CCC

Consolidated Directors' Report of the CCC Group

for the financial year from January 1st 2020 to January 31st 2021

Dear Shareholders,

I present to you the Directors' Report on the operations of the CCC Group in 2020/21, which provides a summary of key tasks we embarked on in the period.

What was probably the toughest year ever for the CCC Group is behind us. It was a year that created unprecedented challenges and a year we are leaving behind with our heads held high, ready to open a new chapter in the history of our Group.

The coronavirus pandemic that swept across the world last year was an unprecedented event that affected the health and lives of a great number of people. The measures taken to contain the spread of SARS-CoV-2 included government restrictions on free movement and business activities. They impacted many sectors of the economy, also driving dramatic changes in the business environment of retail operators,
who saw their source of revenue from offline stores abruptly cut off, with e-commerce emerging as the sole channel to market footwear and apparel. Almost all CCC Group's stores remained closed in the second half of March and for most of April last year.

We launched an immediate and resolute response, setting in motion a series of initiatives designed to minimise operating costs and limiting our investments to the rollout of the online channel, which was essential at the time. We used all forms of government assistance available to businesses affected by the pandemic, both in and outside Poland. We reached an agreement with institutions financing the CCC Group, which, coupled with an additional PLN 250m credit facility, provided liquidity for the coming year. We would like to acknowledge your support, which helped us raise over PLN 500m from a share issue that was allocated to purchase a new collection and fund other day-to-day operations.

It was the product and a new marketing strategy that became key strengths and major sources of competitive advantage for CCC last year. We appreciate them so much more now that the economy is being reopened after three lockdowns experienced in 2020. Our customers were enthusiastic about the new quality of CCC products and the way we talked about it. In our communication, we focused on creating own brands and building brand recognition based on their unique DNA. Central to our customer relationships were closeness and customer intimacy and the choice of optimum up-to-date communication tools. This made CCC a preferred store chain during restrictions easing.

Amid the pandemic and related restrictions imposed on retailers, e-commerce was put at the forefront of retail, accounting for as much as 48% of the CCC Group's revenue and sending sales soaring at a rate in excess of 70%. Growing the online channel remained our priority – we launched and upscaled new retail platforms and expanded our e-commerce logistics capabilities. At the end of 2020/21, the CCC Group operated 70 online store platforms across 17 countries, with as many as 16 opened only last year, including the launch of ccc.eu and DeeZee in new markets. One of our key e-commerce projects was the launch and expansion of a new logistics centre in Zielona Góra, which largely increased our existing shipping and storage capacities.

The eobuwie.pl Group deserves special attention as the e-commerce segment that delivered PLN 2.4bn in revenue in 2020, an increase of 54%, and a strong EBITDA margin of 8% that makes it stand out from the competition. The premium fashion brand Modivo plays an increasingly important role in the eobuwie.pl Group as its share of total revenue of eobuwie.pl reached 10% and sales growth exceeded 300%. eobuwie.pl is undergoing significant ownership changes as a result of steps initiated in 2020. The ownership structure will be strengthened with two minority shareholders, Cyfrowy Polsat S.A. and the A&R Investment fund, joining the company. Also, CCC has made a decision to acquire a 20% interest in eobuwie.pl from its founder Marcin Grzymkowski. The eobuwie.pl Group will continue on the path of fast growth, expanding its presence in existing markets, entering new markets and developing marketplace and other new services.

The commerce and consumer landscape is undergoing fundamental changes, and retail and e-commerce cannot be seen in isolation from each other. The two channels are becoming increasingly intertwined, and the CCC Group skilfully integrates the offline and online retail environments. In line with its business model presented in the GO.22 strategy, the Group is developing an omnichannel ecosystem, enabling customers to freely migrate between the sales channels. CCC offline stores are equipped with innovative esize.me foot scanners and tablets enabling customers to purchase any product from the range offered by CCC and eobuwie. Digital instore purchases at CCC stores already account for up to 20% of ccc.eu's revenue in Poland. The futuristic Modivo offline store opened its doors in 2020, and the 'eobuwie Modivo collect' convenience store offering buy online, pick up in store services has recently launched its operations. A link between the two sales channels is the same day delivery service enabling express deliveries of online orders from CCC's offline stores across 36 towns and cities in Poland. CCC's omnichannel is powered by a state-of-the-art mobile app that has been downloaded by close to five million customers to date! Based on this app, we established the CCC 2.0 Club, which is a valuable source of information about customers and their needs. The CCC 2.0 Club allows us to provide customers with attractive personalised offers and promotions.

Last year was a tough test for the GO.22 strategy unveiled in January 2020. It allowed us to pinpoint key industry trends and proved our growth direction to be right. Despite the headwinds, the CCC Group generated over PLN 5.6bn in revenue for 2020/21, close to the prior-year level. In addition to the adverse impacts of the coronavirus pandemic, our performance was largely affected by significant provisions and impairment losses related to the restructuring of our offline operations, particularly in Western Europe. The Management Board made a decision to discontinue the expansion of the retail chain in DACH countries and shift the focus to expanding the Group's key CEE operations and the e-commerce business. The impairment losses were a result of reclassification of the Swiss subsidiary Karl Voegele to discontinued operations and initiation of the process to sell the asset. The Group's performance was further dragged down by impairment losses on loss-making stores and provisions related to discontinuation of sports sponsorship activities. Importantly, the provisions and impairment losses recognised in 2020 were one-off items that stemmed from the efforts to improve profitability of the CCC Group in the future.

Today we are writing a new chapter in the history of the CCC Group. Naturally, the strategy is evolving, with a strong and rapid growth of the e-commerce business based on CCC's stylish high-quality omnichannel products and the recently unveiled off-price concept HalfPrice at its core. HalfPrice is a business model perfectly fitting into consumer trends brought out by COVID-19, strong price sensitivity in particular. A broad range of fashionable branded products at affordable prices will be our differentiator on the extremely promising off-price market. HalfPrice also offers numerous synergies with the CCC Group and may build on its retail chain upscaling experience. Our first stores have already opened – see you at HalfPrice!

Our 2020 roundup would not be complete without me mentioning ESG matters that are particularly close to my heart. One of the highlights of 2020 for the CCC Group was the 'A' rating awarded by MSCI ESG in recognition of our sustainable development efforts. The CCC Group came second in the prestigious global fashion industry ranking table Refinitiv Diversity & Inclusion 2020. I strongly encourage you to read the CCC Group's Non-Financial Report 2020 to find out what makes us a sustainability leader.

Dear Shareholders, on behalf of the Management Board I would like thank you for being there for us during this difficult year. You showed us your support on numerous occasions. We believe we have not compromised the trust you place in us. It was a year of hard yet fruitful work for the benefit of the Company and its Stakeholders. We are confident the best is yet to come.

To be able to tackle the numerous ambitious tasks ahead, we have decided to strengthen the Management Board of CCC S.A. It is my pleasure to welcome Adam Holewa, Igor Matus and Kryspin Derejczyk on the Board.

Wishing you good health, on behalf of the Management Board of CCC S.A.,
Marcin Czyczerski

About the Directors' Report on the operations of the CCC Group

The Directors' Report on the operations of the CCC Group in 2020/21 contains financial and non-financial data, showing the results and position of the CCC Group on the Polish and European markets. This Report also contains disclosures on the activities of the parent required to be disclosed in the Directors' Report. 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 showrooms.

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 complete 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 (including 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 one, 13 month-long financial year from January 1st 2020 to January 31st 2021 and comparative data, i.e. from January 1st 2019 to January 31st 2020 and from January 1st 2019 to December 31st 2019. 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.

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CCC in numbers

CHANGE IN THE GROUP'S REVENUE -2.5%			
INCREASE IN **E-COMMERCE** REVENUE **71 %**		SHARE OF **E-COMMERCE** REVENUE **48%**	
INCREASE IN REVENUE OF **EOBUWIE.PL** (excluding modivo) **44%**	INCREASE IN REVENUE OF **MODIVO 300%**	INCREASE IN REVENUE OF **CCC.EU 752%**	INCREASE IN REVENUE OF **DeeZee 76%**
SHARE OF REVENUE FROM FOREIGN MARKETS **46%**	**29 MARKETS** (22 offline) (17 online)	**72 SALES PLATFORMS** (45 desktop) (27 mobile)	

Business of the CCC Group

About us

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 1,025 offline chain stores located in modern shopping centres and malls and 72 online sales platforms in Poland and 28 countries in Europe and the Middle East. CCC shops 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 employs almost 12,000 people and has its own leather shoe factory in Polkowice. During the 2020/21 financial year, we sold almost 45m pairs of shoes, including nearly 1.8m pairs from our own production line.

