628	56	
	Russia	27,996	40	31,878	41	
	Croatia	20,287	29	20,800	31	
	Austria	20,119	31	33,373	51	
	Slovenia	14,508	18	17,013	20	
	Bulgaria	11,651	17	12,048	18	
	Serbia	11,031	14	11,031	14	
	<b>TOTAL</b>		<b>590,504</b>	<b>896</b>	<b>630,245</b>	<b>940</b>
	OTHER	eobuwie.pl	19,413	27	17,146	25
HalfPrice		31,375	22	-	-	
Gino Rossi		186	1	1,723	14	
<b>TOTAL OWN STORES</b>		<b>641,478</b>	<b>946</b>	<b>649,114</b>	<b>979</b>	

CHAIN	TYPE	July 31st 2021		January 31st 2021	
		m2	NUMBER	m2	NUMBER
CCC FRANCHISE	Ukraine	12,336	18	12,336	18
	UAE	4,853	5	4,853	5
	Latvia	4,559	7	4,559	7
	Estonia	2,879	3	2,879	3
	Saudi Arabia	2,420	3	1,876	2
	Lithuania	2,020	3	2,020	3
	Kosovo	1,958	2	1,958	2
	Oman	1,223	1	1,223	1
	Qatar	1,002	1	1,002	1
	Bahrain	929	1	929	1
	Moldova	740	1	740	1
	Gino Rossi	-	-	166	2
	<b>TOTAL FRANCHISE</b>		<b>34,919</b>	<b>45</b>	<b>34,541</b>
<b>TOTAL CCC GROUP</b>		<b>676,397</b>	<b>991</b>	<b>683,655</b>	<b>1,025</b>
KVAG*		56,482	109	65,078	131



[1] Poland includes offline stores of the CCC, Gino Rossi, eobuwie.pl and HalfPrice chains.

[2] Other countries include all offline stores outside Poland.

The Group's retail space area as at July 31st 2021 was 676.4 thousand sq.m., having gone down by 7.3 thousand sq.m. compared with January 31st 2021, which was primarily a consequence of closing stores in Austria.

The retail space in own stores as at the reporting date was 641.5 thousand sq.m., having gone down by 7.6 thousand sq.m. compared with January 31st 2021. The decline in the retail space of the CCC chain's own stores is partly offset by the opening of HalfPrice and eobuwie.pl stores.

The retail space in franchise stores as at the reporting date was 34.9 thousand sq.m., having gone up by 0.4 thousand sq.m. compared with January 31st 2021.

## Omnichannel sales

Omnichannel sales in the CCC Group's offline segment are made through the CCC, eobuwie.pl, Modivo and Gino Rossi own stores. In the six months ended July 31st 2021, omnichannel sales were made in Poland, the Czech Republic, Slovakia, Austria, Slovenia, Croatia, Serbia, Russia, Bulgaria, Romania and Hungary. As at July 31st 2021, the total number of these stores was 924 (including 27 eobuwie.pl stores and 1 Gino Rossi own store).

The digital segment of omnichannel sales is represented by CCC S.A., eobuwie.pl S.A. (including the Modivo platform).

As at July 31st 2021, CCC S.A.'s digital segment was present in Poland, the Czech Republic, Slovakia, Romania, Hungary, Austria, Slovenia, Bulgaria, and Ukraine. In addition, after the reporting date digital sales were launched in Croatia, and are planned to be launched also in Greece by the end of 2021. The dedicated sales app was available in Poland, the Czech Republic, Slovakia, Romania, Hungary, Bulgaria and Austria.

The segment is additionally by the Reserve&Collect service, i.e. customers can order goods online and then collect them at a store of their choice. In 2020, the Group expanded its services supporting online shopping with CCC Express (which stands for 90-minute deliveries, available in 37 Polish cities as at July 31st 2021), deliveries over the weekend via InPost, and deferred PayPo payments.

As at July 31st 2021, eobuwie.pl operated in Poland, the Czech Republic, Slovakia, Romania, Hungary, Bulgaria, Croatia, Switzerland, Ukraine, Greece, Italy, Lithuania, Germany, Sweden, Spain and France. The dedicated sales app was available on all markets. The Modivo platform owned by eobuwie.pl is also available in these countries (except Switzerland, Sweden and Spain). In addition, the innovative esesiz.me function was launched in the Czech Republic, Hungary, Bulgaria and Greece in August 2021.

Revenue from omnichannel sales increased in the six months ended July 31st 2021 by PLN 1,140.5m (53.8%) to PLN 3,261.9m relative to the previous reporting period and accounted for 93.9% of total sales.

### Digital sales

The Group's digital sales are made through DeeZee Sp. z o.o.

As at July 31st 2021, DeeZee operates in Poland, the Czech Republic, Slovakia, Romania, Hungary, Ukraine and EU countries via its general website deezee.eu. It will also start operations shortly in Bulgaria, Slovenia, Greece, Italy, DACH countries and Lithuania, through dedicated websites.

Digital sales revenue increased in the six months ended July 31st 2021 by PLN 24.3m (+78.9%) to PLN 55.1m relative to the previous reporting period, and accounted for 1.6% of total sales in the first half of FY 2021.

### Offline sales – HalfPrice

HalfPrice is a modern store concept in the off-price category, offering a wide range of products of popular brands at attractive prices, including clothing, footwear, accessories, cosmetics, toys and home furnishings.

The network was launched in Poland in May 2021, and as at the reporting date operated solely on the Polish market. In just five months since its launch, HalfPrice opened 23 stores in total across the country, plus one outlet in each of Hungary, Austria and the Czech Republic. Later this year the first store is to be opened in Croatia.

Revenue in this segment amounted to PLN 40.2m in the six months ended July 31st 2021, representing 1.2% of total sales in the first half of FY 2021.

### Wholesale and other sales

In the six months ended July 31st 2021, wholesale customers were franchisees operating in Ukraine, Latvia, Lithuania, Estonia, the United Arab Emirates, Kosovo, Saudi Arabia, Bahrain, Qatar, Moldova and Oman. As at July 31st 2021, there were 45 franchise stores in total. The average area of these stores rose by 25.1 s.qm. to 776 s.qm. relative to January 31st 2021 following the closure of the last two Gino Rossi franchise stores.

Until the sale of KVAG and NG2, the Group's wholesale to KVAG is 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 can be seen in cost of purchase relative to revenue (overstated gross margin expressed as a percentage). This approach has a negative effect on the reported margin on continuing operations. Following the sale of KVAG and NG2, the Group will continue to deal with those entities on a wholesale basis.

Revenue from wholesale, sale of services and production activities increased in the six months ended July 31st 2021 by PLN 59.1m (>100%) in total, to PLN 67.5m, accounting for 2% of total sales. The wholesale segment also sells to HRG, an associate and also one of the key customers. The above figures include continuing operations.



## KEY EVENTS IN THE SIX MONTH ENDED JULY 31ST 2021

### Q1

- Amendment to the Terms and Conditions of the Bonds – extension of the redemption date by five years, until June 29th 2026
- Appointment of three new members of the Management Board – Adam Holewa, Igor Matus, Kryspin Derejczyk.
- Execution of conditional preliminary agreements for sale of shares in eobuwie.pl S.A. with Cyfrowy Polsat S.A. and A&R Investments Limited

### Q2

- Execution of a new financing agreement and debt restructuring to secure long-term funding sources supporting delivery of the Group's strategic objectives.
- Repurchase 10% of eobuwie.pl shares from MKK3 sp. z o.o. and their sale to Cyfrowy Polsat S.A.
- Sale of NG2 and KVAG.
- Restructuring of CCC's presence in Austria – assignment of most lease contracts and decision to close down the majority of stores.
- Agreement with Softbank concerning a PLN 500m investment in eobuwie.pl bonds.

Find out more about the important developments on our website:

<https://corporate.ccc.eu/news/aktualnosci,1>

<https://corporate.ccc.eu/raporty#pills-relacjeinwestorskie-raporty-zakladki-raporty-biezace-1-tab>



The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

## SELECTED FINANCIAL AND OPERATIONAL DATA OF THE CCC GROUP

Selected financial data from the consolidated statement of profit or loss and other comprehensive income	PLNm			EURm		
	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed
<b>Revenue</b>	<b>3,475.6</b>	<b>2,228.7</b>	<b>2,186.1</b>	<b>763.4</b>	<b>499.8</b>	<b>492.2</b>
CCC	1,696.6	1,172.4	1,137.6	372.6	262.9	256.1
eobuwie.pl	1,373.7	865.8	839.9	301.7	194.2	189.1
Modivo	191.6	83.2	86.4	42.1	18.7	19.5
HalfPrice	40.2	0.0	0.0	8.8	0.0	0.0
DeeZee	55.1	30.8	29.1	12.1	6.9	6.6
Other companies	67.5	8.4	31.5	14.8	1.9	7.1
Not allocated to segments/discontinued operations	50.9	68.1	61.6	11.2	15.3	13.9
<b>Gross profit (loss)</b>	<b>1,591.6</b>	<b>991.6</b>	<b>950.5</b>	<b>349.6</b>	<b>222.4</b>	<b>214.0</b>
Gross margin	45.8%	44.5%	43.5%	45.8%	44.5%	43.5%
<b>Segment profit or loss:</b>						
CCC	30.9	(204.7)	(280.1)	6.8	(45.9)	(63.1)
eobuwie.pl	138.2	88.4	76.8	30.4	19.8	17.3
Modivo	10.9	2.2	2.1	2.4	0.5	0.5
HalfPrice	(2.9)	0.0	0.0	(0.6)	0.0	0.0
DeeZee	6.4	6.5	8.9	1.4	1.5	2.0
Other	(8.7)	0.4	0.5	(1.9)	0.1	0.1
<b>Operating profit (loss)</b>	<b>(21.5)</b>	<b>(417.7)</b>	<b>(496.4)</b>	<b>(4.7)</b>	<b>(93.7)</b>	<b>(111.8)</b>
Profit (loss) before tax	(88.7)	(609.7)	(699.1)	(19.5)	(136.7)	(157.4)
<b>NET PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>(91.8)</b>	<b>(579.6)</b>	<b>(665.8)</b>	<b>(20.2)</b>	<b>(130.0)</b>	<b>(149.9)</b>
<b>NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>27.0</b>	<b>(277.9)</b>	<b>(275.4)</b>	<b>5.9</b>	<b>(62.3)</b>	<b>(62.0)</b>
<b>NET PROFIT/(LOSS)</b>	<b>(64.8)</b>	<b>(857.5)</b>	<b>(941.2)</b>	<b>(14.2)</b>	<b>(192.3)</b>	<b>(211.9)</b>

Selected financial data from the consolidated statement of financial position	PLNm				EURm			
	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed
<b>Non-current assets</b>	<b>3,321.5</b>	<b>3,375.1</b>	<b>3,541.7</b>	<b>3,568.0</b>	<b>726.3</b>	<b>743.7</b>	<b>803.6</b>	<b>798.9</b>
<b>Current assets, including:</b>	<b>3,724.7</b>	<b>3,061.4</b>	<b>2,871.1</b>	<b>2,886.6</b>	<b>814.5</b>	<b>674.5</b>	<b>651.5</b>	<b>646.4</b>
Inventories	2,456.9	2,192.6	2,042.4	1,994.6	537.3	483.1	463.4	446.6
Cash	792.2	458.7	390.3	505.6	173.2	101.1	88.6	113.2
<b>Assets classified as held for sale</b>	<b>0.0</b>	<b>210.9</b>	<b>264.0</b>	<b>288.1</b>	<b>0.0</b>	<b>46.5</b>	<b>59.9</b>	<b>64.5</b>
<b>Total assets</b>	<b>7,046.2</b>	<b>6,647.4</b>	<b>6,676.8</b>	<b>6,742.7</b>	<b>1,540.8</b>	<b>1,464.7</b>	<b>1,515.0</b>	<b>1,509.8</b>
<b>Non-current liabilities, including:</b>	<b>2,911.6</b>	<b>2,785.4</b>	<b>2,607.3</b>	<b>2,609.5</b>	<b>636.7</b>	<b>613.7</b>	<b>591.6</b>	<b>584.3</b>
Financing liabilities	1,451.1	472.7	319.6	310.5	317.3	104.2	72.5	69.5
<b>Current liabilities, including:</b>	<b>3,365.3</b>	<b>3,346.5</b>	<b>3,118.3</b>	<b>3,178.3</b>	<b>735.9</b>	<b>737.4</b>	<b>707.5</b>	<b>711.7</b>
Financing liabilities	269.2	1,196.9	1,239.0	1,277.9	58.9	263.7	281.1	286.1
<b>Liabilities directly related to assets classified as held for sale</b>	<b>0.0</b>	<b>205.7</b>	<b>281.6</b>	<b>300.3</b>	<b>0.0</b>	<b>45.3</b>	<b>63.9</b>	<b>67.2</b>
<b>Total liabilities</b>	<b>6,276.9</b>	<b>6,337.6</b>	<b>6,007.2</b>	<b>6,088.1</b>	<b>1,372.6</b>	<b>1,396.4</b>	<b>1,363.0</b>	<b>1,363.2</b>
<b>Equity</b>	<b>769.3</b>	<b>309.8</b>	<b>669.6</b>	<b>654.6</b>	<b>168.2</b>	<b>68.3</b>	<b>151.9</b>	<b>146.6</b>

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

Selected financial data from the consolidated statement of cash flows	PLNm			EURm		
	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed
Net cash flows from operating activities	(56.3)	56.0	(328.8)	(12.4)	12.6	(74.0)
Net cash flows from investing activities	(66.4)	(189.4)	(70.5)	(14.6)	(42.5)	(15.9)
Net cash flows from financing activities	456.2	230.8	361.6	100.2	51.8	81.4
<b>Total cash flows</b>	<b>333.5</b>	<b>97.4</b>	<b>(37.7)</b>	<b>73.3</b>	<b>21.8</b>	<b>(8.5)</b>
Capital expenditure	(129.3)	(157.0)	(32.4)	(28.4)	(35.2)	(7.3)

Operational data	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed
Number of stores (continuing operations)	991	1,025	1,042	1,045
Number of stores (discontinued operations)	109	131	162	162
Retail space, thousand sq.m. (continuing operations)	676.4	683.6	684.4	684.9
Retail space, thousand sq.m. (discontinued operations)	56.5	65.1	76.1	75.6
Number of markets with online sales	17	17	15	15

Selected data from the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows were translated into the euro using the method specified below:

- Items of assets, equity and liabilities in the consolidated statement of financial position were translated at the exchange rate effective on the last day of the reporting period:
  - the exchange rate as at July 31st 2021 was EUR 1 = PLN 4.5731
  - the exchange rate as at January 31st 2021 was EUR 1 = PLN 4.5385
  - the exchange rate as at July 31st 2020 was EUR 1 = PLN 4.4072
  - the exchange rate as at June 30th 2020 was EUR 1 = PLN 4.4660
- particular items of the consolidated statement of comprehensive income and the consolidated statement of cash flows were translated at exchange rates representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the euro in effect on the last day of each month in a given reporting period:
  - in the period February 1st–July 31st 2021, the average exchange rate was EUR 1 = PLN 4.5529
  - in the period February 1st–July 31st 2020, the average exchange rate was EUR 1 = PLN 4.4590
  - in the period January 1st 2021–June 30th 2020, the average exchange rate was EUR 1 = PLN 4.4413

The amounts were translated at the exchange rates specified above by dividing amounts expressed in millions of the zloty by the exchange rate.

## CHANGES IN EXCHANGE RATES

Part of the settlements of the CCC Group is denominated in foreign currencies. The USD and EUR exchange rates have an impact on the structure of revenue and costs. As the Group imports merchandise whose purchase prices are mainly denominated in USD, and also sells finished goods on foreign markets where selling prices are mainly denominated in EUR, the Group is exposed to currency risk. The Group also provides loans denominated in foreign currencies.

PERIOD (USD/PLN)	HIGH	LOW	END OF PERIOD	MID
February–July 2021	4.2654	3.6545	3.8410	3.8950
January 2020–January 2021	4.2654	3.6254	3.7460	3.8861
February–July 2020	4.2654	3.7166	3.7166	4.0155
January–June 2020	4.2654	3.7861	3.9806	4.0085

PERIOD (EUR/PLN)	HIGH	LOW	END OF PERIOD	MID
February–July 2021	4.6603	4.2279	4.5731	4.4846
January 2020–January 2021	4.6330	4.2279	4.5385	4.4512
February–July 2020	4.6044	4.2402	4.4072	4.4479
January–June 2020	4.6044	4.2279	4.4660	4.4143

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

## FACTORS AND EVENTS WITH A BEARING ON THE PERFORMANCE OF THE CCC GROUP

### MACROECONOMIC GROWTH IN POLAND AND CENTRAL AND EASTERN EUROPE

The CCC Group operates mainly on the markets of Central and Eastern Europe, with a clear dominance of the Polish market, which in the six months ended July 31st 2021 accounted for a 51.9% share in the segments' revenue. As a result of the location of the Group's sales channels in this region, the condition of the CEE economies has a significant impact on the sales of the Group.