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

- Distribution segment
  - Retail
    - Poland
    - Central and Eastern Europe
    - Western Europe
    - Other countries
  - E-commerce
  - Wholesale
- Manufacturing segment

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.

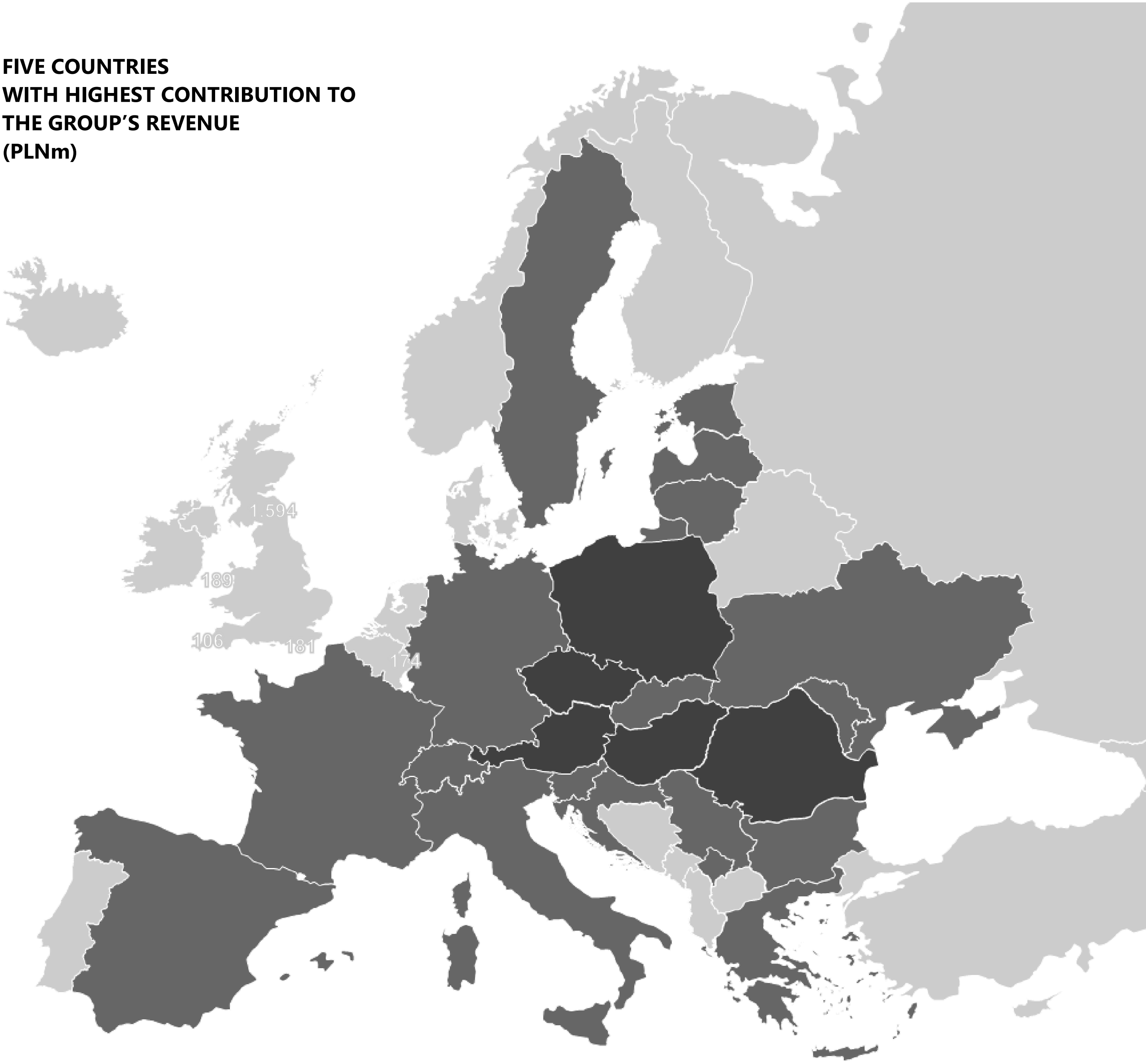
A loyal customer base supported by strong brand awareness and continuous development of the product portfolio.

Offline retail network reinforced by e-commerce channels, the latter accounting for 48% of the CCC Group's revenue.

Technological innovation represented by the proprietary breakthrough 3D foot scanner technology "esize.me" and revolutionary hybrid eobuwie.pl stores.

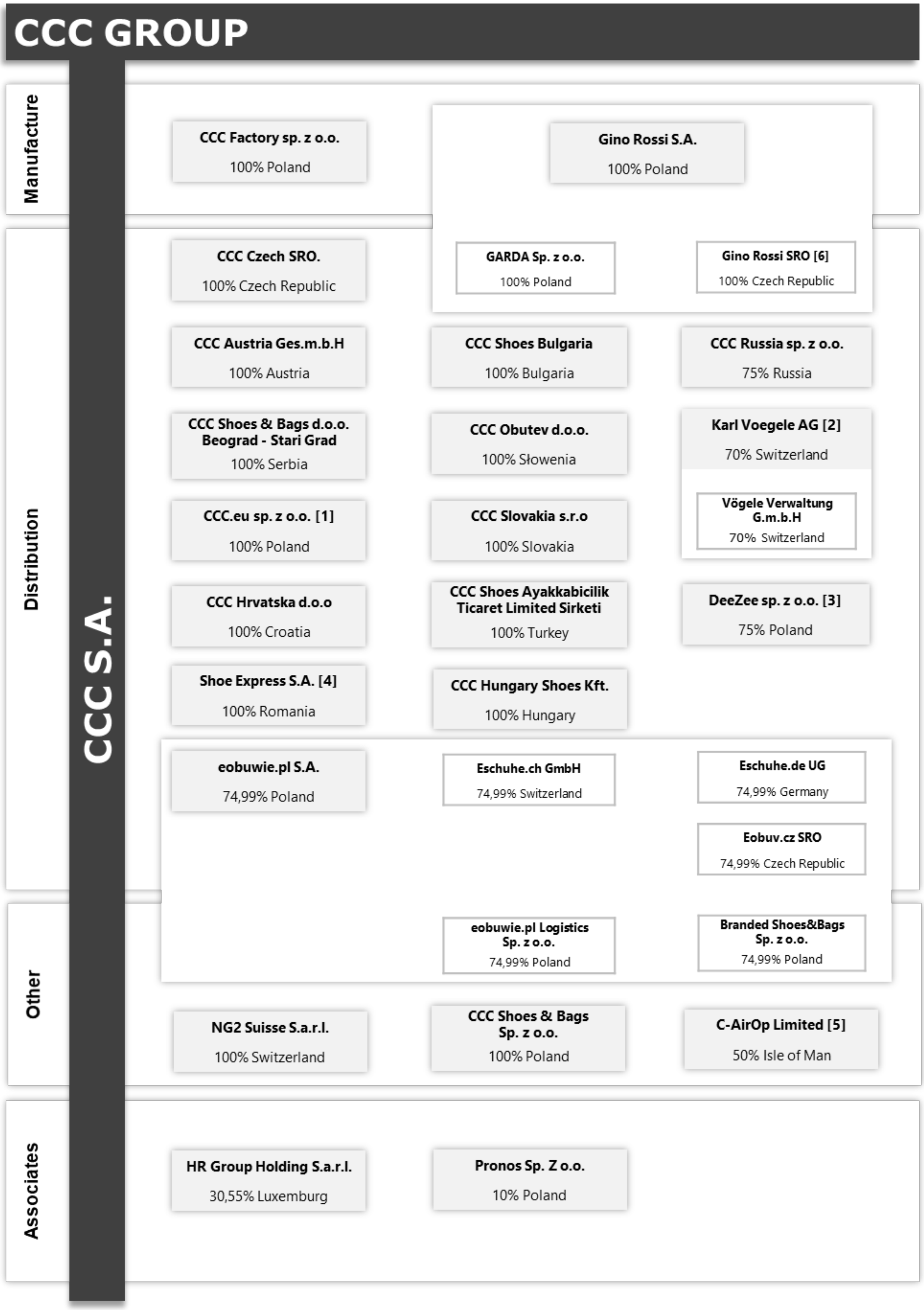
Acting responsibly, striving to meet stakeholder needs and supporting locally and globally relevant ESG initiatives.

FIVE COUNTRIES WITH HIGHEST CONTRIBUTION TO THE GROUP'S REVENUE (PLNm)



Structure of the CCC Group and its 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%-equity interests in 16 of 20 subsidiaries located in Poland, Central and Eastern Europe, Western Europe and other countries. The parent holds 74.99% shares in eobuwie.pl S.A., 75% in CCC Russia ooo and DeeZee Sp. z o.o. each, and 70% in Karl Voegele. Financial results of these companies are consolidated using the full method. The diagram on the next page presents the organizational structure of the CCC Group, including the equity interests.


CCC GROUP
CCC S.A.
Manufacture
CCC Factory sp. z o.o.
100% Poland
Gino Rossi S.A.
100% Poland
Distribution
CCC Czech SRO.
100% Czech Republic
GARDA Sp. z o.o.
100% Poland
Gino Rossi SRO [6]
100% Czech Republic
CCC Austria Ges.m.b.H
100% Austria
CCC Shoes Bulgaria
100% Bulgaria
CCC Russia sp. z o.o.
75% Russia
CCC Shoes & Bags d.o.o. Beograd - Stari Grad
100% Serbia
CCC Obutev d.o.o.
100% Słowenia
Karl Voegele AG [2]
70% Switzerland
Vögele Verwaltung G.m.b.H
70% Switzerland
CCC.eu sp. z o.o. [1]
100% Poland
CCC Slovakia s.r.o
100% Slovakia
CCC Hrvatska d.o.o
100% Croatia
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi
100% Turkey
DeeZee sp. z o.o. [3]
75% Poland
Shoe Express S.A. [4]
100% Romania
CCC Hungary Shoes Kft.
100% Hungary
eobuwie.pl S.A.
74,99% Poland
Eschuhe.ch GmbH
74,99% Switzerland
Eschuhe.de UG
74,99% Germany
Eobuv.cz SRO
74,99% Czech Republic
Other
eobuwie.pl Logistics Sp. z o.o.
74,99% Poland
Branded Shoes&Bags Sp. z o.o.
74,99% Poland
NG2 Suisse S.a.r.l.
100% Switzerland
CCC Shoes & Bags Sp. z o.o.
100% Poland
C-AirOp Limited [5]
50% Isle of Man
Associates
HR Group Holding S.a.r.l.
30,55% Luxemburg
Pronos Sp. Z o.o.
10% Poland

[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] Pursuant to a decision of the Management Board of CCC S.A. made on June 1st 2020, Karl Voegele AG was reclassified to discontinued operations. The company remains a subsidiary of NG2 Suisse S.a.r.l. (70%).
[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 NG2 Suisse S.à.r.l. (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] Gino Rossi SRO, a company of the Gino Rossi Group, was liquidated on February 2nd 2021.

Changes in the organisation of the CCC Group in 2020/21

As announced in Current Report No. 21/2020, on April 21st 2020 the Management Board of CCC S.A. passed a resolution to carry out a strategic review of the business of Karl Voegele AG of Uznach, Switzerland ("KVAG"). The purpose of the review was in particular to analyse the possibility of restructuring the KVAG operations in a business model based on a significantly reduced number of stores and/or the ability of the Group to sell assets or find a new investor for the subsidiary. As part of its plans to sell Karl Voegele AG ('KVAG'), the Management Board is holding discussions with potential investors. Due to the close operating relationship between KVAG and NG2 Suisse GmbH ("NG2"), which is also the direct shareholder of KVAG, the Issuer expects that the KVAG shares will be divested indirectly, through sale of the shares in NG2. In connection with the transaction, the Issuer is simultaneously carrying out preparatory activities including debt relief of NG2 and KVAG involving conversion of the debt into equity. Therefore, as at the reporting date, the Company recognised impairment losses on the loans, shares and the provision for a guarantee of trade liabilities.

For more information, see Note 6.4. *Discontinued operations* to the consolidated financial statements.

Changes in the organisation of the CCC Group after the reporting date

In 2020, the CCC Group began to explore potential financing options and search for minority investors for eobuwie.pl. On 31st March 2021 CCC Group signed agreements whereby eobuwie.pl will get two new minority investors – Cyfrowy Polsat S.A. and A&R Investments Limited, who will acquire 10%-equity interests each. At the same time, the Group entered into an agreement with MK3 (the existing minority shareholder in eobuwie.pl), which provides for the sale of 20% of the shares in eobuwie.pl to CCC in the next two quarters, leaving a 5% interest with MK3, and long-term cooperation between the parties on the development of the platform.

Furthermore, on January 7th 2021, the Management Board of CCC S.A. made a decision to establish the CCC Tax Group. The CCC Tax Group will consist of:

CCC Spółka Akcyjna, which will be the parent of the CCC Tax Group;
CCC Shoes&Bags Spółka z ograniczoną odpowiedzialnością as a subsidiary.

The agreement establishing the CCC Tax Group was concluded for a period of three fiscal years, i.e. for the tax years beginning on March 1st 2021, February 1st 2022 and February 1st 2013.

In accordance with the announced strategy for Gino Rossi S.A., the Group has decided to close down the subsidiary's footwear factories. Production operations at these plants will continue until July 2021, after which they will be transferred to Polkowice. 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. On April 16th 2021, agreements were signed with employees specifying detailed terms of termination of the cooperation agreements. In 2021, the Group continues its strategy to close its stores operating under the Gino Rossi brand. The last store will cease to operate in 2021. The Gino Rossi brand products will be sold in CCC stores and through the e-commerce channels of CCC and eobuwie.pl. Gino Rossi S.A. sold its trademarks to CCC.eu Sp. z o.o. in January 2021.

Changes in management principles / management structures of the CCC Group in 2020/21

On June 24th 2020, the Company's Annual General Meeting increased the number of members of the Supervisory Board and appointed Mr Henry McGovern to the Supervisory Board of the current term of office.

Changes in the composition of the Management Board after the reporting date

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 Mr Adam Holewa as Vice President of the Management Board, with effect from April 1st 2021, Mr Igor Matus as Vice President of the Management Board, with effect from June 7th 2021, and Mr Kryspin Derejczyk as Vice President of the Management Board, with effect from July 1st 2021.

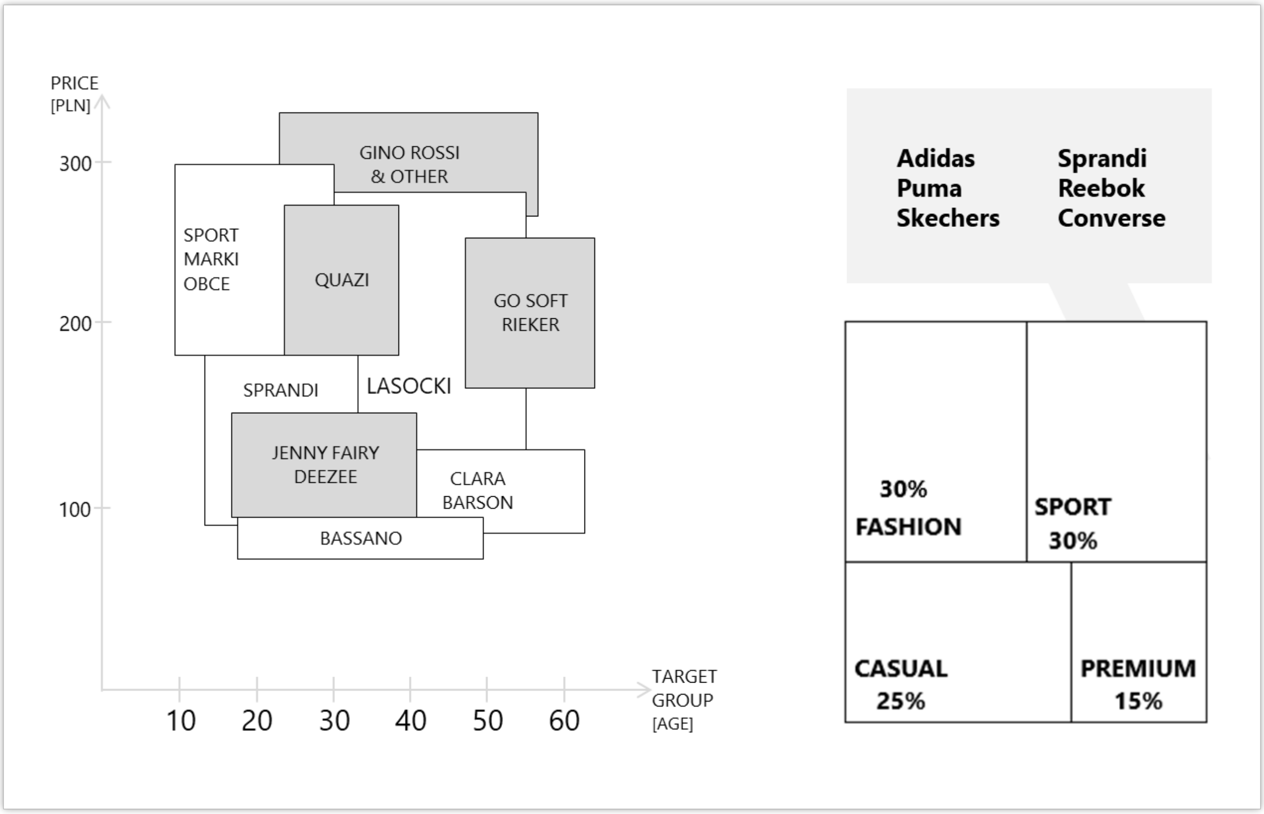
Following the changes, as at the date of authorisation of this Report for issue, the Management Board consisted of:

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.