The main factors that influenced the financial results in the reporting period were:

- Effects of the global coronavirus pandemic,
- Change in value of the footwear market,
- Change in disposable income of consumers,
- Change in propensity to consume,
- Changing shopping preferences of customers,
- GDP change.

#### Poland

The economic situation in Poland is stable, with moderate growth prospects. In 2020, it was impacted by the effects of the coronavirus pandemic that resulted in negative GDP growth. The country's gross domestic product (GDP) was 2.7% lower than in 2019, compared with a 4.7% increase reported for the previous year. According to European Commission's forecasts, GDP growth will reach 4.8% in 2021.

An important factor affecting the Group's performance in the period under review was the value of the Polish footwear market, which was close to EUR 2bn, i.e. 10% less year on year, with the decline caused by the pandemic. The growing importance of the e-commerce channel has been an important driver of the footwear market in the country. In 2020, the share of online sales in the domestic footwear and apparel market expanded from 19% to 27%, and is forecast to grow a further 32% in 2022.

The share of the CCC Group in the footwear market in Poland is estimated at over 30%. The Group's key competitors are Deichmann in the offline chain store channel and Zalando in the online channel.

#### Central and Eastern Europe

The economic situation in Central and Eastern Europe (in the four countries most important to the Group: the Czech Republic, Slovakia, Hungary, and Romania) is stable, with moderate growth prospects. In 2020, it was impacted by the effects of the coronavirus pandemic that resulted in negative GDP growth. In the four markets, gross domestic product (GDP) was down relative to 2019, by 3.9% – 5.6% depending on the market, while the year before it expanded by 2.3% – 4.6%. According to the European Commission's forecasts, the economy is expected to be back on a growth path in 2021, with GDP growth ranging from 3.9% to 7.4% depending on the market.

An important factor affecting the Group's performance in the period under review was the value of the footwear market in Central and Eastern Europe, which in 2020 was close to EUR 4.5bn, i.e. 17% less year on year, with the decline caused by the pandemic. The growing importance of the e-commerce channel has been an important driver of the footwear market in the region. In 2020, the share of online sales in the footwear and apparel market expanded from 15% to 20%. The shifting shopping preferences are also changing the role of traditional shopping malls.

The share of the CCC Group in the footwear market in Central and Eastern Europe is estimated at approximately 17%. Deichmann is the key competitor of the Group in the offline sales channel.

The above information on macroeconomic developments in Poland and Central and Eastern Europe is based on Eurostat data and CCC's in-house analyses.



## KEY TRENDS IN THE FOOTWEAR MARKET:

### **Multichannel reach and digitalisation of customer touch points**, that is:

- development of new distribution channels and customer relations (including online platforms, mobile solutions)
- customer mobility, 'always-on'
- multi-channel experience (omnichannel)
- growing marketing pressure

### **COVID and e-commerce development**, that is:

- a new shopping behaviour
- a faster transition to electronic commerce

### **Evolving function of offline stores:**

- in response to customer expectations, stores are no longer the only distribution channel and become an element of multi-channel distribution systems
- introducing engaging solutions – the store as a place that builds brand experience

### **Direct customer relationship**, that is:

- personalisation of the message, direct contact between the brand and the consumer and constant feedback

### **Growing demand for 'value for money' products:**

- weakening of consumer purchasing power due to the pandemic
- increased consumer demand for best-value-for-money propositions

### **Growing competition and market consolidation:**

- the emergence of new competitors, both new entrants and existing players which diversify their sales mix
- consolidation of the market driven by COVID-induced problems of smaller players

### **Access to and popularisation of fashion:**

- the growing role of fashion, driven, among other things, by the rapid spread of new fashion trends involving the use of social media
- further development of the fast-fashion segment

### **Development of casual and sports footwear (sneakerisation):**

- the sports and casual footwear segment growing several times faster than other segments, with the COVID-19 pandemic as one of the causes

### **Environmental awareness and responsibility:**

- growing awareness of the apparel and footwear industry and concrete steps taken
- shifts towards reduced consumption

### **Climate change:**

- diminishing seasonal variance

## STRATEGY ADAPTED TO MARKET CHANGES

In response to the changing market, the CCC Group developed and is implementing the GO.22 strategy. As part of the Strategy, the Group strives to skilfully combine distribution channels to deliver an attractive product offering in any way preferred by customers, tailored to diverse markets, channels and sales formats, while maintaining agile and efficient operations and acting responsibly in terms of managing its financial condition and taking care of the environment. As part of the strategy, the Company has identified five main strategic areas and defined strategic goals for them:

- 1. Customer-focused omnichannel model**
- 2. Product**
- 3. Agility and efficiency**
- 4. Financial stability**
- 5. Sustainable development**

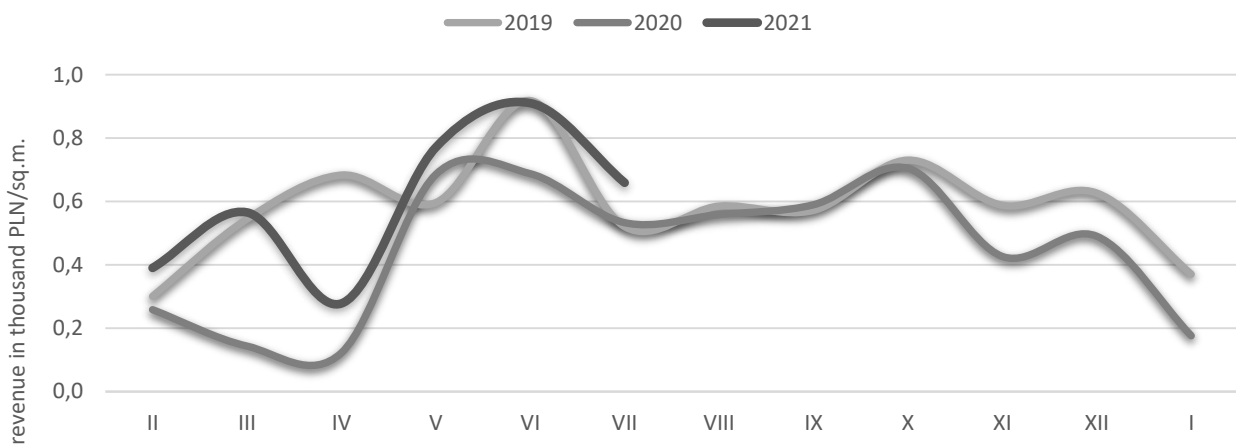
In line with the Strategy, activities in individual areas of the business will be carried out with an extensive use of new technologies and data analysis.

In 2021, the COVID-19 pandemic had a significant impact on the footwear market. In the opinion of the Issuer, the potential long-term effects of the pandemic on the footwear retail market include the expected faster growth of online penetration or greater consumer interest in less expensive products. In order to leverage market opportunities that have emerged in the changed environment, the Group is currently working to revise its business strategy (with the work expected to be completed in autumn 2021).

**SEASONALITY**

The weather and seasonality have a significant effect on the distribution of revenue during the financial year (peak demand falls in spring and autumn). Disruptive weather conditions can result in customers postponing purchasing decisions or in a shortened peak sales season. Since the beginning of 2020 the seasonality of sales has been disrupted by the effects of the global coronavirus pandemic and, in particular, the administrative restrictions on retail trade through offline stores in most of the Group's markets, which was also seen in the first half of FY 2021.

Seasonality of revenue for CCC network in Poland in 2019–2021



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**OPERATIONAL DATA ON EOBUIE.PL's SALES**

		Q2/21	Q2/20	yoy
Number of visits	million	203.4	146.7	39%
Share of mobile visits	%	78.6%	76.9%	0.72 ppt
Active customers (LTM)	million	7.7	4.9	58%
Number of orders (LTM)	million	15.9	9.6	66%

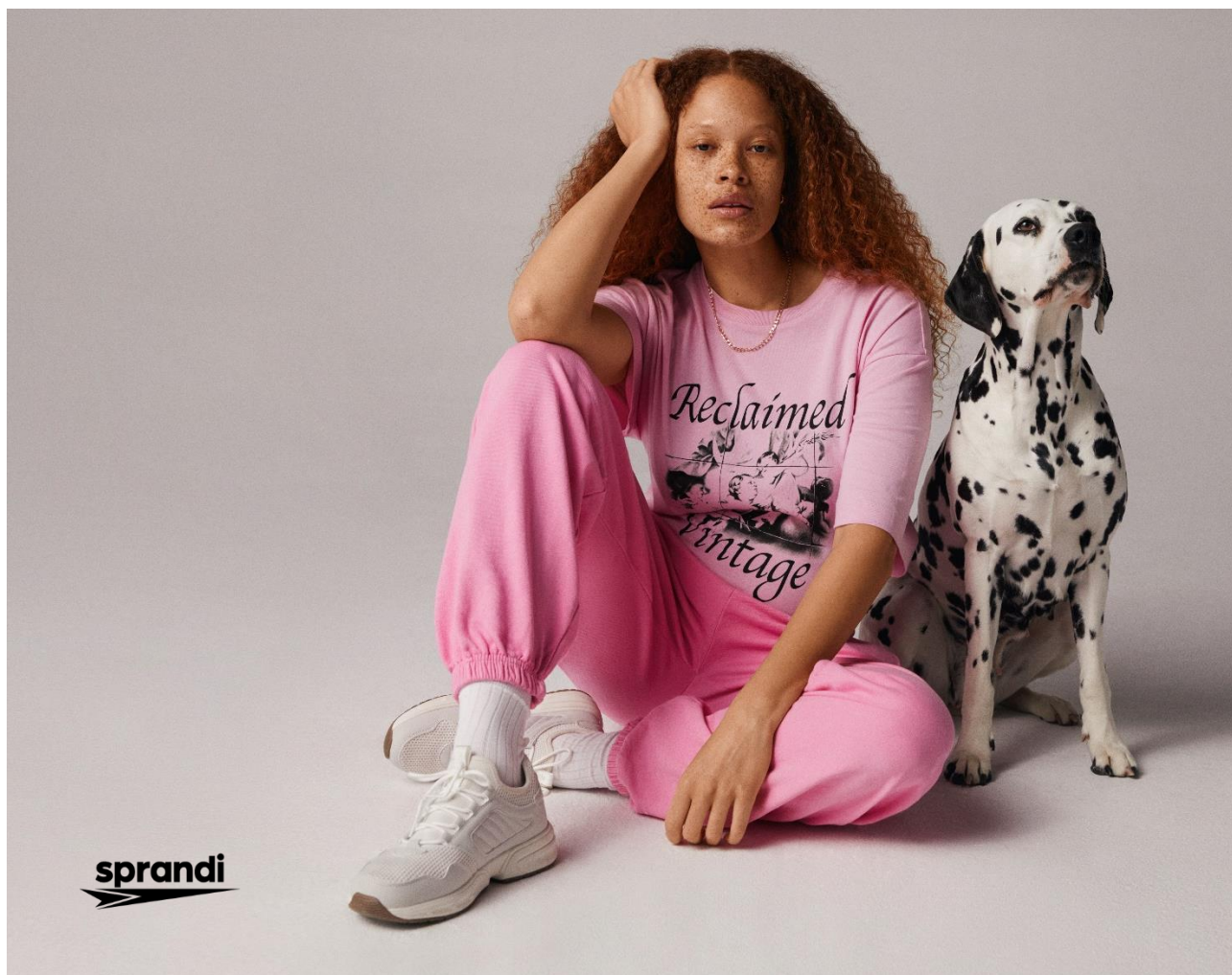
Definitions:

Number of visits – Number of series of page hits at eobuwie.pl (including website, website for mobile devices and application) by the same unique user in a given period. A series is considered finished when no hit is registered for more than 30 minutes. The indicator takes into account visits to the eobuwie.pl and Modivo websites.

Share of mobile visits – Mobile visits – Number of visits to the website via mobile devices according to Google Analytics and number of visits via the mobile app according to Firebase. The indicator takes into account visits to the eobuwie.pl and Modivo websites. Mobile visits defined as the number of visits.

Active customers – Number of unique email addresses placing an order on eobuwie.pl and/or Modivo websites, including R&C orders, during the last 12 months ending a given period.

Number of orders – Number of orders placed on eobuwie.pl and/or Modivo websites, excluding R&C orders, during the last 12 months ending a given period.



The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

**ANALYSIS OF SELECTED FINANCIAL AND OPERATIONAL DATA GROUP CCC S.A.**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue, cost of sales and gross profit

**How we define the individual components of the result:**

**Revenue** includes revenue from sales of merchandise and products and from sub-lease services in the ordinary course of business. The segment revenue data presented in the tables below presents revenue from sales to external customers – intra-group sales were eliminated and consolidation adjustments were made so that the revenue presented below is the same as revenue disclosed in the consolidated financial statements.

As **costs of sales** the Group recognises: costs of goods sold, cost of packaging sold, cost of provisions for complaints, costs of finished goods sold; cost of sublease, logistics and accounting services; inventory write-downs and impairment losses on property, plant and equipment and intangible assets used in the production of goods or the provision of services (depreciation of production plant and equipment).

**Gross profit** on sales is calculated as the difference between revenue and cost of sales, and gross profit margin as the ratio of gross profit to revenue from sales to external customers.

Retail sales in Poland are handled by CCC S.A., which also provides logistics services to CCC.eu, eobuwie.pl, and Gino Rossi S.A. Retail sales outside Poland are carried out by the subsidiaries indicated in the Group's structure. In Germany, retail sales are conducted by the HR Group, an associate, in which CCC S.A. holds a 30.55% equity interest. Sales in the e-commerce channel are handled by CCC S.A.\*, eobuwie.pl, Gino Rossi S.A. (in June 2020 the platform was taken over by eobuwie.pl), DeeZee sp. z o.o. and a constantly growing group of CCC's foreign subsidiaries. CCC.eu is a wholesaler to franchise entities.

\* Online sales launched in June 2019.



## REVENUE BY DISTRIBUTION CHANNELS

	REVENUE [1]			* CHANGE (%)
	February 1st–July 31st 2021	February 1st–July 31st 2020	January 1st–June 30th 2020	
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	
CCC	1,696.6	1,172.4	1,137.6	44.7%
eobuwie.pl	1,373.7	865.8	839.9	58.7%
Modivo	191.6	83.2	86.4	>100%
HalfPrice	40.2	0.0	0.0	-
DeeZee	55.1	30.8	29.1	78.9%
Other	67.5	8.4	31.5	>100%
<b>Total</b>	<b>3,424.7</b>	<b>2,160.6</b>	<b>2,124.5</b>	<b>58.5%</b>
Not allocated to segments/discontinued operations	50.9	68.1	61.6	-25.3%
<b>Total</b>	<b>3,475.6</b>	<b>2,228.7</b>	<b>2,186.1</b>	<b>55.9%</b>

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

## REVENUE BY GEOGRAPHICAL SEGMENTS

	REVENUE [1]			* CHANGE (%)
	February 1st–July 31st 2021	February 1st–July 31st 2020	January 1st–June 30th 2020	
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	
Poland	1,776.0	1,150.3	1,136.7	54.4%
Central and Eastern Europe	1,246.9	791.8	770.6	57.5%
Western Europe	401.8	218.5	217.2	83.9%
<b>Total</b>	<b>3,424.7</b>	<b>2,160.6</b>	<b>2,124.5</b>	<b>58.5%</b>
Not allocated to segments/discontinued operations	50.9	68.1	61.6	-25.3%
<b>Total</b>	<b>3,475.6</b>	<b>2,228.7</b>	<b>2,186.1</b>	<b>55.9%</b>

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

[1] Only revenue from sales to external customers.

In the six months ended July 31st 2021, revenue was PLN 3,475.6m, having increased by PLN 1,246.9m (+55.9%) year on year.

In terms of geographical segments, the largest contributions to the revenue growth were seen in Poland (PLN +625.7m / +54.4%) and Central and Eastern Europe (PLN +455.1m / +57.5%).

In terms of distribution channels, the largest contributors to the revenue growth were CCC (+524.2m/+44.7%) and eobuwie.pl (+507.9m PLN/+58.7%).

The revenue was affected by the change in sales at like-for-like stores and changes resulting from the opening and closing of retail outlets. The breakdown of revenue into like-for-like sales and sales by newly opened or closed outlets is presented below.

## LIKE-FOR-LIKE STORES

SEGMENT	BRAND	NUMBER	LIKE-FOR-LIKE STORES			*CHANGE (%)	OTHER STORES		*CHANGE (%)
			February 1st–July 31st 2021	February 1st–July 31st 2020	unaudited, unreviewed		February 1st–July 31st 2021	February 1st–July 31st 2020	
			unaudited, reviewed	unaudited, unreviewed			unaudited, reviewed	unaudited, unreviewed	
Poland	CCC	389	758.8	537.1	41.3%	137.7	109.3	25.9%	
Poland	eobuwie	23	47.8	35.1	36.4%	14.6	1.2	1090.0%	
Poland	HalfPrice	-	-	-	-	40.2	0.0	100.0%	
Central and Eastern Europe	CCC	383	465.2	340.8	36.5%	49.0	17.1	185.8%	
Central and Eastern Europe	eobuwie	-	-	-	-	0.1	-	-	
Western Europe	CCC	26	29.5	22.0	33.8%	33.4	23.3	43.6%	
<b>Total</b>	<b>Total</b>	<b>821</b>	<b>1,301.4</b>	<b>934.9</b>	<b>39.2%</b>	<b>274.9</b>	<b>151.0</b>	<b>82.1%</b>	

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

SEGMENT	BRAND	NUMBER	LIKE-FOR-LIKE STORES		*CHANGE (%)	OTHER STORES		*CHANGE (%)
			February 1st– July 31st 2021	February 1st– July 31st 2020		February 1st– July 31st 2021	February 1st– July 31st 2020	
			unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, unreviewed
Poland		412	806.7	572.1	41.0%	192.4	110.6	74.1%
Central and Eastern Europe		383	465.2	340.8	36.5%	49.1	17.1	186.4%
Western Europe		26	29.5	22.0	33.8%	33.4	23.3	43.6%
<b>Total</b>	<b>Total</b>	<b>821</b>	<b>1,301.4</b>	<b>934.9</b>	<b>39.2%</b>	<b>274.9</b>	<b>151.0</b>	<b>82.1%</b>

[1] Like-for-like stores are stores that operated without interruption in 2020 and 2021.

[2] All other stores, including new stores opened in the current or previous year; stores closed in the current or previous year; and stores which temporarily suspended operations.

In total, revenue generated by like-for-like stores rose by PLN 366.4m (+39.2%) for all stores.

Growth in like-for-like sales was reported from the following markets: Central and Eastern Europe (+36.5%), Western Europe (+33.8%). In Poland, the increase in revenue from like-for-like stores was +41.0% year on year.

Poland continues to be the largest retail market, with a 63.4% share in total revenue in the first half of FY 2021 (PLN 999.1m), compared with 62.9% (PLN 682.7m) in the same period of 2020.

The PLN 316.4m year-on-year growth in revenue generated in Poland was attributable to revenue from like-for-like stores (up PLN 234.5m) and revenue from other stores (up PLN 81.9m) (including the HalfPrice network: up PLN 40.2m).

As at the end of the reporting period (July 31st 2021), retail space in Poland was 345.3 thousand sq.m., up 9.4 thousand sq.m. year on year (relative to July 31st 2020).

In the CEE segment as a whole, revenue was PLN 514.3m, having gone up PLN 156.4m year on year. In the same period, retail space in Central and Eastern Europe fell by 4.6 thousand sq.m. net.

#### GROSS PROFIT BY DISTRIBUTION CHANNEL

	GROSS PROFIT				GROSS MARGIN			
	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020	*CHANGE (%)	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020	
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, reviewed
CCC	865.2	552.0	522.1	56.7%	51.0%	47.1%	45.9%	
eobuwie.pl	597.0	388.1	372.5	53.8%	43.5%	44.8%	44.4%	
Modivo	75.2	32.1	31.9	>100%	39.2%	38.6%	36.9%	
HalfPrice	21.4	0.0	0.0	-	53.2%	-	-	
DeeZee	31.3	16.0	15.2	95.6%	56.8%	51.9%	52.2%	
Other	1.5	3.4	8.8	-55.9%	2.2%	40.5%	27.9%	
<b>Total</b>	<b>1,591.6</b>	<b>991.6</b>	<b>950.5</b>	<b>60.5%</b>	<b>46.5%</b>	<b>45.9%</b>	<b>44.7%</b>	

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

#### GROSS PROFIT BY GEOGRAPHICAL SEGMENTS

	GROSS PROFIT				GROSS MARGIN			
	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020	*CHANGE (%)	February 1st– July 31st 2021	February 1st– July 31st 2020	January 1st– June 30th 2020	
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, reviewed
Poland	787.9	510.5	493.5	54.3%	44.4%	44.4%	43.4%	
Central and Eastern Europe	612.1	375.6	355.2	63.0%	49.1%	47.4%	46.1%	
Western Europe	191.6	105.5	101.8	81.6%	47.7%	48.3%	46.9%	
<b>Total</b>	<b>1,591.6</b>	<b>991.6</b>	<b>950.5</b>	<b>60.5%</b>	<b>46.5%</b>	<b>45.9%</b>	<b>44.7%</b>	

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

In the first half of FY 2021, consolidated gross profit was PLN 1,591.6m, having increased by PLN 600.0m (+60.5%) year on year.

Poland (49.5%) and Central and Eastern Europe (38.5%) accounted for the largest share of total gross profit in the first half of FY 2021. In terms of sales channel, the largest shares was recorded by CCC (54.4%) and eobuwie.pl (37.5%). Consolidated gross margin was 46.5% in the first half of FY 2021, having increased by 0.6pp year on year.

## GROSS PROFIT

	February 1st–July 31st 2021	February 1st–July 31st 2020	January 1st–June 30th 2020	*CHANGE (%)
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed
Revenue from sales to external customers	3,424.7	2,160.6	2,124.5	58.5%
Cost of sales	(1,801.8)	(1,126.4)	(1,141.1)	60.0%
Inventory write-downs	(31.3)	(42.6)	(32.9)	-26.5%
<b>Gross profit</b>	<b>1,591.6</b>	<b>991.6</b>	<b>950.5</b>	<b>60.5%</b>

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

## OPERATING COSTS

### How we define the individual components of the result

**Costs of points of purchase** comprise costs of operating the stores. This item mainly includes depreciation of the right-of-use assets under store lease contracts; depreciation of property, plant and equipment, amortisation of intangible assets; cost of services, salaries of store employees; other expenses.

**Other distribution costs** include distribution costs which cannot be directly allocated to store operations and are incurred by sales support functions. This item includes mainly salaries and wages of employees of the organisational units supporting sales; depreciation of property, plant and equipment; costs of services; other expenses; and low-value and short-term leases.

**Administrative expenses** include costs related to the management of the Group's general business activities (general and administrative expenses) and the Group's overheads.

## COSTS OF POINTS OF PURCHASE

Costs of points of purchase	February 1st–July 31st 2021	February 1st–July 31st 2020	January 1st–June 30th 2020	CHANGE (%)
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed
Salaries, wages and employee benefits	(204.6)	(156.9)	(168.3)	30.4%
Other rental costs – utilities and other variable costs	(84.4)	(48.9)	(51.6)	72.6%
Depreciation	(234.7)	(256.3)	(287.6)	-8.4%
Taxes and charges	(8.3)	(1.7)	(1.9)	>100%
Raw material and consumables used	(26.0)	(27.1)	(27.3)	-4.1%
Transport services	(1.1)	(3.7)	(2.6)	-70.3%
Other services	(33.5)	(31.1)	(28.6)	7.7%
Other expenses	(1.6)	(3.7)	(2.1)	-56.8%
<b>Total</b>	<b>(594.2)</b>	<b>(529.4)</b>	<b>(570.0)</b>	<b>12.2%</b>

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

In the first half of FY 2021, the costs of points of purchase amounted to PLN 594.2m, up by PLN 64.8m (+12.1%), with retail space down by 1.2% year on year. The most important groups of costs and expenses are depreciation and amortisation, wages and employee benefits, and other lease costs, which accounted for 39.5%, 34.4% and 14.2% of the total operating costs of the points of purchase, respectively.

## OTHER DISTRIBUTION COSTS

Other distribution costs	February 1st–July 31st 2021	February 1st–July 31st 2020	January 1st–June 30th 2020	CHANGE (%)
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed
Salaries, wages and employee benefits	(124.1)	(101.6)	(99.3)	22.1%
Other rental costs – utilities and other variable costs	(14.0)	(15.8)	(12.2)	-11.4%
Depreciation	(27.4)	(19.5)	(15.4)	40.5%
Taxes and charges	(7.0)	(8.6)	(7.8)	-18.6%
Raw material and consumables used	(37.7)	(26.5)	(22.5)	42.3%
Transport services	(192.1)	(115.4)	(107.5)	66.5%
Other services	(283.7)	(182.8)	(202.0)	55.2%
Other expenses	(136.6)	(99.2)	(105.6)	37.7%
<b>Total</b>	<b>(822.6)</b>	<b>(569.4)</b>	<b>(572.3)</b>	<b>44.5%</b>

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

In the six months to July 31st 2021, other distribution costs were PLN 822.6m, having increased by PLN 253.2m (+44.5%) year on year due to the development of the e-commerce business, which was additionally accelerated by the COVID-19 outbreak. The most important groups of costs and expenses were other services, accounting for 34.5%, transport costs, which accounted for 23.4%, and other expenses, which accounted for 16.6% of total other distribution costs. The increase in transport costs is mainly attributable to the development of e-commerce at the Group, other expenses comprise advertising and marketing expenses, while other services relate to logistics and warehouse services, as well as IT maintenance costs.

## ADMINISTRATIVE EXPENSES

Administrative expenses	February 1st–July 31st 2021	February 1st–July 31st 2020	January 1st–June 30th 2020	CHANGE (%)
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed
Salaries, wages and employee benefits	(76.6)	(35.5)	(30.9)	> 100%
Other rental costs – utilities and other variable costs	(11.8)	(6.8)	(5.5)	73.5%
Depreciation	(24.0)	(19.5)	(16.5)	23.1%
Taxes and charges	(5.0)	(3.3)	(3.5)	51.5%
Raw material and consumables used	(9.5)	(6.5)	(6.3)	46.2%
Transport services	(0.7)	(1.4)	0.0	-50.0%
Other services	(64.3)	(30.5)	(29.0)	> 100%
Other expenses	(7.1)	(2.7)	(3.0)	> 100%
<b>Total</b>	<b>(199.0)</b>	<b>(106.2)</b>	<b>(94.7)</b>	<b>87.4%</b>

\*Change related to the periods February 1st – July 31st 2021 and February 1st – July 31st 2020.

In the six months to July 31st of 2021, administrative expenses amounted to PLN 199.0m, up by PLN 92.8m (+87.4%) year on year. The most significant cost groups include salaries, wages and employee benefits, accounting for 38.5%, and other services, which represented 32.3% and which led to the year-on-year increase in administrative expenses. The increase in other services is attributable to outsourcing and advisory services, while the increase in salaries, wages and employee benefits (up PLN 41.1m) is mainly attributable to the bonus paid to the Management Board, discussed in detail in the consolidated financial statements.





## EFFECT OF OTHER INCOME AND EXPENSES

### How we define the individual components of the result

**Other income and expenses** include income and expenses from non-core activities, such as gains or losses on disposal of property, plant and equipment, penalties and fines, donations, etc.

**Finance income** includes interest income on cash in current account and other interest income; foreign exchange gains or losses and other finance income.

**Finance costs** include interest expense on borrowings; commission fees paid and other finance costs.

**Income tax** includes accrued tax and deferred tax.

## OPERATING INCOME AND EXPENSES

In the six months to July 31st of 2021, other expenses and other income were PLN 21.7m and PLN 32.2m, respectively; on a net basis, the Group generated PLN 10.5m of other income, compared with PLN 146.0m of other expenses in the first half of 2020. The change was mainly attributable to the recognition in the previous period of impairment losses on assets (PLN 88.1m/PLN 57.5m continuing operations), provisions for costs of store closures (PLN 48.6m/PLN 46.1m continuing operations).

### OPERATING PROFIT (LOSS)

Operating loss in the six months to July 31st of 2021 was PLN 21.5m; year on year, the result increased by PLN 396.2m. The increase was mainly attributable to a higher gross margin (PLN 600.0m).

## FINANCE INCOME AND COSTS

In the six months to July 31st 2021, finance income amounted to PLN 9.0m, down by PLN 36.5m year on year, mainly due to the recognition in the previous year of a valuation of options to purchase non-controlling interests (PLN 22.8m) and a gain on modification of credit facility agreements (PLN 5.6m). In the reporting period, finance income included mainly interest income (PLN 8.6m).

In the same period, finance costs were PLN 66.5m, having decreased by PLN 29.3m year on year, mainly due to changes in foreign exchange gains (losses). In the reporting period, finance costs included primarily interest and commission fees (PLN 51.7m) and measurement of the option to purchase non-controlling interests (PLN 13.6m).

## INCOME TAX

In the six months ended July 31st 2021, income tax totalled PLN 3.1m (current tax: PLN 49.0m, prior year adjustments reducing the tax base: PLN 7.2m, and an increase in deferred tax assets: PLN 53.1m).

### NET PROFIT (LOSS)

After accounting for finance income and costs, loss allowances, share in the loss of an associate and income tax expense, net loss from continuing operations in the six months ended July 31st 2021 was PLN 91.8m, which on a net basis represents a PLN 487.8m increase year on year.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (overview of the main items)

	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020	CHANGE (%)
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed
<b>Non-current assets, including:</b>	<b>3,321.5</b>	<b>3,375.1</b>	<b>3,541.7</b>	<b>3,568.0</b>	<b>-1.6%</b>
Property, plant and equipment	1,247.6	1,237.9	1,312.7	1,320.5	0.8%
Right-of-use assets	1,344.6	1,455.5	1,520.2	1,538.1	-7.6%
Deferred tax assets	204.7	152.1	156.3	157.1	34.6%
<b>Current assets, including:</b>	<b>3,724.7</b>	<b>3,061.4</b>	<b>2,871.1</b>	<b>2,886.6</b>	<b>21.7%</b>
Inventories	2,456.9	2,192.6	2,042.4	1,994.6	12.1%
Cash and cash equivalents	792.2	458.7	390.3	505.6	72.7%
<b>Assets classified as held for sale</b>	<b>0.0</b>	<b>210.9</b>	<b>264.0</b>	<b>288.1</b>	<b>-100.0%</b>
<b>TOTAL ASSETS</b>	<b>7,046.2</b>	<b>6,647.4</b>	<b>6,676.8</b>	<b>6,742.7</b>	<b>6.0%</b>
<b>Non-current liabilities, including:</b>	<b>2,911.6</b>	<b>2,785.4</b>	<b>2,607.3</b>	<b>2,609.5</b>	<b>4.5%</b>
Financing liabilities	1,451.1	472.7	319.6	310.5	>100%
<b>Current liabilities, including:</b>	<b>3,365.3</b>	<b>3,346.5</b>	<b>3,118.3</b>	<b>3,178.3</b>	<b>0.6%</b>
Financing liabilities	269.2	1,196.9	1,239.0	1,277.9	-77.5%
Trade and other payables	1,325.3	1,269.3	1,002.7	935.9	4.4%
<b>Liabilities directly related to assets classified as held for sale</b>	<b>0.0</b>	<b>205.7</b>	<b>281.6</b>	<b>300.3</b>	<b>-100.0%</b>
<b>TOTAL LIABILITIES</b>	<b>6,276.9</b>	<b>6,337.6</b>	<b>6,007.2</b>	<b>6,088.1</b>	<b>-1.0%</b>
<b>EQUITY</b>	<b>769.3</b>	<b>309.8</b>	<b>669.6</b>	<b>654.6</b>	<b>&gt;100%</b>

## NON-CURRENT ASSETS

### How we define the individual components of the non-current assets

**Property, plant and equipment** include leasehold improvements (i.e. expenditure on leased premises used in the retail business); property, plant and equipment used in the manufacturing, distribution and other activities.

**Deferred tax assets and liabilities** are recognised (i) as a result of differences between the carrying amounts of assets and liabilities and their corresponding tax bases and (ii) in respect of unused tax losses.