Portfolio

The portfolio of CCC-branded products comprises both popular own brands and recognised third-party brand names. In 2020/21, the top ten brands, Lasocki, Jenny Fairy, Sprandi, Gino Rossi, adidas, DeeZee, Lanetti, Neli Blu, Rieker and Go Soft, accounted for almost 80% of CCC's total sales.

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 clothing items. Product prices range from PLN 59.99 to PLN 599.99. The graph below illustrates the structure of CCC's product portfolio.



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

DeeZee

The latest trends, original styles, flashy looks and colours, and lots of fun. That's a DeeZee girl! It is fashion and chic 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 the WOW! brand in CCC's portfolio intended for 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. Aesthetic and minimalist designs for true fashion aficionados and connoisseurs of the latest visual trends. Refined and simple, premium quality materials, accessories and products. Fashion for city dwellers in their 30s who are well-educated, ambitious and conscious consumers and see themselves as citizens of the world. Gino Rossi 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 solutions that work.

Ready, Sprandi, go! A brand of sports and urban footwear that rocks, complemented with durable and extremely functional clothing. Excellent quality materials, cutting-edge technologies and ergonomic cuts deserve the attention of sports enthusiasts who love comfort. The hottest designs, surprising details and trendy colours too! Comfortable Sprandi running shoes and sneakers are a great choice for workout and a city stroll that will make a perfect team with the 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 brands: adidas, Reebok, Puma, New Balance, Converse, Skechers, Vans or Crocs, and includes children's footwear featuring some of the beloved Disney characters. Under Armour, Champion and Reebok brands are to be added to the offering already 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 500 brands, offering more than 85,000 SKUs to its customers, and Modivo collaborates with more than 200 brands, offering about 200,000 SKUs. 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 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.

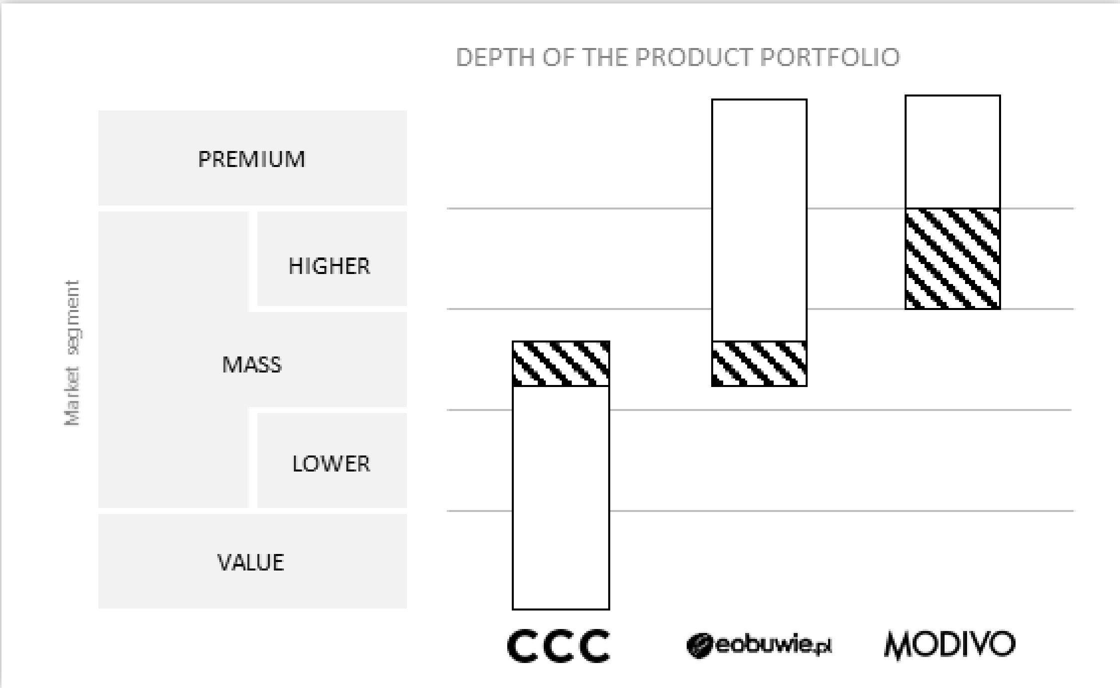
QUAZI

Quazi is an Italian brand with an established presence in Poland, specialising in both women's and men's footwear. 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 bovver 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

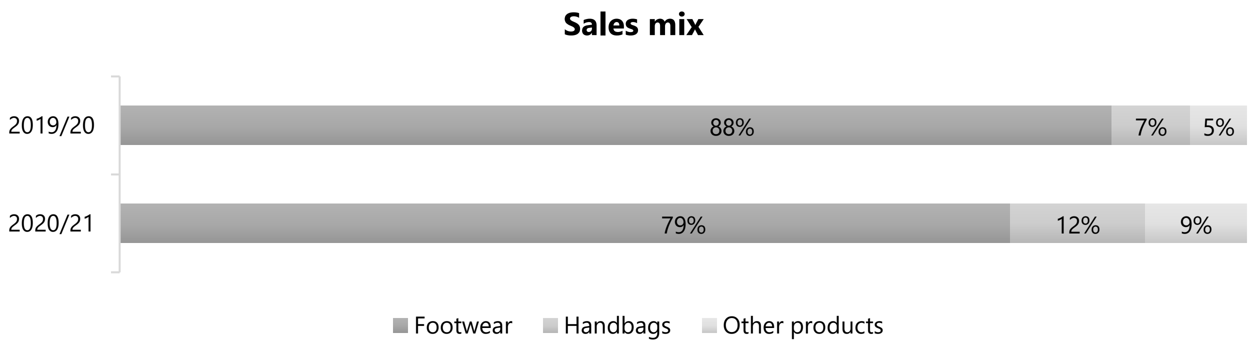
Premium quality materials, meticulous workmanship and attention to detail – eobuwie.pl's own brand Creole proves there is no need for compromise. Excellent tailoring goes hand in hand with knowledge of the latest trends. The result? Stylish handbags and accessories suitable for every occasion. The brand 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. 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 the financial year 2020/21 in step with the development of the e-commerce business. The shares of handbags and accessories in the sales mix increased to 12% and 9%, respectively, while footwear accounted for 79% of the sales mix. The breakdown of retail sales was similar, with the shares of footwear, handbags, and other products at 88% (-1pp y/y), 5% (-1pp y/y) and 7% (+2pp y/y), respectively.



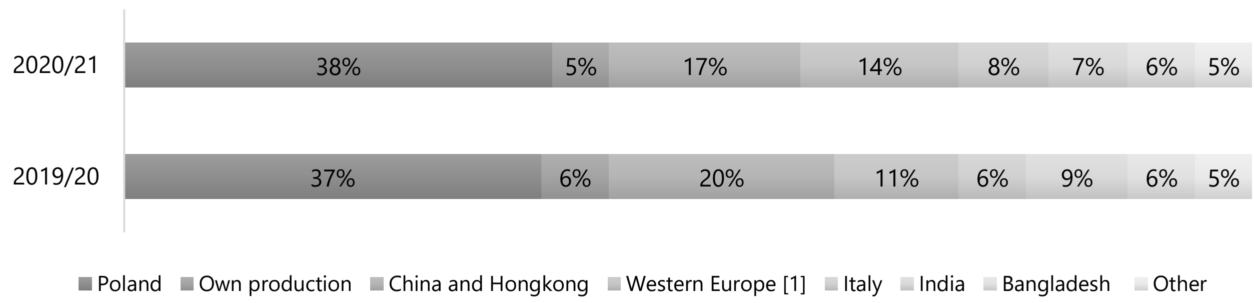
Business model

Manufacturing and 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 as well as from the Group's own plant (CCC Factory Sp. z o.o.). From 2019 to 2021, goods were also produced and delivered by Gino Rossi S.A. – one of the subsidiaries of the CCC Group. By July 2021, production at the Gino Rossi plant in Słupsk is to be ceased and relocated to CCC Factory.