	PROPERTY, PLANT AND EQUIPMENT				CHANGE (%)	
	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020	PROPERTY, PLANT AND EQUIPMENT	IN RETAIL SPACE
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed	unaudited, reviewed	audited
<b>Leasehold improvements</b>	<b>551.6</b>	<b>541.8</b>	<b>611.0</b>	<b>612.4</b>	<b>1.8%</b>	<b>-1.2%</b>
<b>Manufacturing and distribution</b>	<b>608.8</b>	<b>603.0</b>	<b>597.9</b>	<b>604.3</b>	<b>1.0%</b>	
Land, buildings and structures	418.7	398.2	402.8	407.8	5.1%	
Machinery and equipment	151.5	169.2	158.4	161.9	-10.5%	
Property, plant and equipment under construction	38.7	35.7	36.7	34.7	8.4%	
<b>Other</b>	<b>87.2</b>	<b>93.1</b>	<b>103.8</b>	<b>103.8</b>	<b>-6.3%</b>	
<b>Total</b>	<b>1,247.6</b>	<b>1,237.9</b>	<b>1,312.7</b>	<b>1,320.5</b>	<b>0.8%</b>	

As at July 31st 2021, non-current assets comprised, among other things, property, plant and equipment (PLN 1,247.6m), intangible assets (PLN 305.0m), goodwill (PLN 197.8m), right-of-use assets (PLN 1,344.6m), and deferred tax assets (PLN 204.7m). Non-current assets fell by 1.6% relative to January 31st 2021, to PLN 3,321.5m.

Deferred tax assets disclosed as at July 31st 2021 mainly related to recognition of deferred tax assets in connection with the tax economic zone relief, measurement of lease contracts, acquisition of trademarks, or impairment of assets, and amounted to PLN 204.7m as at the reporting date. For a detailed description of recognition of deferred tax assets and liabilities, see Note 3.4 to the consolidated financial statements.

## CURRENT ASSETS

### How we define the individual components of the current assets

**Inventories** are stated at the lower of cost or net realisable value. Cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. If circumstances arise which result in a decrease in the carrying amount of inventories, inventory write-downs are recognised and charged to cost of sales.

**Cash and cash equivalents** include cash in hand and bank deposits payable on demand.

As at July 31st 2021, current assets were PLN 3,724.7m and comprised inventories (PLN 2,456.9m), cash and cash equivalents (PLN 792.2m), trade and other receivables (PLN 463.2m), income tax receivables (PLN 8.6m) and derivative financial instruments (PLN 3.8m). Current assets rose to PLN 3,061.4m, by 21.7% from PLN December 31st 2021, with cash and cash equivalents and inventories up by 72.7% and 12.1%, respectively.

### INVENTORY

	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020	CHANGE (%)
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed	unaudited, reviewed
Retail	767.9	690.8	741.3	725.9	11.2%
Warehouse	873.7	979.2	752.7	724.3	-10.8%
E-commerce	875.9	555.0	587.0	540.9	57.8%
Factory	8.1	30.6	23.5	62.9	-73.5%
<b>Total inventories before consolidation adjustments</b>	<b>2,525.6</b>	<b>2,255.6</b>	<b>2,104.5</b>	<b>2,054.0</b>	<b>12.0%</b>
<b>Consolidation adjustments</b>	<b>(68.7)</b>	<b>(63.0)</b>	<b>(62.1)</b>	<b>(59.4)</b>	<b>9.0%</b>
<b>Total net inventories</b>	<b>2,456.9</b>	<b>2,192.6</b>	<b>2,042.4</b>	<b>1,994.6</b>	<b>12.1%</b>
<b>Share of inventory write-downs in net inventories</b>	<b>-1.3%</b>	<b>-1.7%</b>	<b>-2.1%</b>	<b>-1.6%</b>	<b>-38.9%</b>
<b>Inventory turnover [1]</b>	<b>249</b>	<b>292</b>	<b>331</b>	<b>319</b>	<b>-24.8%</b>

[1] Inventory turnover cycle is calculated as the ratio of the volume of inventory at the end of the period to the cost of goods sold multiplied by the number of days in the period.

### CASH AND CASH EQUIVALENTS

As at July 31st 2021, the CCC Group's cash and cash equivalents were PLN 792.2m, having increased by PLN 333.5m (+72.2%) on a net basis relative to December 31st 2021. As at July 31st 2021, 99% of cash was held in hand or in bank accounts.

### EQUITY AND FINANCING LIABILITIES

#### How we define the individual components of equity and financing liabilities

**Equity** is recorded in accounting books, broken down into the following components: share capital; statutory reserve funds; retained earnings; and other components of equity. Financing liabilities consist mainly of bank borrowings and issued bonds.

**Trade payables** are classified as current liabilities if they fall due within one year. Otherwise, liabilities are disclosed as non-current. Trade liabilities are measured at amounts due.

As at July 31st 2021, the Group's equity increased by PLN 459.5m (> 100%) relative to January 31st 2021. The increase in equity was chiefly attributable to the sale of eobuwie.pl shares, as described in Current Report No. 63/2021 of September 23rd 2021.

As at July 31st 2021, non-current liabilities were PLN 2,911.7m, having increased by PLN 126.3m (4.5%), from PLN 2,785.4m as at January 31st 2021. As at the end of the reporting period, the total amount of non-current liabilities included non-current financing liabilities (PLN 1,451.1m), lease liabilities (PLN 1,288.7m), and liabilities under the obligation to purchase non-controlling interests (PLN 86.9m).

As at July 31st 2021, current liabilities were PLN 3,365.3m, having increased by PLN 18.8m (0.6%), from PLN 3,346.5m as at January 31st 2021. As at the end of the reporting period, the total amount of current liabilities comprised mainly trade payables (PLN 1,325.3m), other liabilities (PLN 905.9m), lease liabilities (PLN 474.9m), and liabilities under the obligation to purchase non-controlling interests (PLN 358m).

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

## CONSOLIDATED STATEMENT OF CASH FLOWS (review of the main items)

	February 1st–July 31st 2021	February 1st–July 31st 2020	January 1st–June 30th 2020	*CHANGE (%)
	unaudited, reviewed	unaudited, unreviewed	unaudited, reviewed	unaudited, unreviewed
<b>Profit before tax</b>	<b>(63.6)</b>	<b>(886.5)</b>	<b>(973.2)</b>	<b>-92.8%</b>
Adjustments	304.2	921.9	796.6	-67.0%
Income tax paid	(69.8)	(7.5)	(10.0)	>100%
<b>Cash flow before changes in working capital</b>	<b>170.8</b>	<b>27.9</b>	<b>(186.6)</b>	<b>&gt;100%</b>
Changes in working capital	(227.1)	28.1	(142.2)	<-
<b>Cash flows from operating activities</b>	<b>(56.3)</b>	<b>56.0</b>	<b>(328.8)</b>	<b>&lt;-</b>
<b>Cash flows from investing activities</b>	<b>(66.4)</b>	<b>(189.4)</b>	<b>(70.5)</b>	<b>-64.9%</b>
<b>Cash flows from financing activities, including:</b>	<b>456.2</b>	<b>230.8</b>	<b>361.6</b>	<b>97.7%</b>
Proceeds from borrowings	919.8	2.1	84.9	>100%
Repayment of borrowings	(878.9)	(50.1)	0.0	>100%
Net proceeds from issue of shares	0.0	506.9	506.9	-100.0%
Acquisition of eobuwie.pl shares from MKK3	(360.0)	0.0	0.0	-
Advance payment from A&R Investments Limited and payment from Cyfrowy Polsat for the sale of eobuwie.pl shares	1,000.0	0.0	0.0	-
<b>Total cash flows</b>	<b>333.5</b>	<b>97.4</b>	<b>(37.7)</b>	<b>&gt;100%</b>

### Net cash flows from operating activities

Consolidated net cash flows from operating activities in the six months ended July 31st 2021 were PLN -56.3m and resulted from changes in working capital of PLN -227.1m (including change in inventories and inventory write-downs of PLN -264.3m), and in operating profit adjusted for non-cash transactions of PLN 170.8m.

### Net cash flows from investing activities

Consolidated net cash flows from investing activities in the six months ended July 31st 2021 were PLN -66.4m, including mainly payments made to acquire intangible and non-current assets (PLN -129.3m) and proceeds from the sale of NG2 s.a.r.l. and KVAG AG (PLN 51.5m).

### Net cash flows from financing activities

Consolidated net cash flows from financing activities in the six months ended July 31st 2021 were PLN 456.3m. The amount included mainly an advance payment received from A&R Investments Limited and payment from Cyfrowy Polsat on account of the sale of shares (PLN +1,000m), payment for the acquisition of shares in eobuwie.pl (PLN -360m) and lease payments (PLN -172.7m).

Taking into account the cash flows discussed above, at the end of the reporting period the Group's cash balance was PLN 792.2m, having increased by PLN 402.5m year on year.

### Profit guidance

No financial forecasts have been published.



## MANAGEMENT OF FINANCIAL RESOURCES AND LIQUIDITY

### DEBT AND LIQUIDITY OF THE CCC GROUP

The CCC Group finances its operations using equity and external capital, including bank and non-bank borrowings as well as bonds.

#### Bank borrowings and bonds

As at July 31st 2021, the Group had financing liabilities of PLN 1,669.6m, consisting of bank borrowings, bonds and financial assistance.

The short-term portion of financing liabilities as at July 31st 2021 comprised debt under bank borrowings of PLN 269.2m.

BANK	COMPANY	INSTRUMENT	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]	CURRENCY
<b>Credit facility agreements</b>							
Pekao S.A.	CCC.eu sp. z o.o	Short-term credit facility	October 14th 2014	April 30th 2024	65.2	64.1	PLN
Pekao S.A.	CCC.eu sp. z o.o	Short-term credit facility	March 31st 2021	March 9th 2023	92.2	92.0	PLN
PKO BP	CCC.eu sp. z o.o	Short-term credit facility	November 21st 2019	June 30th 2024	107.2	105.0	PLN
mBank	CCC.eu sp. z o.o	Short-term credit facility	December 17th 2018	June 30th 2024	10.3	7.5	PLN
Citibank	CCC.eu sp. z o.o	Short-term credit facility	March 3rd 2009	June 30th 2024	36.6	34.2	PLN
PKO BP	eobuwie.pl S.A.	Short-term credit facility	November 21st 2019	April 30th 2022	20.0	0.0	PLN
Pekao S.A.	eobuwie.pl S.A.	Short-term credit facility	October 26th 2017	April 30th 2022	260.0	184.7	PLN
mBank	CCC Factory sp. z o.o.	Long-term credit facility	June 14th 2021	March 3rd 2023	3.5	3.5	PLN
Citibank	CCC Factory sp. z o.o.	Short-term credit facility	June 17th 2021	May 31st 2023	5.9	5.4	PLN
BNP Paribas	CCC Factory sp. z o.o.	Short-term credit facility	March 31st 2021	March 31st 2023	23.2	23.2	PLN
Pekao S.A.	CCC Factory sp. z o.o.	Short-term credit facility	March 31st 2021	March 9th 2023	6.9	6.9	PLN
PKO BP	CCC.eu sp. z o.o	Long-term credit facility including short-term portion	June 2nd 2021	June 30th 2025	100.2	100.2	PLN
					7.7	7.7	PLN
PKO BP	eobuwie.pl S.A.	Long-term credit facility including short-term portion	November 21st 2019	November 21st 2022	141.6	141.6	PLN
					64.0	64.0	PLN
Millennium	CCC.eu sp. z o.o	Long-term credit facility including short-term portion	June 2nd 2021	June 30th 2025	30.7	30.7	PLN
					2.4	2.4	PLN
BNP Paribas	CCC.eu sp. z o.o	Long-term credit facility including short-term portion	June 2nd 2021	June 30th 2025	32.3	32.3	PLN
					2.5	2.5	PLN
Santander	CCC.eu sp. z o.o	Long-term credit facility including short-term portion	June 2nd 2021	June 30th 2025	77.7	77.7	PLN
					6.0	6.0	PLN
Citibank	CCC.eu sp. z o.o	Long-term credit facility including short-term portion	June 2nd 2021	June 30th 2025	57.4	57.4	PLN
					4.4	4.4	PLN
mBank	CCC.eu sp. z o.o	Long-term credit facility including short-term portion	June 2nd 2021	June 30th 2025	42.1	42.1	PLN
					3.2	3.2	PLN
Pekao S.A.	CCC.eu sp. z o.o	Long-term credit facility including short-term portion	June 2nd 2021	June 30th 2025	62.2	62.2	PLN
					4.8	4.8	PLN
Citibank	CCC.eu sp. z o.o	Long-term credit facility	June 2nd 2021	June 30th 2024	36.6	36.6	PLN
Santander	CCC.eu sp. z o.o	Long-term credit facility	June 2nd 2021	June 30th 2024	23.8	23.8	PLN
BNP Paribas	CCC.eu sp. z o.o	Long-term credit facility	June 2nd 2021	June 30th 2024	13.3	13.3	PLN

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.



INTERIM CONSOLIDATED DIRECTORS' REPORT ON THE OPERATIONS OF THE CCC GROUP  
for the six months beginning on February 1st 2021 and ending on July 31st 2021.

mBank	CCC.eu sp. z o.o	Long-term credit facility	June 14th 2021	March 3rd 2023	46.0	46.0	PLN
Citibank	CCC.eu sp. z o.o	Long-term credit facility	June 17th 2021	May 31st 2023	79.1	79.1	PLN
Pekao S.A.	CCC S.A	Long-term credit facility	November 5th 2020	October 30th 2022	41.0	41.0	PLN
PKO BP	CCC S.A	Long-term credit facility	November 5th 2020	October 30th 2022	60.0	60.0	PLN
Citibank	CCC S.A	Long-term credit facility	November 5th 2020	October 30th 2022	31.0	31.0	PLN
BNP Paribas	CCC S.A	Long-term credit facility	November 5th 2020	October 30th 2022	13.0	13.0	PLN
Santander	CCC S.A	Long-term credit facility	November 5th 2020	October 30th 2022	50.0	50.0	PLN
Millennium	CCC S.A	Long-term credit facility	November 5th 2020	October 30th 2022	16.0	16.0	PLN
mBank	CCC S.A	Long-term credit facility	November 5th 2020	October 30th 2022	39.0	39.0	PLN
mBank	CCC S.A.	Bonds	June 29th 2018	June 29th 2021	210.0	210.0	PLN
<b>Total credit facility agreements, PLN</b>					<b>1,834.0</b>	<b>1,729.5</b>	<b>PLN</b>

BANK	COMPANY	INSTRUMENT	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]	CURRENCY
<b>Guarantee facility</b>							
PKO BP	CCC S.A.	Bank guarantee facility	November 21st 2019	June 30th 2024	38.5	36.2	PLN
mBank	CCC S.A.	Bank guarantee facility	November 4th 2012	June 30th 2024	34.0	29.2	PLN
Santander	CCC S.A.	Bank guarantee facility	March 31st 2009	June 30th 2024	37.5	31.8	PLN
Santander	CCC S.A.	Bank guarantee facility	April 11th 2018	June 30th 2024	17.0	17.0	PLN
BNP Paribas Bank Polska S.A.	CCC S.A.	Bank guarantee facility	May 4th 2011	June 30th 2024	23.0	17.4	PLN
Pekao S.A.	eobuwie.pl S.A.	Bank guarantee facility	October 26th 2017	April 30th 2021	58.6	58.6	PLN
Ceska sporitelna	CCC Czech	Bank guarantee facility	April 6th 2020	July 30th 2021	75.0	75.0	CZK
Ceska sporitelna	CCC Slovakia	Bank guarantee facility	April 6th 2020	July 30th 2021	45.4	45.4	CZK
Raiffeisen	CCC Hungary	Bank guarantee facility	June 25th 2014	December 31st 2021	3.0	1.4	EUR
<b>Total guarantee facility, PLN</b>					<b>208.6</b>	<b>190.2</b>	<b>PLN</b>
<b>Total guarantee facility, CZK</b>					<b>120.4</b>	<b>120.4</b>	<b>CZK</b>
<b>Total guarantee facility, EUR</b>					<b>3.0</b>	<b>1.4</b>	<b>EUR</b>

<b>Aid financing</b>							
Ceska sporitelna	CCC Czech	Aid financing	April 6th 2020	July 31st 2021	55.0	0.0	CZK
Ceska sporitelna	CCC Slovakia	Aid financing	April 6th 2020	July 31st 2021	14.6	0.0	CZK
<b>Total credit facility agreements, CZK</b>					<b>69.6</b>	<b>0.0</b>	<b>CZK</b>

## Bonds

In June 2014, the Company carried out the first issue of CCC S.A. Series 1/2014 Bonds, under the Bond Issuance Program up to PLN 500m. The bonds are denominated in the Polish zloty and were issued as coupon bearer securities in book-entry form. mBank S.A. was the issue agent.

In June 2018, the Company carried out the second issue of CCC S.A. Series 1/2018 Bonds, combined with early redemption of Series 1/2014 Bonds. Both series were issued with the following terms:

1. Nominal value: PLN 1.000 per bond;
2. Issue price: equal to the nominal value;
3. Number of Bonds: 210,000 in series 1/2014 and 210,000 in series 1/2018;
4. Total nominal value of the bonds – PLN 210m in series 1/2014 and PLN 210m in series 1/2018;
5. Redemption: one-off, at nominal value on June 10th 2019 for series 1/2014 and on June 29th 2021 for series 1/2018;
6. Interest rate of coupon bonds: variable, 6M WIBOR, plus a fixed margin; payable on a six-monthly basis;
7. Listing in the alternative trading system on Catalyst – series 1/2014 bonds as of October 16th 2014.

Series 1/2014 bonds were registered with the Central Securities Depository of Poland on July 20th 2018.

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

Following the issue of 210,000 Series 1/2018 Bonds and the redemption of 210,000 Series 1/2014 Bonds, 210,000 Series 1/2018 Bonds are outstanding.

Under Resolution No. 4 of May 17th 2021 passed by the Bondholders' Meeting of the holders of Series 1/2018 Bonds, issued on June 29th 2018 pursuant to the Terms and Conditions of the Bonds of June 21st 2018 and bearing ISIN code PLCCC0000081 (the "Bonds"), regarding amendments to the Terms and Conditions of Series 1/2018 Bonds, covered by a report drawn up in the form of a notarial deed by Sławomir Strojny, notary public in Warsaw, running the Notary Public Office at ul. Gałczyńskiego 4, Warsaw (number in the register of notarial deeds: Rep. A No. 7121/2021), the Terms and Conditions of the Bonds were amended, in particular the Bonds' redemption date was extended from June 29th 2021 to June 29th 2026.

## Covenants

As at July 31st 2021, in the Management Board's opinion, during the reporting period and until the date of authorisation of this Report for issue, none of the covenants were breached.

Under the refinancing agreement of June 2nd 2021 and the bond issue agreement of May 17th 2021, the Group is required to comply with the following covenants:

**EBITDA** first calculated as at July 31st 2022 (for February 1st 2022–July 31st 2022) not lower than PLN 30m;

**Net Exposure/EBITDA** first calculated as at January 31st 2023 not lower than 4.7;

**DSCR** calculated from January 31st 2023 not lower than 1.3;

**Capital expenditure** first calculated as at January 31st 2022 not higher than PLN 175m.

As at the reporting date, none of these metrics was calculated and tested for compliance with the respective covenant, as there was no such obligation.

In the future, the metrics will be calculated for the required reporting periods based on the Group's financial data adjusted in accordance with the financing agreements.

## DEBT RATIOS

The Management Board of the CCC Group uses the general debt ratio to analyse the level of the Group's debt.

The **total debt ratio** is calculated as the ratio of net debt to total capital employed. Net debt is calculated as total borrowings (comprising short- and long-term credit facilities and bonds issued as disclosed in the consolidated statement of financial position) less cash and cash equivalents. The total amount of capital employed is calculated as the sum of the equity disclosed in the consolidated statement of financial position and debt.

The calculation of the debt ratio is presented below:

	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed
<b>Net debt</b>				
Bank borrowings	1,509.4	1,459.2	1,348.0	1,378.3
(+) Liabilities under bonds	210.9	210.4	210.6	210.1
<b>= Financing liabilities</b>	<b>1,720.3</b>	<b>1,669.6</b>	<b>1,558.6</b>	<b>1,588.4</b>
(-) Cash and cash equivalents	792.2	292.4	542.6	542.6
<b>= Net debt</b>	<b>928.1</b>	<b>1,377.2</b>	<b>1,016.0</b>	<b>1,045.8</b>
<b>Debt ratio</b>				
Total equity	769.3	309.8	669.6	654.6
(+) Net debt	928.1	1,377.2	1,016.0	1,045.8
<b>= Capital employed</b>	<b>1,697.4</b>	<b>1,687.0</b>	<b>1,685.6</b>	<b>1,700.4</b>
<b>Debt ratio (net debt/capital employed)</b>	<b>0.5</b>	<b>0.8</b>	<b>0.6</b>	<b>0.6</b>

The debt ratio fell by 0.3pp relative to January 31st 2021 due to an increase in cash and cash equivalents (PLN +499.8m), which led to a decrease in net debt and an increase in equity (PLN +459.5m).

The **debt/EBITDA ratio** is calculated as the quotient of net debt and EBITDA. EBITDA is used by the CCC Management Board in debt analysis. The table below presents the calculation of the debt/EBITDA ratio and the reconciliation of EBITDA.

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.



	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed
<b>Net debt</b>				
Bank borrowings	1,509.4	1,459.2	1,348.0	1,378.3
(+) Liabilities under bonds	210.9	210.4	210.6	210.1
<b>= Financing liabilities</b>	<b>1,720.3</b>	<b>1,669.6</b>	<b>1,558.6</b>	<b>1,588.4</b>
(-) Cash and cash equivalents	792.2	292.4	542.6	542.6
<b>= Net debt</b>	<b>928.1</b>	<b>1,377.2</b>	<b>1,016.0</b>	<b>1,045.8</b>
<b>EBITDA</b>				
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	(91.8)	(988.9)	(579.6)	(665.8)
(+) Income tax	(3.1)	(20.6)	30.1	33.3
<b>Profit before tax</b>	<b>(88.7)</b>	<b>(968.3)</b>	<b>(609.7)</b>	<b>(699.1)</b>
(+) Finance costs	(66.5)	(278.4)	(95.8)	(96.9)
(+) Expected credit loss allowances	(9.8)	(130.2)	(111.4)	(116.0)
(-) Finance income	9.0	97.7	45.5	38.5
(+) Share of profit (loss) of associates	0.1	(30.7)	(30.3)	(28.3)
<b>Operating profit/(loss)</b>	<b>(21.5)</b>	<b>(626.7)</b>	<b>(417.7)</b>	<b>(496.4)</b>
(+) Depreciation and amortisation	(287.8)	(637.9)	(298.0)	(322.0)
<b>= EBITDA</b>	<b>266.3</b>	<b>11.2</b>	<b>(119.7)</b>	<b>(174.4)</b>
<b>Debt/EBITDA ratio (net debt/EBITDA)</b>	<b>3.5</b>	<b>123.0</b>	<b>(8.5)</b>	<b>(6.0)</b>

EBITDA rose by PLN 255.1m relative to January 31st 2021, mainly due to a lower net loss from continuing operations (PLN +897.2m) relative to January 31st 2021.

The debt/EBITDA ratio fell by 119.5 compared with January 31st 2021 due to a decrease in net debt (PLN -449.1m), as discussed above, and an increase in EBITDA.

## CURRENT RATIO

This ratio is calculated as the quotient of current assets to current liabilities and short-term provisions. The calculation of the ratio is presented below.

	July 31st 2021	January 31st 2021	July 31st 2020	June 30th 2020
	unaudited, reviewed	audited	unaudited, unreviewed	unaudited, reviewed
Inventories	2,456.9	2,192.6	2,042.4	1,994.6
(+) Trade receivables, other receivables, income tax receivable, and lease receivables	471.8	408.4	431.9	378.8
(+) Cash and cash equivalents	792.2	458.7	390.3	505.6
(+) Derivative financial instruments	3.8	1.7	6.5	7.6
<b>= Current assets</b>	<b>3,724.7</b>	<b>3,061.4</b>	<b>2,871.1</b>	<b>2,886.6</b>
Short-term financing liabilities	269.2	1,196.9	1,239.0	1,277.9
(+) Trade payables and other liabilities	2,244.0	1,674.2	1,447.2	1,439.2
(+) Provisions and grants	19.2	24.9	21.0	21.1
(+) Lease liabilities	474.9	450.5	411.1	440.1
(+) Liabilities arising from obligation to purchase non-controlling interests	358.0	0.0	0.0	0.0
<b>= Current liabilities</b>	<b>3,365.3</b>	<b>3,346.5</b>	<b>3,118.3</b>	<b>3,178.3</b>
<b>Current ratio (current assets/current liabilities)</b>	<b>1.1</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>

As at July 31st 2021, the CCC Group's current ratio was 1.1, up 0.2pp on January 31st 2021, due to a faster increase in current assets relative to current liabilities.

The excess of current assets over current liabilities was PLN 359.4m.

## FINANCIAL INSTRUMENTS

As at the reporting date, the Issuer used forward instruments to hedge against currency risk arising from an open exposure denominated in USD. For a detailed description of the financial instruments used, see Note 6.1 to the financial statements.

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.



## ISSUE OF SECURITIES AND USE OF PROCEEDS

No securities were issued in the six months ended July 31st 2021.

On September 9th 2021, the Management Board of CCC S.A. entered into an agreement for the provision of debt financing in the form of bonds with PFR Inwestycje Fundusz Inwestycyjny Zamknięty, represented by Polski Fundusz Rozwoju S.A. On September 9th 2021, CCC S&B entered into an issue agreement for the issue of up to 360 ordinary registered bonds with a total nominal value of PLN 360m. In connection with the agreement and the expected provision of funding by the Bondholder, the CCC Management Board will recommend that the Extraordinary General Meeting (opened on September 6th 2021 and adjourned until September 10th 2021) should not vote on the previously proposed resolution on a conditional share capital increase and issue of subscription warrants.

For more information, see Current Report No. 58/2021 of September 9th 2021. The issue took place on September 22nd 2021, as described in the going concern note.

On October 5th 2021, eobuwie.pl S.A. of Zielona Góra, an indirect subsidiary of CCC, issued unsecured bonds convertible into eobuwie.pl shares, with a total value of PLN 500m. The bonds were issued to SVF II Motion Subco (DE) LLC, a related party of SoftBank Vision Fund 2, on the terms and conditions set out in the Subscription and Investment Agreement concluded by CCC Shoes & Bags sp. z o.o. of Polkowice, a subsidiary of CCC, and the Investor on July 2nd 2021, as disclosed in Current Report No. 44/2021 of July 2nd 2021. The total value of the bond issue is PLN 500m, and the entire issue proceeds have already been transferred to eobuwie.

## FEASIBILITY OF INVESTMENT PLANS

The Group intends to finance investment projects with its own funds and with external capital. Subject to the limitations set out in the refinancing agreement, the Management Board believes that there are currently no major threats which could adversely affect delivery of the investment plans in the future.

## AGREEMENTS EXECUTED BY COMPANIES OF THE CCC GROUP

### LOANS

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC S.A.	CCC.eu sp. z o.o.	December 17th 2014	December 31st 2021	9.3	USD	1.50%
CCC S.A.	CCC Shoes Bulgaria EOOD	December 14th 2014	December 31st 2021	4.0	BGN	6.00%
CCC S.A.	CCC Shoes&Bags d.o.o. Beograd	September 22nd 2016	December 31st 2021	0.1	EUR	
		November 18th 2016	December 31st 2021	0.1	EUR	4.00%
		December 9th 2016	December 31st 2021	0.1	EUR	
CCC S.A.	HR Group Holding s.a.r.l.	January 31st 2019	December 31st 2029	41.5	EUR	8.00%
CCC S.A.	CCC Obutev d.o.o	February 18th 2019	February 28th 2022	0.8	EUR	1.30%
CCC S.A.	CCC Hrvatska d.o.o.	April 21st 2020	April 30th 2022	0.3	EUR	1.30%
CCC S.A.	CCC Hrvatska d.o.o.	February 28th 2019	February 28th 2022	3.8	HRK	1.30%
CCC S.A.	HR Group GmbH & Co. KG	February 17th 2020	March 31st 2023	6.2	EUR	3.00%
CCC S.A.	CCC.eu sp. z o.o.	June 22nd 2021	June 1st 2026	1,000.0	PLN	3.55%
CCC S.A.	OPF sp. z o.o.	June 22nd 2021	June 1st 2026	200.0	PLN	3.55%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC Shoes&Bags	Shoe Express S.A.	April 25th 2018	April 25th 2023	30.0	EUR	2.50%
		February 5th 2019	February 28th 2022	1.0	EUR	1.50%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC.EU	CCC Shoes & Bags sp. z o.o.	April 24th 2018	December 31st 2021	35.9	EUR	1.80%
CCC.EU	CCC Austria Ges.m.b.h. (agreement)	April 11th 2018	April 30th 2023	14.1	EUR	1.80%
CCC.EU	CCC S.A.	June 22nd 2021	June 1st 2026	47.2	PLN	3.55%
CCC.EU	CCC GERMANY GmbH (agreement)	April 11th 2018	April 30th 2023	18.5	EUR	1.80%
CCC.EU	CCC Russia	May 24th 2021	June 29th 2022	280.0	RUB	9.38%
		May 24th 2021	June 29th 2022	280.0	RUB	9.38%
		May 24th 2021	June 29th 2022	280.0	RUB	9.38%
		May 24th 2021	April 19th 2022	284.6	RUB	9.38%
		December 12th 2019	December 31st 2021	1.8	USD	7.00%
		March 3rd 2020	March 31st 2022	200.0	RUB	7.83%
		March 10th 2020	March 31st 2022	200.0	RUB	7.83%
		March 17th 2020	March 31st 2022	200.0	RUB	7.83%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC Factory sp. z o.o.	CCC.EU	September 30th 2014	December 31st 2021	69.2	PLN	1M WIBOR + 0.6%
EOBUWIE	LFT BEEHER B.V.	July 23rd 2020	July 23rd 2023	0.028	EUR	3%
EOBUWIE	EOBUWIE LOGISTICS SP. Z O.O.	October 15th 2015	September 30th 2026	50.0	PLN	3M WIBOR +0.55%
EOBUWIE	EOBUWIE LOGISTICS SP. Z O.O.	June 15th 2018	December 31st 2028	200.0	PLN	3M WIBOR +0.55%
EOBUWIE	Branded shoes&bags	September 11th 2019	December 31st 2029	2.0	PLN	3M WIBOR +0.55%
EOBUWIE	eobuv.cz s.r.o.	April 12th 2021	December 31st 2031	4.5	PLN	3M WIBOR +0.55%

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## SURETIES, GUARANTEES AND OTHER CONTINGENT LIABILITIES

### GUARANTEES PROVIDED AS SUPPORT OF COMMERCIAL SPACE LEASE CONTRACT

#### BANK GUARANTEES UNDER CCC S.A.'S GUARANTEE FACILITIES

	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
CCC S.A.	29	CCC Austria	2.9	EUR
CCC S.A.	5	CCC Bulgaria	0.2	EUR
CCC S.A.	14	CCC Hrvatska	0.6	EUR
CCC S.A.	6	CCC Obutev	0.5	EUR
CCC S.A.	5	CCC Russia	0.1	EUR
CCC S.A.	30	CCC Russia	38.7	RUB
CCC S.A.	2	CCC Russia	0.2	USD
CCC S.A.	2	CCC Ukraine	0.1	EUR
CCC S.A.	10	CCC Ukraine	0.1	USD
CCC S.A.	6	OFF sp. z o.o.	0.5	EUR
CCC S.A.	3	OFF sp. z o.o.	0.5	PLN
CCC S.A.	1	DeeZee	0.1	EUR
CCC S.A.	1	DeeZee	0.1	PLN
CCC S.A.	12	eobuwie.pl	0.6	EUR
CCC S.A.	2	eobuwie.pl	0.6	PLN
CCC S.A.	62	Shoe Express	2.0	EUR
CCC S.A.	1	Shoe Express	0.1	RON

#### BANK GUARANTEES UNDER GUARANTEE FACILITIES OF OTHER COMPANIES

COMPANY	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF GUARANTEE [MILLION]	CURRENCY
CCC Hungary	12	CCC Hungary	1.4	EUR
CCC Czech s.r.o.	34	CCC Czech s.r.o.	42.9	CZK
CCC Czech s.r.o.	19	CCC Czech s.r.o.	1.3	EUR
CCC Slovakia, s.r.o.	38	CCC Slovakia, s.r.o.	1.8	EUR
eobuwie.pl	26	eobuwie.pl	8.9	EUR
eobuwie.pl	8	eobuwie.pl	26.0	PLN
eobuwie.pl	1	eobuwie.pl	0.2	USD

#### SURETY FOR THE LEASE OF STORES PROVIDED BY THE PARENT

	NUMBER OF SURETIES	DEBTOR	AMOUNT OF SURETY [MILLION]	CURRENCY
CCC S.A.	8	CCC Austria	0.4	EUR
CCC S.A.	27	CCC Czech s.r.o.	27.7	CZK
CCC S.A.	15	CCC Czech s.r.o.	0.6	EUR
CCC S.A.	8	CCC Germany	0.5	EUR
CCC S.A.	8	CCC Hrvatska	0.3	EUR
CCC S.A.	35	CCC Hungary	1.4	EUR
CCC S.A.	15	CCC Hungary	162.5	HUF
CCC S.A.	7	CCC Obutev	0.3	EUR
CCC S.A.	16	CCC Slovakia, s.r.o.	0.6	EUR
CCC S.A.	34	Shoe Express	0.8	EUR
CCC S.A.	1	Shoe Express	0.1	RON