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 2020/21, the purchases effected by eobuwie.pl already accounted for almost 50% of the CCC Group's total purchases of merchandise. A considerable part of eobuwie.pl's suppliers have presence in Poland, 52% of them in 2020/21.
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

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

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 m², which can hold at least 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 mechanization 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 110,000 m², can be further optimised. The CCC Group invests in logistics also in the e-commerce segment, which is reflected in the new eobuwie.pl logistics centre that is currently being built in Zielona Góra. The facility will enable the Company to multiply its handling capacity at its former logistics centre, thus addressing the growing importance of the e-commerce business at the CCC Group and the increasing popularity of online shopping. The project consists of four components and is planned to be executed in stages. The first stage commenced in September 2018.

In January 2019, an extension of one of the warehouses was completed, which involved assembly of storage racks in the expanded area. This increased the number of racks by over 60,000. The added warehouse space can hold approximately 10m pairs of shoes (a 50% capacity increase). As a result of the organisational restructuring of CCC S.A. and the CCC Group, the logistics functions remained at the parent and the logistics services are now provided to the related entity.

E-Commerce Logistics Centre in Zielona Góra

The new eobuwie.pl logistics centre in the Lubuski Industrial Park in Zielona Gora 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 m^2, 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 2020, work on a 15 thousand m^2 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 will terminate in August 2021, which will allow the company 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^2 of floor space. The contractor selection process is under way and the construction is slated for completion by the end of 2021.

In December 2020, eobuwie.pl also signed a contract for a six-year lease of a 15 thousand m^2 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 third 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

The Group's first business segment is retail sales, which generates 46% of all revenue. In this segment, the Group operates in four regions:

- Poland,
- Central and Eastern Europe,
- Western Europe,
- Other countries.

In these regions, the Group is also present through its online business, which in 2020/21 already accounted for 48% of total revenue.

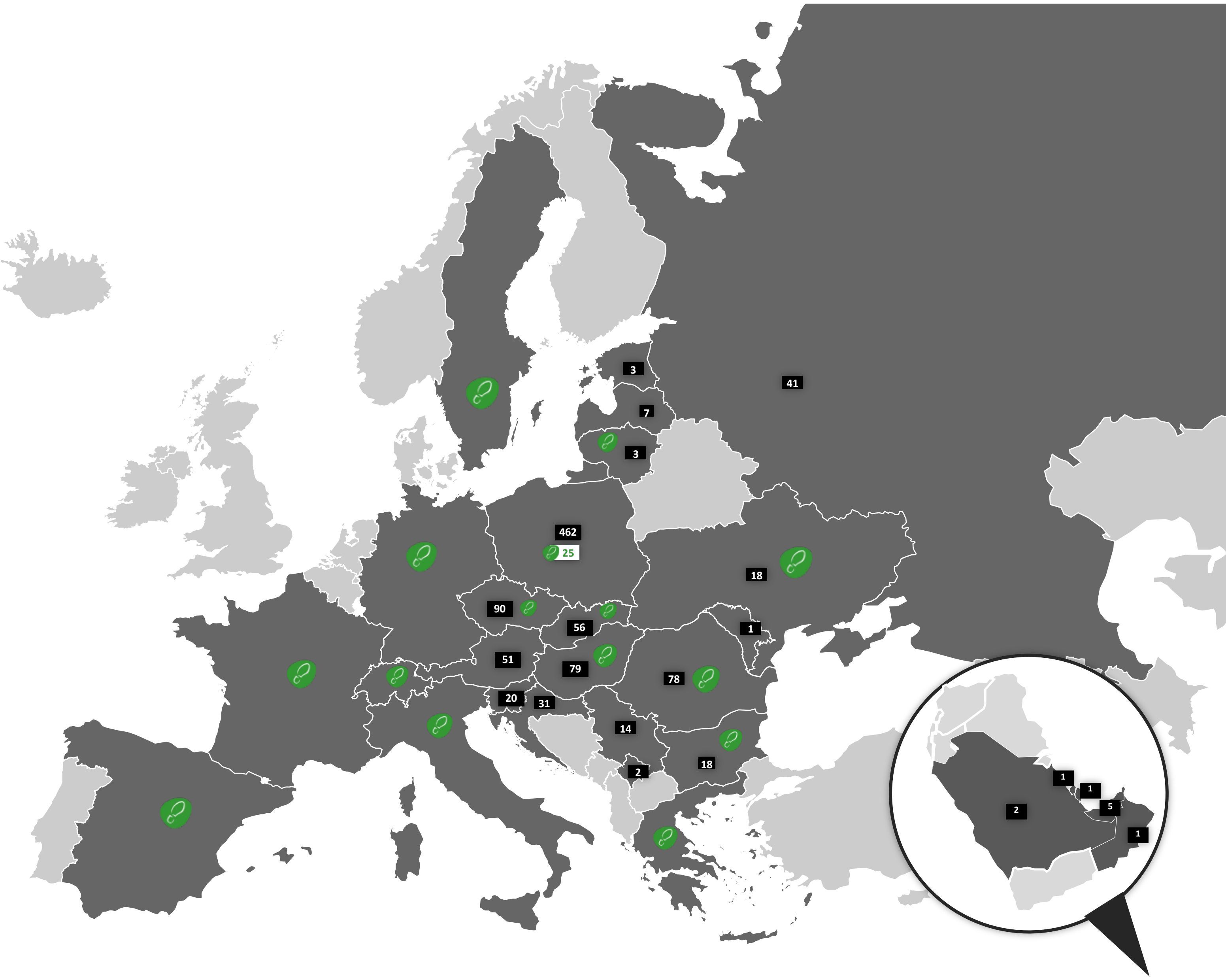
In 2020/21, the retail sector was impacted by the global coronavirus pandemic, which resulted in several rounds of administrative restrictions being imposed on the operation of offline stores in most of the geographical markets of the Group. As a result, there was a noticeable accelerated migration of customers to e-commerce channels, which partially satisfied consumer demand during the lockdown period. This was a significant driver of the online segment's share in the Group's revenue.

Market environment and competition in our key regions

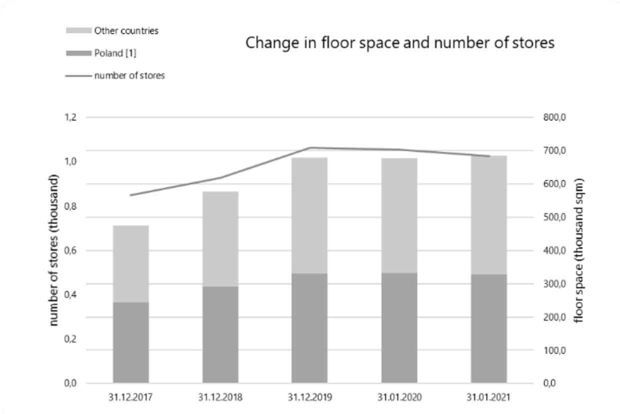
The main exogenous factors affecting the Group's business are the macroeconomic environment, industry outlook, and the competitive environment in the Group's key operating regions. For a detailed analysis of these factors, see Section 'Factors and events with a bearing on the performance of the CCC Group/ Macroeconomic growth in Poland and Central and Eastern Europe' on page 23 of this Report.

Market presence

Poland is the CCC Group's core sales market. The share of the Group in the country's fragmented footwear retail market is estimated at about 30%. In terms of the number of retail outlets in Poland, CCC is almost twice as big as its largest competitor. Outside Poland, the Group operates in Central and Eastern Europe, Western and Southern 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.



CHAIN	TYPE OF STORE	January 31st 2021		January 31st 2020	
		m²	NUMBER	m2	NUMBER
CCC	Poland	309,493	462	311,822	472
	Hungary	57,297	79	56,896	79
	Czech Republic	53,988	90	56,263	95
	Romania	47,696	78	42,921	71
	Slovakia	35,628	56	33,373	52
	Austria	33,373	51	32,410	50
	Russia	31,878	41	34,212	41
	Croatia	20,800	31	19,811	29
	Slovenia	17,013	20	14,508	18
	Bulgaria	12,048	18	11,651	17
	Serbia	11,031	14	11,031	14
TOTAL		**630,245**	**940**	**624,898**	**938**
OTHER	eobuwie.pl	17,146	25	13,392	21
	Gino Rossi	1,723	14	5,362	45
TOTAL OWN STORES		**649,114**	**979**	**643,652**	**1,004**



CHAIN	TYPE OF STORE	January 31st 2021		January 31st 2020	
		m²	NUMBER	m2	NUMBER
CCC FRANCHISE	Ukraine	12,336	18	11,754	17
	UAE	4,853	5	4,082	4
	Latvia	4,559	7	4,409	7
	Estonia	2,879	3	3,734	4
	Lithuania	2020	3	2,657	4
	Kosovo	1,958	2	1,958	2
	Saudi Arabia	1,876	2	1,050	1
	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	515	6
TOTAL FRANCHISE		**34,541**	**46**	**34,053**	**49**
TOTAL CCC GROUP		**683,655**	**1,025**	**677,705**	**1,053**
	KVAG*	65,078	131	81,315	179

* KVAG is classified as discontinued operation.