### OTHER SURETIES AND GUARANTEES

Intragroup provided to Polish subsidiaries:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.)	Millenium	CCC.eu sp. z o.o.	Surety for reverse factoring agreement	June 16th 2021	June 28th 2027	8.8	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.)	Millenium	CCC.eu sp. z o.o.	Surety for reverse factoring agreement secured by BGK	March 9th 2021	-	51.9	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.)	Millenium	CCC.eu sp. z o.o.	Surety for reverse factoring agreement secured by BGK	March 9th 2021	February 27th 2026	103.8	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.)	Pekao S.A.	CCC.eu sp. z o.o.	Surety for multi-purpose credit facility agreement	June 16th 2021	-	110.6	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o. and CCC Factory sp. z o.o.)	Bank Handlowy	CCC.eu sp. z o.o.	Surety for revolving credit facility agreement	February 13th 2019	3 years from debt due date	121.2	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o. and CCC Factory sp. z o.o.)	Bank Handlowy	CCC.eu sp. z o.o.	Surety for overdraft facility agreement	February 13th 2019	3 years from debt due date	121.2	PLN

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CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o. and CCC Factory sp. z o.o.)	Bank Handlowy	CCC.eu sp. z o.o.	Surety for card agreement	December 8th 2016	3 years from debt due date	0.6	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o. and CCC Factory sp. z o.o.)	Bank Handlowy	CCC.eu sp. z o.o.	Surety for confirming agreement	August 2nd 2018	3 years from debt due date	120.0	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags sp. z o.o. and CCC Factory sp. z o.o.)	Bank Handlowy	CCC.eu sp. z o.o.	Surety for revolving credit facility agreement secured by BGK	June 17th 2021	-	94.9	PLN
CCC S.A. (Surety granted jointly with CCC Factory sp. z o.o. and Gino Rossi S.A.)	Santander Factoring	CCC.eu sp. z o.o.	Surety for reverse factoring agreement secured by BGK	July 1st 2021	-	258.2	PLN
CCC S&B sp. z o.o.	PKO BP S.A.	CCC.eu sp. z o.o., eobuwie.pl SA, Gino Rossi S.A., CCC S.A.	Surety for multi-purpose credit facility agreement	November 21st 2019	November 21st 2025	795.0	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags sp. z o.o., CCC.EU sp. z o.o.)	Bank Handlowy	CCC Factory sp. z o.o.	Surety for overdraft facility agreement secured by BGK	June 17th 2021	-	7.0	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags sp. z o.o., CCC.EU sp. z o.o.)	Millenium	CCC Factory sp. z o.o.	Surety for reverse factoring agreement	March 9th 2021	July 16th 2021	4.7	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags sp. z o.o., CCC.EU sp. z o.o.)	Millenium	CCC Factory sp. z o.o.	Surety for reverse factoring agreement secured by BGK	March 9th 2021	-	10.5	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags sp. z o.o., CCC.EU sp. z o.o.)	Millenium	CCC Factory sp. z o.o.	Surety for reverse factoring agreement secured by BGK	March 9th 2021	February 27th 2026	20.9	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags sp. z o.o., CCC.EU sp. z o.o.)	Pekao S.A.	CCC Factory sp. z o.o.	Surety for overdraft facility agreement secured by BGK	March 31st 2021	-	8.3	PLN
CCC S.A.	BNP PARIBAS	CCC Factory sp. z o.o.	Surety for overdraft facility agreement secured by BGK	July 1st 2021	March 31st 2026	34.8	PLN
CCC S.A.	mBank	CCC Factory sp. z o.o.	Surety for revolving credit facility agreement secured by BGK	June 14th 2021	June 3rd 2025	3.5	PLN
CCC S.A. (Surety granted jointly with CCC. EU sp. z o.o. and Gino Rossi S.A.)	Santander Factoring	CCC Factory sp. z o.o.	Surety for reverse factoring agreement secured by BGK	July 1st 2021	-	43.4	PLN
eobuwie.pl Logistics	PKO BP S.A.	eobuwie.pl S.A.	Surety for multi-purpose credit facility agreement	June 14th 2021	November 21st 2026	242.4	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	Bank Handlowy	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for syndicate agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 18th 2021	December 31st 2028	203.7	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	Millenium	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for syndicate agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 18th 2021	December 31st 2028	58.6	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	Pekao S.A.	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for syndicate agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 18th 2021	December 31st 2028	199.7	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	PKO BP S.A.	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for syndicate agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 18th 2021	December 31st 2028	378.6	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	BNP PARIBAS	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for syndicate agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 18th 2021	December 31st 2028	106.3	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	mBank	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for syndicate agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 18th 2021	December 31st 2028	135.2	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	Santander Bank	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for syndicate agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 18th 2021	December 31st 2028	247.0	PLN
CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.	agent/Security Agent	CCC.eu sp. z o.o., CCC S.A., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o.	Surety for Commission Agreement for PLN 885,962,000 CREDIT FACILITY AGREEMENT	June 24th 2021	December 31st 2028	2.6	PLN

Received by CCC S.A.

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.



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COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o.)	mBank	CCC SA	Surety for bank guarantee agreement	October 31st 2018	-	34.0	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o.)	Bondholders	CCC SA	Surety for bonds	June 21st 2018	June 29th 2026	750.0	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFF sp. z o.o.)	Bondholders	CCC SA	Surety for bonds	June 1st 2021	June 29th 2027	315.0	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., Gino Rossi S.A.)	Bank PKO BP	CCC SA	Common Terms Agreement	November 5th 2020	October 31st 2022	90.0	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., Gino Rossi S.A.)	Bank Pekao S.A.	CCC SA	Common Terms Agreement	November 5th 2020	October 31st 2022	61.5	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., Gino Rossi S.A.)	mBank	CCC SA	Common Terms Agreement	November 5th 2020	October 31st 2022	58.5	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., Gino Rossi S.A.)	Santander Bank	CCC SA	Common Terms Agreement	November 5th 2020	October 31st 2022	75.0	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., Gino Rossi S.A.)	Bank Millennium	CCC SA	Common Terms Agreement	November 5th 2020	October 31st 2022	24.0	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., Gino Rossi S.A.)	BNP PARIBAS	CCC SA	Common Terms Agreement	November 5th 2020	November 5th 2022	19.5	PLN
CCC.eu sp. z o.o. (Surety granted jointly with CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., Gino Rossi S.A.)	Bank Handlowy	CCC SA	Common Terms Agreement	November 5th 2020	October 31st 2022	46.5	PLN

Provided by CCC S.A. to foreign subsidiaries:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC S.A.	Raiffeisen Bank Zrt	CCC Hungary	Surety for bank guarantee agreement	June 25th 2014	December 31st 2021	3.0	EUR

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

**MATERIAL RELATED-PARTY TRANSACTIONS**

To the best of the Group's knowledge, no material related-party transactions were concluded on non-arm's length terms. For information on related-party transactions, see section 6.5. 'Related-party transactions' in the consolidated financial statements.



The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

## DESCRIPTION OF SIGNIFICANT AGREEMENTS

### CREDIT FACILITY AND GUARANTEE FACILITY AGREEMENTS

No.	Company	Bank	Agreement	Execution date	Expiry date
1	CCC S.A., KVAG	BNP Paribas	Amendment No. 1 to overdraft facility agreement	March 31st 2021	April 30th 2021
2	CCC S.A.	BNP Paribas	Amendment No. 2 to overdraft facility agreement	April 22nd 2021	April 30th 2021
3	CCC S.A.	BNP Paribas	Consent to grant credit facility	April 30th 2021	June 29th 2021
4	CCC Factory	BNP Paribas	Overdraft facility agreement	March 31st 2021	March 31st 2023
5	CCC S.A.	BNP Paribas	Annex No. 14 to the debt limit agreement	June 17th 2021	June 30th 2024
6	CCC.EU	Bank Handlowy	Annex No. 15 to overdraft facility agreement	June 18th 2021	June 28th 2024
7	CCC.EU	Bank Handlowy	Annex No. 13 to revolving credit facility agreement	June 18th 2021	June 28th 2024
8	CCC.EU	Bank Handlowy	Revolving facility agreement	June 17th 2021	May 31st 2023
9	CCC Factory	Bank Handlowy	Overdraft facility agreement	June 17th 2021	May 31st 2023
10	CCC S.A.	mBank	Annex No. 18 to framework agreement	June 18th 2021	June 28th 2024
11	CCC. EU, CCC S.A.	mBank	Annex No. 1 to overdraft facility agreement – umbrella facility	June 14th 2021	
12	CCC. EU, CCC S.A.	mBank	Annex No. 2 to overdraft facility agreement – umbrella facility	June 18th 2021	June 28th 2024
13	CCC Factory	mBank	Flexible revolving facility agreement	June 14th 2021	March 2nd 2023
14	CCC.EU	mBank	Flexible revolving facility agreement	June 14th 2021	March 2nd 2023
15	CCC Factory	Millennium	Annex No. 1 to reverse factoring agreement	March 8th 2021	April 30th 2021
16	CCC Factory	Millennium	Reverse factoring agreement	March 8th 2021	August 31st 2022
17	CCC.EU	Millennium	Annex No. 4 to reverse factoring agreement	March 8th 2021	April 30th 2021
18	CCC.EU	Millennium	Annex No. 5 to reverse factoring agreement	June 16th 2021	December 31st 2023
19	CCC.EU	Millennium	Reverse factoring agreement	March 8th 2021	August 31st 2022
20	CCC Factory	Pekao S.A.	Overdraft facility agreement	March 31st 2021	March 9th 2023
21	CCC Factory	Pekao S.A.	Annex No. 1 to overdraft facility agreement	July 30th 2021	
22	CCC.EU	Pekao S.A.	Annex No. 15 to multi-purpose credit facility agreement	February 15th 2021	February 28th 2021
23	CCC.EU	Pekao S.A.	Annex No. 16 to multi-purpose credit facility agreement	February 26th 2021	March 15th 2021
24	CCC.EU	Pekao S.A.	Annex No. 17 to multi-purpose credit facility agreement	March 15th 2021	March 25th 2021
25	CCC.EU	Pekao S.A.	Annex No. 18 to multi-purpose credit facility agreement	March 23rd 2021	March 26th 2021
26	CCC.EU	Pekao S.A.	Annex No. 19 to multi-purpose credit facility agreement	March 26th 2021	April 6th 2021
27	CCC.EU	Pekao S.A.	Annex No. 20 to multi-purpose credit facility agreement	March 31st 2021	March 9th 2023
28	CCC.EU	Pekao S.A.	Annex No. 21 to multi-purpose credit facility agreement	April 30th 2021	March 9th 2023
29	CCC.EU	Pekao S.A.	Annex No. 22 to multi-purpose credit facility agreement	June 16th 2021	March 9th 2023
30	CCC.EU	Pekao S.A.	Annex No. 23 to multi-purpose credit facility agreement	July 30th 2021	
31	CCC S.A., CCC.EU, Gino Rossi, eobuwie.pl	PKO BP	Annex No. 3 to multi-purpose credit facility agreement	June 2nd 2021	
32	CCC. EU, CCC S.A.	PKO BP	Annex No. 4 to multi-purpose credit facility agreement	June 18th 2021	June 30th 2025
33	CCC. EU, CCC S.A.	PKO BP	Annex No. 5 to multi-purpose credit facility agreement	July 27th 2021	
34	CCC S.A.	Santander	Annex No. 3 to bank guarantee agreement	August 18th 2021	June 30th 2024
35	CCC S.A.	Santander	Annex No. 152 to multi-purpose and multi-currency credit facility agreement	August 18th 2021	June 30th 2024
36	CCC S.A.		Bonds	May 17th 2021	June 29th 2026
37	CCC S.A.	BNP Paribas, Bank Handlowy w Warszawie, Bank Millennium, Bank	PLN 885,962,000 – Credit Facility Agreement	June 2nd 2021	June 30th 2025

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.



		Pekao S.A., PKO BP, mBank, Santander Bank			
38	CCC S.A., CCC. EU, CCC Factory, CCC S&B, Gino Rossi	BNP Paribas, Bank Handlowy w Warszawie, Bank Millennium, Bank Pekao S.A., PKO BP, mBank, Pekao Faktoring, Santander Bank, Santander Faktoring,	Annex No. 4 to agreement on special terms of continued financing	February 18th 2021	
39	CCC S.A., CCC. EU, CCC Factory, CCC S&B, Gino Rossi	BNP Paribas, Bank Handlowy w Warszawie, Bank Millennium, Bank Pekao S.A., PKO BP, mBank, Pekao Faktoring, Santander Bank, Santander Faktoring,	Annex No. 5 to agreement on special terms of continued financing	February 26th 2021	March 19th 2021
40	CCC S.A., CCC. EU, CCC Factory, CCC S&B, Gino Rossi	BNP Paribas, Bank Handlowy w Warszawie, Bank Millennium, Bank Pekao S.A., PKO BP, mBank, Pekao Faktoring, Santander Bank, Santander Faktoring,	Annex No. 6 to agreement on special terms of continued financing	March 19th 2021	April 9th 2021
41	CCC S.A., CCC. EU, CCC Factory, CCC S&B, Gino Rossi	BNP Paribas, Bank Handlowy w Warszawie, Bank Millennium, Bank Pekao S.A., PKO BP, mBank, Pekao Faktoring, Santander Bank, Santander Faktoring,	Annex No. 7 to agreement on special terms of continued financing	April 9th 2021	April 30th 2021
42	CCC S.A., CCC. EU, CCC Factory, CCC S&B, Gino Rossi	BNP Paribas, Bank Handlowy w Warszawie, Bank Millennium, Bank Pekao S.A., PKO BP, mBank, Pekao Faktoring, Santander Bank, Santander Faktoring,	Annex No. 8 to agreement on special terms of continued financing	April 30th 2021	June 29th 2021

## SIGNIFICANT RISK FACTORS

The risks identified by CCC S.A., with relevant descriptions and measures taken to minimise their impact, are provided below.

RISK	DEFINITION	ACTION
<b>Footfall at offline stores</b>	If there is a lasting and significant decline in foot traffic at offline stores due to the COVID-19 pandemic, the Group's offline segment may deliver financial results significantly below the target set forth in the Strategy.	<ul style="list-style-type: none"> <li>➤ in response to the COVID-19 pandemic, the Group has negotiated new lease terms for its offline stores with almost all landlords, addressing reduced in-store traffic expected in the coming quarters,</li> <li>➤ ongoing monitoring of store performance and store chain management, including store closures and openings, space reductions and expansions, relocations, etc.</li> <li>➤ consistent expansion of digital distribution channels – online and mobile sales platforms,</li> <li>➤ monitoring the activities of other market operators.</li> </ul>
<b>Aligning products with customer expectations</b>	The Group's ability to offer footwear and other products in line with current trends in fashion and customer expectations is crucial in driving customers' interest in purchasing them.	<ul style="list-style-type: none"> <li>➤ building on the long track-record in designing, manufacturing and sale of footwear,</li> <li>➤ influencing fashion trends through promotional and marketing activities and collaboration with influencers,</li> <li>➤ implementing improvements in the process of creating, ordering and delivering collections to shorten design-to-shelf lead times.</li> </ul>
<b>Strength and recognition of brands under which the Group markets its products (notably CCC and eobuwie.pl) and its own brands of selected products (notably Lasocki, Gino Rossi, DeeZee, Sprandi, and Jenny Fairy)</b>	Declining brand recognition affects customer interest, leading to lower traffic in offline and digital stores, which may cause financial performance to be significantly below the target set in the Strategy.	<ul style="list-style-type: none"> <li>➤ promotional and marketing activities aimed at strengthening individual brands,</li> <li>➤ building a footwear retail ecosystem integrating numerous touchpoints to increase customer loyalty,</li> <li>➤ rollout of up-to-date offline store formats to boost brand image.</li> </ul>
<b>Trade credit risk</b>	Some wholesale operations are conducted on a deferred payment basis, which exposes the CCC Group to the risk of financing its customers. In order to maintain the leading position on the footwear market, the CCC Group uses trade credit to additionally increase its attractiveness to wholesale trading partners. The source of this risk lies in uncertainty as to whether and when amounts due to the Company will be settled.	<ul style="list-style-type: none"> <li>➤ regular checks of customers' financial condition;</li> <li>➤ regular checks of customers' credit history</li> </ul>