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

[2] Other countries include offline stores outside Poland.

As at January 31st 2021, the Group's retail space area was 683.7 thousand m², having increased by 6 thousand m² relative to January 31st 2020, including an increase in the net area of CCC own stores (up +5.4 thousand m²) , opening of four new eobuwie.pl stores (+3.8 thousand m²), closures of 35 Gino Rossi stores (-4.0 thousand m²), and an increase in the area of franchise stores in the Middle East and Ukraine (+2.2 thousand m²).

The retail space of CCC, Gino Rossi and eobuwie.pl retail outlets increased 1% year on year, to 649.1 thousand m² (including: 328.4 thousand m² in Poland). The retail space of the franchise outlets increased by 1% year on year to 34.5 thousand m² on the reporting date.

Retail sales

In 2020/21, the Group conducted retail business through chains of own stores in Poland, the Czech Republic, Slovakia, Austria, Slovenia, Croatia, Serbia, Russia, Bulgaria, Romania and Hungary. As at January 31st 2021, the total number of these stores was 979 (including 25 eobuwie.pl stores and 14 Gino Rossi stores). The average floor space of the stores increased by 22 m² to 663.0 m² (641.1 m² in 2019/20).

Retail revenue decreased by PLN 1,310.3m (-33.4%) to 2,616.0m relative to the previous reporting period and accounted for 46% of total sales. The data relate to continuing operations and does not include Karl Voegele AG.

HalfPrice

In May 2021, a new off-price retail network was launched, offering a wide range of well-known brand products at bargain prices. HalfPrice will offer clothing, footwear, accessories, cosmetics, toys and home furnishings and accessories. 10 stores are planned to be opened in a month.

Online sales

The online sales business of the Group is operated by CCC S.A. and its subsidiaries, the eobuwie.pl Group companies, DeeZee Sp. z o.o. and Gino Rossi S.A. (the Gino Rossi platform was acquired by the eobuwie.pl Group in June 2020). The e-commerce segment is additionally supported 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 seven Polish cities as at January 31st 2021 and in 37 Polish cities as at the release date of this Report, as well as weekend deliveries by InPost, and deferred payments offered by PayPo.

As at January 31st 2021, CCC had an e-commerce presence in the following markets: Poland, the Czech Republic, Slovakia, Romania, Hungary, Austria, with launch of online sales in 2021 planned in Bulgaria, Croatia, Greece and Slovenia. The dedicated sales app was available in Poland, the Czech Republic, Slovakia, Romania, Hungary and Austria.

As at January 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). The innovative esize.me functionality is planned to be launched in the Czech Republic, Slovakia, Romania, Hungary and Bulgaria in 2021. In the coming months, esize.me is also expected to be launched in an app in Romania, Hungary, the Czech Republic, Greece and Bulgaria.

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, with plans to also launch a dedicated sales app.

Online sales revenue increased by PLN 1,115.6 million (+70.6%) to PLN 2,696.3 million relative to the previous reporting period and accounted for 48% of total sales in 2020/21.

Wholesale and other sales

In 2020/21, wholesale customers were franchisees present in Poland, Ukraine, Latvia, Lithuania, Estonia, the United Arab Emirates, Kosovo, Saudi Arabia, Bahrain, Qatar, Moldova and Oman. As at January 31st 2021, there were 46 franchise stores in total. The average floor space of the stores increased by 56.0 m^2 to 750.9 m^2 (2019/20: 694.9 m^2).

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.

Revenue from wholesale, sale of services and production activities decreased by PLN 55.7m (-26.8%) in total to PLN 151.9m, accounting for 3% of total sales. The wholesale segment also sells to HRG Reno, an associate and also one of the key customers. The above figures include continuing operations.

Key developments in 2020/21

Q1

- Adoption of GO.22, the Group’s development strategy for 2020-2022.
- Administrative restrictions of sales in the offline retail channel in response to the coronavirus outbreak. For more than three months, the CCC chain stores in 23 countries operated at limited capacity.
- Preparation of the business stabilisation plan for the Group in response to the store closures.

Q2

- The Extraordinary General Meeting of April 17th 2020 resolves to issue up to 13,700,000 CCC shares. The Company acquires PLN 506.9m in gross capital, with the intention to increase its working capital.
- Start of strategic review of Karl Voegele AG, a subsidiary.
- As a result of discussions with banks, financing institutions and bondholders, the Group secured financing for its operations. CCC received state subsidies to cover employment costs, managed to bring down its operating expenses and negotiated the lease terms for its premises.

Q3

- "A" rating assigned to CCC by MSCI ESG, in recognition of the Group's sustainability efforts.
- Execution of a PLN 250m Term Sheet with the institutions providing financing to the Group, backed with guarantee from Bank Gospodarstwa Krajowego.
- Recognition of significant one-off provisions and impairment losses related to the restructuring of the Group's operations in the Western Europe segment and scale-down of CCC's presence in the region.

Q4

- Execution of the Common Terms Agreement to provide the Company with financing for up to PLN 250m, secured by BGK.
- Commitment to purchase fully green electricity from renewable sources as of 2021.
- Establishment of the CCC Tax Group to facilitate tax settlements by Group companies.

Find out more about the important developments in 2020/21 on our website:
https://corporate.ccc.eu/news/aktualnosci,1
https://corporate.ccc.eu/raporty#pills-relacjeinwestorskie-raporty-zakladki-raporty-biezace-1-tab

Selected financial and operating data of the CCC Group

	PLNm			EURm		
Selected financial data from the consolidated statement of profit or loss and other comprehensive income	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**
	AUDITED*	UNAUDITED	UNAUDITED*	AUDITED*	UNAUDITED	UNAUDITED*
Revenue	**5,638.6**	**5,780.2**	**5,402.9**	**1,262.2**	**1,343.7**	**1,255.9**
Retail	2,616.0	3,926.3	3,709.0	585.5	912.8	862.2
Poland	1,593.9	2,397.7	2,272.8	356.8	557.4	528.3
Central and Eastern Europe	801.8	1,220.8	1,148.2	179.5	283.8	266.9
Western Europe	105.4	143.9	135.4	23.6	33.5	31.5
Other countries	114.9	163.9	152.6	25.7	38.1	35.5
E-commerce	2696.3	1580.7	1,442.1	603.5	367.5	335.2
Wholesale/ services	151.6	206.6	198.7	33.9	48.0	46.2
Manufacturing	0.3	1.0	1.0	0.1	0.2	0.2
Revenue not allocated to segments	174.4	65.6	52.1	39.0	15.2	12.1
Gross profit (loss)	**2,456.5**	**2,755.5**	**2,595.4**	**549.8**	**640.6**	**603.3**
Gross margin	43.6%	47.7%	48.0%	43.6%	47.7%	48.0%
Segment profit or loss:						
Retail	(341.9)	232.0	266.5	(76.6)	53.9	61.9
Poland	(93.0)	281.9	295.4	(20.8)	65.5	68.7
Central and Eastern Europe	(167.0)	21.4	42.8	(37.4)	5.0	9.9
Western Europe	(58.8)	(49.9)	(54.2)	(13.2)	(11.6)	(12.6)
Other countries	(23.1)	(21.4)	(17.5)	(5.2)	(5.0)	(4.1)
E-commerce	192.0	98.6	107.5	43.0	22.9	25.0
Wholesale/ services	4.6	33.2	31.6	1.0	7.7	7.3
Manufacturing	(0.8)	(0.9)	(0.9)	(0.2)	(0.2)	(0.2)
Operating profit (loss)	**(626.7)**	**150.5**	**207.1**	**(140.3)**	**35.0**	**48.1**
Profit (loss) before tax	(968.3)	27.0	105.3	(216.7)	6.3	24.5
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**(988.9)**	**19.8**	**95.6**	**(221.3)**	**4.6**	**22.2**
Net profit (loss) from discontinued operations	**(291.4)**	**(138.8)**	**(123.1)**	**(65.2)**	**(32.3)**	**(28.6)**
Net profit (loss)	**(1,280.3)**	**(119.0)**	**(27.5)**	**(286.5)**	**(27.7)**	**(6.4)**