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<p><b>Currency risk</b></p>	<p>The CCC Group companies generate revenue in PLN, EUR, CZK, HUF, HRK, BGN, RSD, RUB, CHF, and most of its costs are denominated in foreign currencies. This means the CZK, HUF, HRK, BGN, RSD, RUB, CHF, USD and EUR exchange rates (virtually all imports are denominated in USD and EUR, and a large percentage of rental costs is denominated in EUR) will affect the Group's income and expenses. The key supply market for the CCC Group is the Chinese market and, consequently, the exchange rate of CNY against major global currencies may also have a significant impact on the Group's expenses. A stronger CNY may lead to deterioration in import terms and increase costs for consumers.</p>	<ul style="list-style-type: none"> <li>➤ continuous monitoring of movements in currency exchange rates relevant to the Group;</li> <li>➤ implementation of a natural hedging strategy.</li> </ul>
<p><b>Interest rate risk</b></p>	<p>The CCC Group is exposed to interest rate risk as a result of concluded credit facility agreements, which bear interest at floating rates based on WIBOR or BLR. An increase in interest rates will affect the amount of interest paid on bank borrowings.</p>	<ul style="list-style-type: none"> <li>➤ diversification of capital sources,</li> <li>➤ monitoring of key interest rates.</li> </ul>
<p><b>Risk related to overall economic conditions</b></p>	<p>The CCC Group operates primarily in the Polish, Czech, Hungarian, Slovak and Romanian markets, so the purchasing power and propensity to consume of consumers in these markets are important factors to the Group. Any deterioration of the economic conditions may have an adverse effect on the Group's operating results and financial standing. The CCC Group also operates in several other foreign markets (including Croatia, Slovenia, Bulgaria, Serbia, and Russia).</p>	<ul style="list-style-type: none"> <li>➤ diversifying its operations in terms of countries in which it is present (reducing the correlation of economic situation between countries);</li> <li>➤ monitoring the economic situation globally and in the countries relevant to the Group, and adjusting the Group's strategy accordingly,</li> <li>➤ monitoring important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).</li> </ul>
<p><b>Seasonality of sales and weather conditions</b></p>	<p>Sales and the value of inventories depend on seasonal movements in demand (with peak demand in spring and autumn). Disruptive weather conditions can result in customers postponing purchasing decisions or in a shortened peak sales season.</p>	<ul style="list-style-type: none"> <li>➤ The Group mitigates the risk of weather conditions impacting its sales chiefly by increasing the proportion of year-round products in its portfolio, including sports shoes marketed under its own brand Sprandi and under recognisable third-party brands.</li> </ul>
<p><b>Risk of lockdown (government-imposed restrictions on offline retail)</b></p>	<p>The events of the first half of 2020 revealed the risk of government-imposed lockdowns on an unprecedented scale (in Poland, the EU and globally). The lockdown restrictions led to suspension of offline store operations, which translated into lower revenue.</p>	<ul style="list-style-type: none"> <li>➤ The Group took steps to mitigate this risk by developing a comprehensive business stabilisation plan, covering the operational, financial and strategic domains. The key measures included steps taken to secure continuity of the Group's operating processes in an environment of widespread remote working, to strengthen e-commerce logistics processes, to accelerate the launch of e-commerce platforms in new markets, to enter into negotiations with landlords to adjust the lease terms to the circumstances and the expected decline in footfall once the stores are reopened, and to apply for and receive support from available public assistance programmes subsidising labour and other costs. In terms of financing, the Issuer entered into negotiations with bondholders, banks and financing institutions with a view to securing the stability of its long-term funding, and announced the issuance of new shares to raise additional capital to fund the Group's business and, in particular, for orders of collections for future seasons.</li> </ul>

## REPORTING CALENDAR

November 24th 2021 Consolidated report for the third quarter of 2021

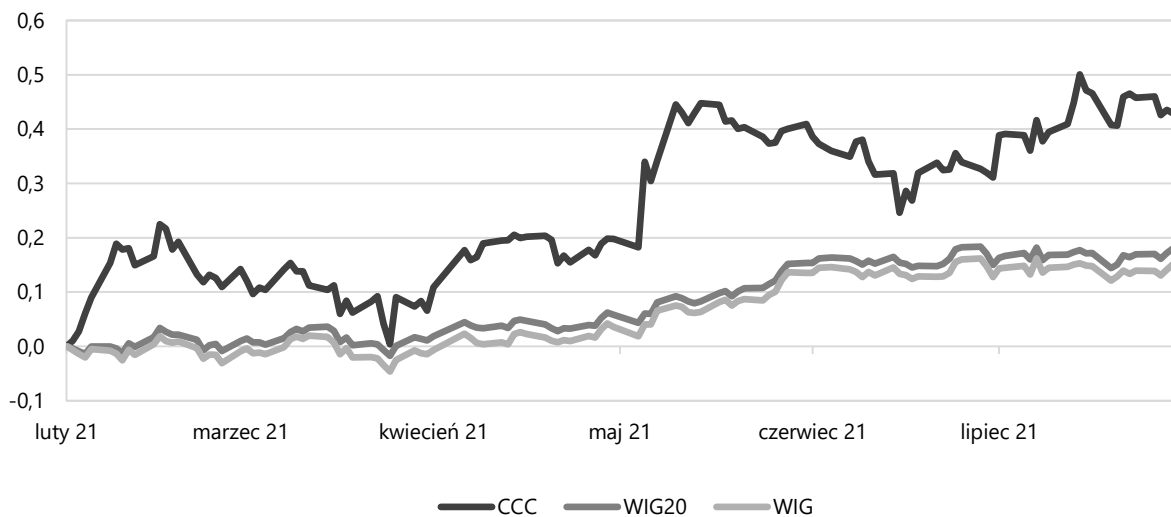
## CCC S.A. SHARES ON THE WARSAW STOCK EXCHANGE

### CCC S.A. STOCK PRICE

CCC S.A. shares have been listed in the continuous trading system on the main market of the Warsaw Stock Exchange since December 2nd 2004, and they are currently included in the key indices WIG, WIG20, WIG30, WIG-Poland, WIG-Odzież, and WIG ESG.

As at July 31st 2021, the price of one CCC S.A. share was PLN 121.55, which translated into market capitalisation of close to PLN 6.7bn. The highest price in the period (closing price) was PLN 123.00, while the lowest price was PLN 86.00. The maximum transaction price in the period ended July 31st 2021 was PLN 130.00, while the minimum price was PLN 86.00.

CCC S.A. share price February 1st 2021 – July 31st 2021



On June 22nd 2021, the Company's Annual General Meeting passed a resolution to cover the loss for the financial year 2020 of PLN 657,696,959.45 from statutory reserve funds.

## SHARE CAPITAL AND SHAREHOLDERS

As at July 31st 2021, the share capital of CCC S.A. amounted to PLN 5,486,800.00 and was divided into 54,868,000 shares with a par value of PLN 0.10 per share.

SERIES/ISSUE	TYPE OF SHARES	TYPE OF PREFERENCE	NUMBER OF SHARES	PAR VALUE OF THE SERIES/ISSUE (PLN)	FORM OF PAYMENT FOR SHARES
„A1”	registered voting preference	registered voting preference	6,650,000	665,000	cash
„A2”	ordinary bearer shares	ordinary bearer shares	13,600,000	1,360,000	cash
B	ordinary bearer shares	ordinary bearer shares	9,750,000	975,000	cash
C	ordinary bearer shares	ordinary bearer shares	2,000,000	200,000	cash
D	ordinary bearer shares	ordinary bearer shares	6,400,000	640,000	cash
E	ordinary bearer shares	ordinary bearer shares	768,000	76,800	cash
H	ordinary bearer shares	ordinary bearer shares	2,000,000	200,000	cash
Jan	ordinary bearer shares	ordinary bearer shares	6,850,000	685,000	cash
J	ordinary registered shares	ordinary registered shares	6,850,000	685,000	cash
<b>Total</b>			<b>54,868,000</b>	<b>5,486,800</b>	

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

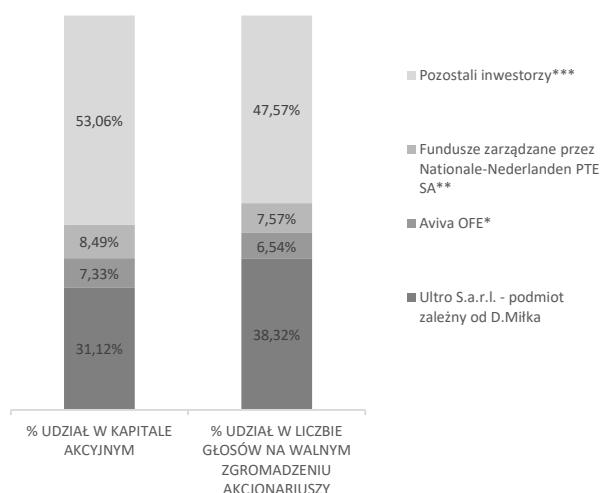
## LARGE HOLDINGS OF CCC S.A. SHARES

According to the information available to the Company, shareholders holding 5% or more of total voting rights in CCC S.A. as at July 31st 2021 were:

- ULTRO S.a.r.l. (a subsidiary of Dariusz Miłka), which held 17,077,465 Company shares, representing 31.12% of the share capital and 38.32% of total voting rights,
- Funds managed by Nationale-Nederlanden PTE SA\*\*, which held 4,659,000 Company shares, representing 8.49% of the share capital and 7.57% of total voting rights,
- Aviva OFE Aviva Santander\*, which held 4,022,000 Company shares, representing 7.33% of the share capital and 6.54% of total voting rights.

SHAREHOLDER	NUMBER OF SHARES HELD	% OWNERSHIP INTEREST	NUMBER OF VOTING RIGHTS	% VOTING INTEREST
Ultró S.a.r.l. (subsidiary of Mr Dariusz Miłka)	17,077,465	31.12%	23,577,465	38.32%
Funds managed by Nationale-Nederlanden PTE SA**	4,659,000	8.49%	4,659,000	7.57%
Aviva OFE*	4,022,000	7.33%	4,022,000	6.54%
Other investors***	29,109,535	53.06%	29,259,535	47.57%
<b>Total</b>	<b>54,868,000</b>	<b>100%</b>	<b>61,518,000</b>	<b>100%</b>

## Shareholding structure



\* As per the list of shareholders entitled to participate in the Extraordinary General Meeting on December 14th 2020.

\*\* As per the list of shareholders entitled to participate in the Extraordinary General Meeting on June 22nd 2021.

\*\*\*Other investors holding less than 5% of voting rights.

## SHARES IN THE PARENT AND IN RELATED ENTITIES HELD BY MANAGING AND SUPERVISING PERSONS

SHAREHOLDER	NUMBER OF SHARES AS AT THE DATE OF ISSUE OF THIS REPORT	PAR VALUE OF SHARES AS AT THE DATE OF ISSUE OF THIS REPORT (PLN)
<b>Management Board and Supervisory Board</b>		
Ultró S.a.r.l. (subsidiary of Mr Dariusz Miłka)	17,077,465	1,707,746
Marcin Czyczerski, CEO and President	5,100	510
Mariusz Gnych, Vice President	207,112	20,711
Karol Pótorak, Vice President	5,500	550
Igor Matus, Vice President	527	53

The other members of the Management Board and the Supervisory Board did not hold any shares in CCC S.A. Members of the Management Board and the Supervisory Board did not hold any shares in entities related to CCC S.A.

## COMPANY SHAREHOLDERS HOLDING SPECIAL CONTROL RIGHTS

According to the Articles of Association of the Company, CCC S.A. shares are divided into three classes:

- ordinary bearer shares, each conferring one voting right in the Company,
- registered shares with voting preference, each conferring two voting rights in the Company,
- ordinary bearer shares, each conferring one voting right in the Company.

SHAREHOLDER	NUMBER OF SHARES HELD	% OWNERSHIP INTEREST	NUMBER OF VOTING RIGHTS	% VOTING INTEREST
ULTRO S.a.r.l. – subsidiary of Mr Dariusz Miłek	6,500,000	13.26%	13,000,000	4.22%
Lech Chudy	50,000	0.12%	100,000	0.21%
Renata Miłek	50,000	0.12%	100,000	0.21%
Mariusz Gnych	50,000	0.12%	100,000	0.21%
<b>Total</b>	<b>6,650,000</b>	<b>13.62%</b>	<b>13,300,000</b>	<b>4.85%</b>

## RESTRICTIONS ON THE EXERCISE OF VOTING RIGHTS AT THE COMPANY

There are no restrictions on the exercise of voting rights.

## RESTRICTIONS ON THE TRANSFER OF OWNERSHIP RIGHTS TO THE ISSUER'S SECURITIES

Shareholders have the pre-emptive right to acquire registered preference shares intended for sale. If the right is not exercised with respect to all or any of the shares, the transfer of ownership of the shares requires approval by the Company's Management Board.

## RULES GOVERNING AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

Any amendments to the Articles of Association are governed by the applicable provisions of the Commercial Companies Code.

Amendments to the Articles of Association require a resolution of the General Meeting adopted by a majority of  $\frac{3}{4}$  of the votes and an entry to the National Court Register. When authorised to do so by the General Meeting, the Supervisory Board of the Company may determine the consolidated text of the amended Articles of Association or make other editorial changes specified in the respective resolution of the General Meeting.

The resolution to amend the Articles of Association takes effect from the date of entry in the National Court Register.

## AGREEMENTS CONCERNING POTENTIAL CHANGES IN THE SHAREHOLDING STRUCTURE.

The Management Board of the CCC Group is not aware of any agreements (including agreements executed after the reporting period) which may result in changes in the proportions of shares held by the current shareholders and bondholders.

## MANAGEMENT AND SUPERVISORY BODIES AND THEIR COMMITTEES AT CCC S.A.

### MANAGEMENT BOARD

As at July 31st 2021, the Management Board of the Company comprised the following members:

Full name of Management Board Member	Position held
Marcin Czaczerki	President and CEO
Mariusz Gnych	Vice President
Karol Półtorak	Vice President
Adam Holewa	Vice President
Igor Matus	Vice President
Kryspin Derejczyk	Vice President



## **MARCIN CZYCZERSKI**

President and CEO

Appointed President of the Management Board on March 8th 2019

Marcin Czaczerski graduated from the Faculty of Computer Science and Management at the Wrocław University of Science and Technology (Finance Management) and from the Faculty of Social Sciences at the University of Wrocław (Political Marketing), and he completed doctoral studies at the Wrocław University of Economics and Business.

He has many years of management experience. He worked for the Volkswagen Group from 2004, including as Managing Director of Sitech sp. z o.o. of Polkowice and its commercial proxy from 2010 to 2016. At the Company, he was responsible for financial management, accounting, management control, HR, IT, and administration. His previous positions at the Company included Logistics Director and Financial Manager.

He has served on the Management Board of CCC S.A. since January 1st 2017, initially as Vice President and Chief Financial Officer in charge of Finance, HR and IT, and since March 8th 2019 – as President of the Management Board.

Marcin Czaczerski also serves on the management and supervisory boards of numerous CCC subsidiaries.

In 2006–2017, he was a lecturer at the Wrocław University of Economics and Business and the Jan Wyżykowski University in Polkowice.

## **MARIUSZ GNYCH**

Vice President

Appointed Vice President of the Management Board on June 15th 2004. He completed doctoral studies at the Wrocław University of Economics and Business. He graduated from the Faculty of Computer Science and Management of the Wrocław University of Science and Technology (his field of study: Organisation and Management), from the WSB University in Poznań (Tax Consultancy), and from the Faculty of Law and Administration of the University of Wrocław (Investment Law). He has been involved with the CCC Group since 2000, including as President of the Management Board of CCC Factory sp. z o.o. (appointed in 2004). Previously, he was Deputy Mayor of the Polkowice Municipality, and he served on the Management Board of Polkowickie Budownictwo Mieszkaniowe sp. z o.o. and Przedsiębiorstwo Gospodarki Miejskiej sp. z o.o. Mariusz Gnych is licensed to serve on the supervisory boards of state-owned companies.

## **KAROL PÓŁTORAK**

Vice President

Appointed Vice President of the Management Board on December 1st 2016. In 2014–2016, he served as Vice President of the Warsaw Stock Exchange. Previously, he worked for the Citibank Group as Vice President of the Management Board of Dom Maklerski Banku Handlowego (2011–2014), Director at UniCredit CAIB in Warsaw and London (2000–2011), and for PwC (1999–2000), Deutsche Bank Securities (1999) and Grant Thornton in London (1998). Currently, he is also a member of the Supervisory Boards of eobuwie.pl SA and Karl Voegelé AG and a member of the Advisory Board of the HammReno Group. Previously, he served on the Supervisory Boards of Krajowy Depozyt Papierów Wartościowych S.A. and Centrum Giełdowe S.A., among other companies. He graduated from the Warsaw School of Economics and University of Derby and completed numerous executive education courses (1998).

## **ADAM HOLEWA**

Vice President of the Management Board since April 1st 2021

He graduated from the Faculty of Mechanical Engineering of the Silesian University of Technology (his field of study: Metallurgy and Materials Science). He has many years of management experience. He was involved with the automotive industry for over 20 years. He began his career at General Motors. From 2003, he worked for the Volkswagen Group, where he held senior management and executive positions, including Planning Manager, Central Planning Director and Plant Manager at SITECH Sitztechnik GmbH in Germany. In 2015–2021, he was Managing Technical Director /Plant Manager/Commercial Proxy at SITECH sp. z o.o. Volkswagen Group Components.