* restated

	PLNm			EURm		
Selected financial data from the consolidated statement of financial position	**January 31st 2021**	**January 31st 2020**	**December 31st 2019**	**January 31st 2021**	**January 31st 2020**	**December 31st 2019**
	AUDITED	UNAUDITED	AUDITED	AUDITED	UNAUDITED	AUDITED
Non-current assets	**3,375.1**	**4,213.9**	**4,210.5**	**743.7**	**979.7**	**988.7**
Current assets, including:	**3,061.4**	**2,849.4**	**2,933.2**	**674.5**	**662.5**	**688.8**
Inventory	2,192.6	2,075.6	1,942.3	483.1	482.6	456.1
Cash	458.7	292.4	542.6	101.1	68.0	127.4
Assets classified as held for sale	**210.9**	**0.0**	**0.0**	**46.5**	**0.0**	**0.0**
Total assets	**6,647.4**	**7,063.3**	**7,143.7**	**1,464.7**	**1,642.2**	**1,677.5**
Non-current liabilities, including:	**2,785.4**	**2,896.9**	**3,095.8**	**613.7**	**673.5**	**727.0**
Financing liabilities	472.7	475.9	683.0	104.2	110.6	160.4
Current liabilities, including:	**3,346.5**	**3,169.8**	**2,958.3**	**737.4**	**737.0**	**694.7**
Financing liabilities	1,196.9	1,147.1	830.4	263.7	266.7	195.0
Liabilities directly related to assets classified as held for sale	**205.7**	**0.0**	**0.0**	**45.3**	**0.0**	**0.0**
Total liabilities	**6,337.6**	**6,066.7**	**6,054.1**	**1,396.4**	**1,410.5**	**1,421.7**
Equity	**309.8**	**996.6**	**1,089.6**	**68.3**	**231.7**	**255.9**

	PLNm			EURm		
Selected financial data from the consolidated statement of cash flows	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**
	AUDITED	UNAUDITED	AUDITED	AUDITED	UNAUDITED	AUDITED
Net cash flows from operating activities	(62.1)	720.0	986.6	(13.9)	167.4	229.3
Net cash flows from investing activities	(261.8)	(746.6)	(713.6)	(58.6)	(173.6)	(165.9)
Net cash flows from financing activities	240.0	(55.3)	(104.7)	53.7	(12.9)	(24.3)
Total cash flows	**(83.9)**	**(81.9)**	**168.3**	**(18.8)**	**(19.0)**	**39.1**
Capital expenditure	(206.4)	(524.1)	(496.9)	(46.2)	(121.8)	(115.5)

Operational data	**January 31st 2021**	**January 31st 2020**	**December 31st 2019**
	AUDITED	UNAUDITED	AUDITED
Number of stores	1,156	1,232	1,242
including discontinued operations	131	179	179
Retail space (thousand m^2)	748.7	759.0	760.0
including discontinued operations	65.1	81.3	81.3
Number of markets with online sales	17	15	15

Selected data from the consolidated statement of profit or loss and other 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 January 31st 2021 was EUR 1 = PLN 4.5385
  - the exchange rate as at January 31st 2020 was EUR 1 = PLN 4.3010
  - the exchange rate as at December 31st 2019 was EUR 1 = PLN 4.2585
- particular items of the consolidated statement of profit and loss and other 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 January 1st 2020–January 31st 2021, the average exchange rate was EUR 1 = PLN 4.4791
  - in the period January 1st 2019–January 31st 2020, the average exchange rate was EUR 1 = PLN 4.3017
  - in the period January 1st 2019–December 31st 2019, the average exchange rate was EUR 1 = PLN 4.3018

The amounts were translated at the exchange rates specified above by dividing amounts expressed in millions of the złoty 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
January 2020–January 2021	4.2654	3.6254	3.7460	3.8861
January 2019– January 2020	4.0154	3.7243	3.8999	3.8391
January –December 2019	4.0154	3.7243	3.7877	3.7618

PERIOD (EUR/PLN)	HIGH	LOW	END OF PERIOD	MID
January 2020–January 2021	4.6330	4.2279	4.5385	4.4512
January 2019– January 2020	4.3891	4.2279	4.3010	4.2952
January –December 2019	4.3891	4.2279	4.2585	4.2999

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 2020/21 had a 28.3% 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
- Sunday trading restrictions in Poland.

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. It is projected to return to growth 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 from 3.9% to 5.6% lower than in 2019, compared with expansion by from 2.3% to 4.6% reported for the previous year. It is projected to return to growth in 2021.

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 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 digitalization 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:

- personalization 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 popularization 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 lower 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 acting effectively and nimbly, 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.

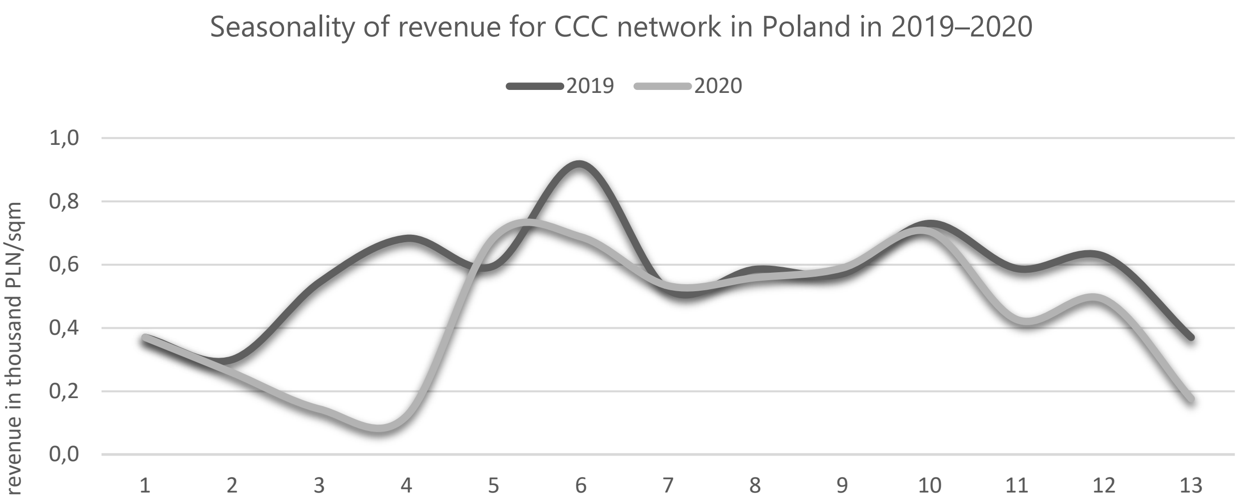
In 2020/21, the COVID-19 pandemic had a significant impact on the footwear market. In the opinion of the Issuer, the potential long-term effects of the pandemic on the footwear retail market include the expected faster growth of online penetration or greater consumer interest in less expensive products.

Despite the significant deviation of the 2020/21 results from the budget, as at the date of the reporting date in principle the Issuer maintains its assumptions and strategic objectives until 2022, with a possible adjustment to the expected level of debt (strategy pillar: Financial Stability) whose amount largely depends on the pandemic landscape and consumer behaviours.

For more information on the CCC Group's strategy, see page 61.

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. The seasonality of sales in 2020/21 was disrupted by the effects of the global coronavirus pandemic and, in particular, by several rounds of administrative restrictions on retail trade through offline stores in most of the Group's markets.



Analysis of selected financial and operating data of the CCC Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER 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 recognizes: 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.

In the analysis we also use sales of like-for-like stores (the definition of this measure is given in the respective tables).

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 on page 8. 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, while CCC Factory manufactures footwear for the Group.
*Online sales launched in June 2019.

Revenue

	REVENUE [1]			*CHANGE%
	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Retail	2,616.0	3,926.3	3,709.0	-33.4%
Poland	1,593.9	2,397.7	2,272.8	-33.5%
Central and Eastern Europe	801.8	1,220.8	1,148.2	-34.3%
Western Europe	105.4	143.9	135.4	-26.8%
Other countries	114.9	163.9	152.6	-29.9%
E-commerce	2696.3	1580.7	1,442.1	70.6%
Wholesale/ services	151.6	206.6	198.7	-26.6%
Manufacturing	0.3	1.0	1.0	-70.0%
Total	**5,464.2**	**5,714.6**	**5,350.8**	**-4.4%**
Unallocated to segments	174.4	65.6	52.1	>100%
Total	**5,638.6**	**5,780.2**	**5,402.9**	**-2.4%**

1) Only revenue from sales to external customers.