He established his position by leading numerous projects promoting international expansion (opening of new manufacturing facilities, development of sustainable development concepts, implementation of project management based on manufacturing systems and Lean methodology, process digitalisation, and production efficiency improvement programmes).

With conscious and sustainable growth in mind, he combines good business practice with corporate social responsibility. A manager who knows that people are the most valuable asset of any company. He helps and mentors his employees.

He devotes his free time to personal development, enhancing his skills through participation in courses and conferences. Thus, he deserves to be called an expert. He is passionate about new technology, digitalisation, and industry 4.0.

He is fluent in English and German.

## IGOR MATUS

Vice President of the Management Board since June 7th 2021

Igor Matus graduated from the Faculty of Biotechnology of the Wrocław University of Environmental and Life Sciences (M.Sc. degree), and from the Faculty of Management of the Wrocław University of Economics (M.A. degree).

He is an experienced manager, having worked for Nestle (2004–2007), Mondelez (2007–2018) and Beiersdorf (2018–2021), where he performed operational functions in the Supply Chain (as Operations Manager, Plant Manager, and Regional Poland–Russia Business Development Manager). From 2018 to 2021, he managed Beiersdorf Polska sp. z o.o., serving as the company's President.

Igor Matus has experience in managing the Supply Chain area and strategic projects aimed at enhancing financial liquidity of companies.

## KRYSPIN DEREJCZYK

Vice President of the Management Board since July 1st 2021

Kryspin Derejczyk is an expert in financial management of global trading companies. He has gained international experience in strategic and operational financial planning, performance improvement and optimisation of financial processes and change management in various organisations. He also worked in the City of London.

Between 2003 and 2015, Kryspin Derejczyk was associated with the Tesco Group, first in Poland and later in the UK. He held positions such as Financial Planning and Analysis Director and Deputy CFO in Poland. In 2013, he moved to the UK where he was responsible for Group Technology finance as Group Head of Finance in Tesco's headquarters in Welwyn Garden City. His area of responsibility covered the regions of Asia, Europe and the United States.

From 2015 to 2017, he worked in the City of London for KPMG, one of the world's leading consulting firms, where he advised global corporations on how to enhance financial management, improve business efficiency and effectively implement business strategies.

From 2018 to 2021, he worked at Pepco EU as Commercial Finance Director, managing the Group's commercial finance.

Kryspin Derejczyk is a graduate of the University of Economics in Katowice where he earned his master's degree in Business Management, and he also completed postgraduate studies in Business Controlling at the School of Banking and Finance in Katowice. He holds CIMA qualifications.

As at the issue date of this report, the Management Board of the Company comprised the following members:

Full name of Management Board Member	Position held
Marcin Czyczerski	President and CEO
Mariusz Gnych	Vice President
Karol Pótorak	Vice President
Adam Holewa	Vice President
Igor Matus	Vice President
Kryspin Derejczyk	Vice President
Adam Marciniak	Vice President

## ADAM MARCINIAK

Vice President of the Management Board since September 16th 2021

Adam Marciniak is one of Poland's most experienced managers specialising in technology and digital transformation of businesses. He built his professional career of nearly 20 years in major financial institutions in Poland: Bank Pekao, Centralny Dom Maklerski Pekao, Inteligo Financial Services and PKO Bank Polski, where most recently, from 2017 to 2021, he served as a Board Member responsible for technology, cyber security, as well as staff training and development. He successfully reorganised the functioning of IT structures focusing on process efficiency, cost optimisation and dynamic business development. He co-authored solutions such as BLIK, IKO, Bank Cyber Security Centre, digital identity in administration, nationwide e-registration system for Covid vaccinations, as well as the National Cloud concept.

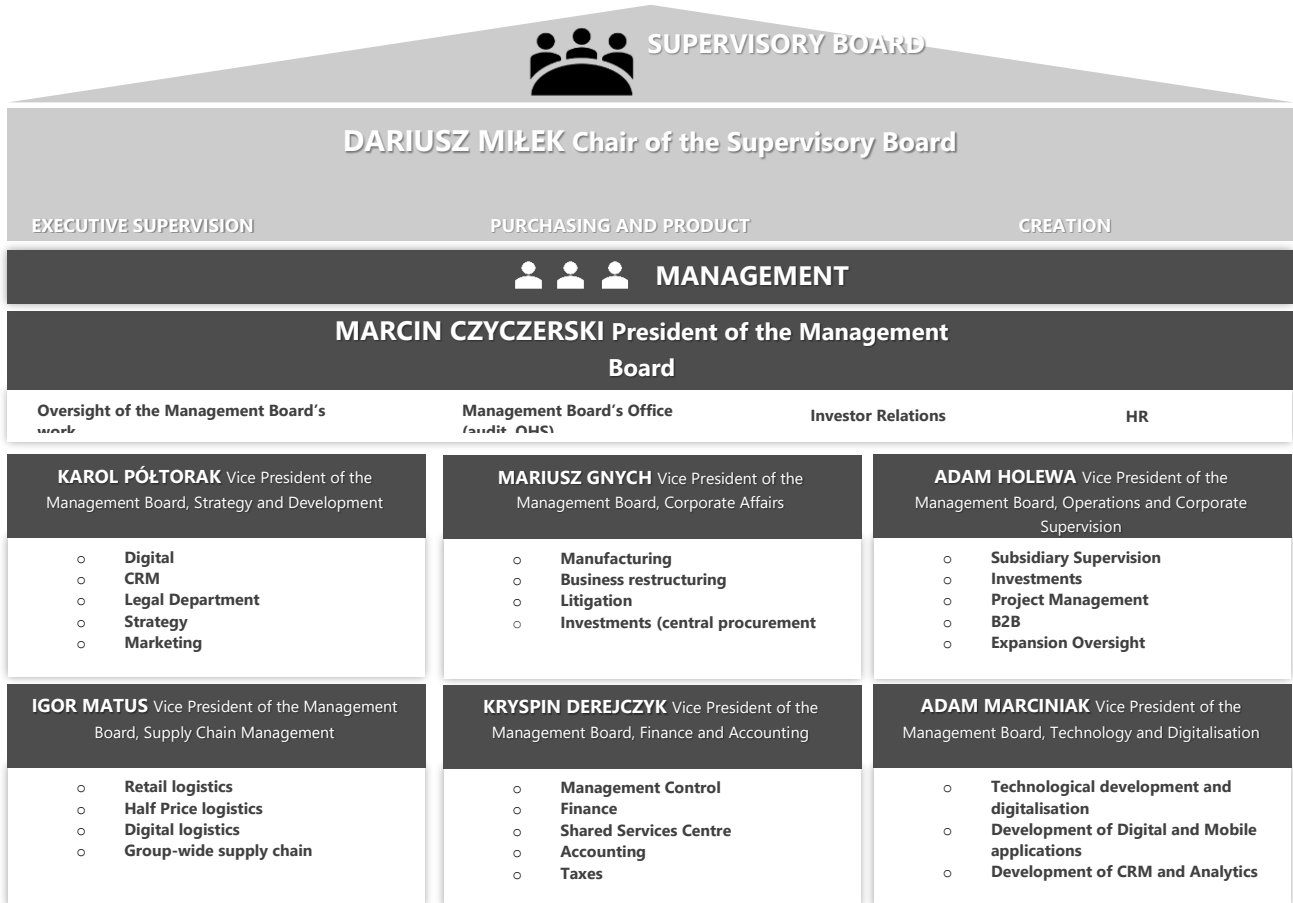
Over the years, he has been actively engaged in the process of digital transformation of the banking sector and key public institutions in Poland. He served as chairman of the presidium of the Electronic Banking Council at the Polish Bank Association, chairman of the IT Architecture Council at the Committee of the Council of Ministers for Digital Affairs, chairman of the IT Expert Group at the Ministry of Finance, and member of the IT Advisory Group at the Ministry of Health. He also chaired the supervisory boards of Operator Chmury Krajowej and PKO BP Finat.

Adam Marciniak received many industry awards and distinctions. He was named Ambassador of Electronic Economy at the 10th edition of the Electronic Economy Congress. In recognition of his special contribution to the creation and development of the banking sector, the Polish Bank Association awarded him the Nicolaus Copernicus Medal. He also won the title of 2015 Banking Market Innovator in the '50 largest banks in Poland' ranking. He was recognised with Prof. Remigiusz Kaszubski Award for creating innovation and building secure cloud-based business solutions, and for his involvement in the digitalisation of community life.

The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.

Adam Marciniak graduated from the Military University of Technology in Warsaw in 2003, where he earned master's degree in computer science. In 2006–2007, he studied IT project management at the Warsaw University of Technology. He also completed post-graduate Executive Master of Business Administration studies at the Warsaw Management University.

In connection with the appointment of new Management Board Members, as at the date of publication of this Report, the division of responsibilities was as follows:







## MANAGEMENT BOARD'S REPRESENTATIONS

### Representation on accuracy of the financial statements

To the best of the knowledge of the Management Board of CCC S.A., the interim condensed consolidated and separate financial statements and the comparative data have been prepared in compliance with the applicable accounting standards and give a true, clear and fair view of the CCC Group's assets, financial standing and financial results. The Directors' Report on the operations of the CCC Group gives a fair view of the Group's development, achievements and standing, and includes a description of key risks and threats.

### Representation and information on the auditor of the financial statements

The Management Board of CCC S.A. hereby represents that the auditing firm reviewing the interim condensed consolidated and separate financial statements was selected according to the applicable laws. The auditing firm and the statutory auditors performing the review met the conditions required to issue an impartial and independent report on the review of the financial statements, in compliance with the applicable regulations and professional standards. On June 28th 2019, CCC S.A. and Ernst & Young Audyt Polska sp. z o.o., sp. k. entered into an agreement on the audit of the financial statements and consolidated financial statements for the periods from January 1st to December 31st 2019, from January 1st to December 31st 2020, and from January 1st to December 31st 2021; and on the review the financial statements and the consolidated financial statements for the periods from January 1st to June 30th 2019, from January 1st to June 30th 2020, and from 1 January 1st to June 30th 2021. The amount of the auditor's fees has been disclosed in the financial statements.

## OTHER INFORMATION

### PARENT'S BRANCHES (ESTABLISHMENTS)

The parent has no branches (establishments).

### MAJOR R&D ACHIEVEMENTS

Not applicable.

### KEY CAPITAL AND EQUITY INVESTMENTS WITHIN THE GROUP IN THE FINANCIAL YEAR

The subsidiaries did not make any significant capital or equity investments in the six months ended July 31st 2021. Any cash surplus is used to repay debt under overdraft facilities.

### BASIS OF PREPARATION OF THE DIRECTORS' REPORT

This Directors' Report on the operations of the CCC Group and CCC S.A. covers the reporting period from February 1st to July 31st 2021, and reference periods from February 1st to July 31st 2020 and from January 1st to June 30th 2020. The Directors' Report was prepared in compliance with the separate and consolidated financial statements as well as current and periodic reports. The Directors' Report is consistent with Par. 69 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018. Art. 55.2.5 in conjunction with Art. 49.2, Art. 49.3 and Art. 63d. of the Accounting Act of September 29th 1994 also apply.

### PENDING LITIGATION, ARBITRATION OR ADMINISTRATIVE PROCEEDINGS

CCC S.A. is not party to any court proceedings where value of the dispute would exceed 10% of the Company's equity.

### SHARE BUY-BACK

In the reporting period, CCC S.A. did not perform any buy-back of its own shares.

**SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE THAT MAY HAVE A MATERIAL EFFECT ON THE COMPANY'S FUTURE FINANCIAL PERFORMANCE**

On August 2nd 2021, CCC S.A. executed an annex to the multi-purpose credit facility agreement with PKO BP S.A. The annex increased the facility amount to PLN 200m (from PLN 161m).

On August 4th 2021, OFP sp. z o.o. had its share capital increased by PLN 0.3m through the issue of 6,000 new shares with a par value of PLN 50.00 per share. The new shares were paid for partly with a cash contribution of PLN 7.6m and partly with a non-cash contribution (in-kind contribution) of PLN 65.4m from CCC S.A. in the form of an organised part of business. The contributed assets comprised property, plant and equipment, right-of-use assets, cash and inventories of stores operating under the HalfPrice brand.

On August 24th 2021, CCC S.A. acquired a 10% interest in Xpress Delivery Sp. z o.o.

On September 7th 2021, the Management Board of CCC S.A., representing the majority shareholder of eobuwie.pl S.A., announced that CCC S.A. entered into an agreement with the new President of the eobuwie.pl Management Board Damian Zapłata under which CCC S.A. agreed to enable Mr Zapłata to invest PLN 100m in Company shares by November 30th 2021, with the value of 100% of Company shares equal to PLN 6bn (six billion złoty). The investment will consist in the acquisition of existing shares or subscription for new shares, at the discretion of CCC S.A. and subject to obtaining relevant approvals, including corporate approvals and approvals from the General Meeting of eobuwie and the entities financing CCC S.A. At the same time, Damian Zapłata agreed to acquire the shares on the terms and conditions set out above.

On September 9th 2021, the Management Board of CCC S.A. entered into an agreement for the provision of debt financing in the form of bonds with PFR Inwestycje Fundusz Inwestycyjny Zamknięty, represented by Polski Fundusz Rozwoju S.A. On September 9th 2021, CCC S&B sp. z o.o. entered into an issue agreement for the issue of up to 360 ordinary registered bonds with a total nominal value of PLN 360m. For more information, see Current Report No. 58/2021 of September 9th 2021. The issue took place on September 22nd 2021, as described in the going concern note.

On September 16th 2021, the Management Board of CCC S.A. announced that at its meeting of September 16th 2021 the Supervisory Board passed resolutions to increase the number of members of the Management Board of the current term to seven persons and to appoint Adam Marciniak as Vice President of the Management Board with effect from September 16th 2021.

On September 23rd 2021, the Company repurchased 10% of shares from MKK3 sp. z o.o. for PLN 360m and on the same day sold the shares to A&R Investments Ltd. for PLN 500m. This payment was settled against the advance payment received earlier.

On October 5th 2021, eobuwie.pl S.A. of Zielona Góra, an indirect subsidiary of CCC, issued unsecured bonds convertible into eobuwie.pl shares, with a total value of PLN 500m. The bonds were issued to SVF II Motion Subco (DE) LLC, a related party of SoftBank Vision Fund 2, on the terms and conditions set out in the Subscription and Investment Agreement concluded by CCC Shoes & Bags sp. z o.o. of Polkowice, a subsidiary of CCC, and the Investor on July 2nd 2021, as disclosed in Current Report No. 44/2021 of July 2nd 2021. The total value of the bond issue is PLN 500m, and the entire issue proceeds have already been transferred to eobuwie.pl.

After the reporting date, the CCC Group established OFP Austria GmbH, making a capital contribution of EUR 2m. The change was not registered with the court by the date of publication. The company is a subsidiary of OFP Sp. z o.o.

On October 10th 2021, the Company's Management Board received a request from Ultro s.a.r.l. of Luxembourg ("Ultro"), a shareholder of the Company, holding all its 6,850,000 Series ordinary registered shares, to convert all the Shares into ordinary bearer shares. Ultro further requested CCC to take all steps necessary to have the Shares admitted and introduced to trading on the regulated market operated by the Warsaw Stock Exchange ("WSE"), and in particular have them assimilated with the other ordinary bearer shares in CCC S.A. listed on that market. Accordingly, on October 7th 2021 the CCC Management Board passed a resolution to convert all the Shares into ordinary bearer shares and take steps to have them assimilated with the other ordinary bearer shares in CCC S.A. and have them admitted and introduced to trading on the regulated market operated by the Warsaw Stock Exchange.



The data for the period February 1st–July 31st 2020 and as at July 31st 2020 and the ratios, cash flows and nominal and percentage changes calculated on its basis have not been audited or reviewed by the auditor.



INTERIM CONSOLIDATED DIRECTORS' REPORT ON THE OPERATIONS OF THE CCC GROUP  
for the six months beginning on February 1st 2021 and ending on July 31st 2021.

**This Directors' Report on the operations of the CCC Group was authorised for issue by the parent's Management Board on October 13th 2021 and signed on its behalf by:**

**Signatures of all Board members:**

Marcin Czyczerski	President and CEO
Mariusz Gnych	Vice President
Karol Półtorak	Vice President
Adam Holewa	Vice President
Igor Matus	Vice President
Kryspin Derejczyk	Vice President
Adam Marciniak	Vice President

Polkowice, October 13th 2021