Revenue in 2020/21 was PLN 5,638.6, having decreased by PLN 141.6m (-2.4%) year on year. The result was mainly attributable to lower sales in the retail segment by PLN 1,310.3m (-33.4% year on year), higher e-commerce revenue by PLN 1,115.6m (+70.6% year on year), and a PLN 55.7m decrease in revenue from wholesale, services and manufacturing activities (-26.8% year on year). The share of retail revenue in total sales in 2020/21 was 46.4% (2019/20: 67.9%), with a growing share of e-commerce, at 47.8% of total sales in 2020/21 (2019/20: 27.3%), and a slight decrease in wholesale revenue from 4% in 2019/20 to 3% in the current period.

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

	LIKE-FOR-LIKE STORES			*CHANGE %	OTHER STORES	
	NUMBER	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020		January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020
		AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
Poland	374	1,176.5	1,827.6	-35.6%	394.9	540.8
Central and Eastern Europe	301	671.3	1,114.2	-39.8%	130.5	106.6
Western Europe	39	78.7	119.8	-34.3%	26.7	24.1
Other countries	33	33.9	97.7	-65.3%	81.0	66.2
Total	**747**	**1,960.4**	**3,159.3**	**-37.9%**	**633.1**	**737.7**

	LIKE-FOR-LIKE STORES - OPEN			*CHANGE %	OTHER STORES	
	NUMBER	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020		January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020
		AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
Poland	374	1,176.5	1,208.0	-2.6%	394.9	1,160.4
Central and Eastern Europe	301	671.3	815.6	-17.7%	130.5	405.2
Western Europe	39	78.7	84.5	-6.9%	26.7	59.4
Other countries	33	33.9	81.1	-58.2%	81.0	82.8
Total	**747**	**1,960.4**	**2,189.2**	**-10.5%**	**633.1**	**1,707.8**

[1] Like-for-like stores are stores that operated without interruption in 2019 and 2020.
[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.
[3] Like-for-like stores do not include the Gino Rossi stores acquired in March 2019 and the KVAG stores acquired in June 2018.
[4] Like-for-like stores – open – this comprises only those stores which generated sales in the reporting period and the comparative period (excluding the impact of government restrictions on the operation of offline stores).

In total, revenue generated by like-for-like stores fell by PLN -1,198.9m (-37.9%) for all stores and by PLN -228.8m (-10.5%) for open stores. The decline in like-for-like sales was reported from the following markets: Central and Eastern Europe (-39.8%), Western Europe (-34.3%) and other countries (-65.3%). The decline in revenue from like-for-like stores in Poland was -35.6% year on year.

The lowest decline in revenue from like-for-like stores – open was recorded in Poland (-2.6%), Central and Eastern Europe (-17.7%), Western Europe (-6.9%), and other countries (-58.2%).

Poland continues to be the largest retail market, with a 28.2% share in total revenue in 2020 (2019: 41.5%). In 2020, retail revenue from like-for-like stores and other stores in Poland was PLN 1,571.4m, having decreased by PLN -797.0m (-33.7%) year on year. This was attributable to a decrease in revenue from like-for-like stores, of PLN -651.1m (-35.6%), and from other stores, of PLN -145.9m (-27.0%). Taking into account like-for-like stores – open, the decrease was PLN -31.5m (-2.6%) and PLN -765.5m (-66.0%), respectively.
In 2020, the total area of eobuwie.pl and CCC own stores in Poland was 326.6 thousand m^2, having increased by 1.4 thousand m^2 from the 325.2 thousand m^2 in 2019. The increase was a combined effect of an increase in the area of eobuwie.pl stores by 3.8 thousand m^2 and a decrease in the area of CCC own stores by 2.4 thousand m^2.

In the CEE segment as a whole (the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bulgaria, and Romania), revenue came in at PLN 801.8m, having decreased by PLN 419m (-34.3%) year on year. In the same period, retail space in Central and Eastern Europe increased by 9.0 thousand m^2 net.

In Western Europe (Austria) and other countries (Russia, Serbia), revenue amounted to PLN 220.3m, down by PLN 87.5m, with a decrease in retail space of 1.4 thousand m^2 (-1.8%).

Gross profit

	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	*CHANGE %
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Revenue from sales to external customers	5,638.6	5,780.2	5,402.9	-2.4%
Cost of sales	(2,970.6)	(2,937.8)	(2,734.3)	1.1%
Cost of sales not allocated to segments	(174.4)	(65.6)	(52.1)	>100%
Inventory write-downs	(37.1)	(21.3)	(21.1)	74.2%
Gross profit	**2,456.5**	**2,755.5**	**2,595.4**	**-10.9%**

Gross profit by segment

	GROSS PROFIT				GROSS MARGIN		
	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	*CHANGE %	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019
	AUDITED	UNAUDITED	AUDITED	UNAUDITED	AUDITED	UNAUDITED	AUDITED
Retail	1,260.5	2,033.0	1,932.6	-38.0%	48.2%	51.8%	52.11%
Poland	738.8	1,187.3	1,128.1	-37.8%	46.4%	49.5%	49.63%
Central and Eastern Europe	415.9	681.1	647.3	-38.9%	51.9%	55.8%	56.38%
Western Europe	57.2	85.5	81.5	-33.1%	54.3%	59.4%	60.19%
Other countries	48.6	79.1	75.7	-38.6%	42.3%	48.3%	49.61%
E-commerce	1,166.7	666.4	608.3	75.1%	43.3%	42.2%	42.18%
Wholesale/ services	30.3	57.1	55.5	-46.9%	20.0%	27.6%	27.93%
Manufacturing	(1.0)	(1.0)	(1.0)	0.0%	0.0%	0.0%	0.00%
Total	**2,456.5**	**2,755.5**	**2,595.4**	**-10.8%**	**45.0%**	**48.2%**	**48.50%**

Consolidated gross profit was PLN 2,456.6m in 2020/21, a decrease of 10.8% year on year. The retail segment accounted for 51% of total gross profit (2019/20: 74%), with the share of e-commerce increasing to 47% (2019/20: 24%

Consolidated gross margin was 45.0% in 2020/21, having decreased by 3.2pp year on year. The margin in the retail segment was 48.2%, a decrease of 3.6 pp, while in e-commerce the margin increased by 1.1 pp, to 43.3%.

STORES' OPERATING COSTS AND SEGMENT PROFIT OR LOSS

How we define the individual components of the result

Stores' operating costs include 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.

January 1st 2020–January 31st 2021	REVENUE	GROSS PROFIT	STORES' OPERATING COSTS	OTHER DISTRIBUTION COSTS	SEGMENT PROFIT OR LOSS
AUDITED					
Poland	1,593.9	738.8	(608.0)	(223.8)	(93.0)
Central and Eastern Europe	801.8	415.9	(495.6)	(87.3)	(167.0)
Western Europe	105.4	57.2	(99.9)	(16.2)	(58.8)
Other countries	114.9	48.6	(64.7)	(7.0)	(23.1)
Retail	**2,616.0**	**1,260.5**	**(1,268.2)**	**(334.2)**	**(341.9)**
E-commerce	**2,696.3**	**1,166.7**	**0.0**	**(974.3)**	**192.0**

January 1st 2019–January 31st 2020	REVENUE	GROSS PROFIT	STORES' OPERATING COSTS	OTHER DISTRIBUTION COSTS	SEGMENT PROFIT OR LOSS
UNAUDITED					
Poland	2,397.7	1,187.3	(691.2)	(214.2)	281.9
Central and Eastern Europe	1,220.8	681.1	(536.5)	(123.2)	21.4
Western Europe	143.9	85.5	(115.6)	(19.8)	(49.9)
Other countries	163.9	79.1	(86.5)	(14.0)	(21.4)
Retail	**3,926.3**	**2,033.0**	**(1,429.8)**	**(371.2)**	**232.0**
E-commerce	**1,580.7**	**666.4**	**0.0**	**(567.8)**	**98.6**

January 1st 2019–December 31st 2019	REVENUE	GROSS PROFIT	STORES' OPERATING COSTS	OTHER DISTRIBUTION COSTS	SEGMENT PROFIT OR LOSS
UNAUDITED					
Poland	2,272.8	1,128.1	(632.3)	(200.4)	295.4
Central and Eastern Europe	1,148.2	647.3	(491.6)	(112.9)	42.8
Western Europe	135.4	81.5	(117.1)	(18.7)	(54.3)
Other countries	152.6	75.7	(79.8)	(13.3)	(17.4)
Retail	**3,709.0**	**1,932.6**	**(1,320.8)**	**(345.3)**	**266.5**
E-commerce	**1,442.1**	**608.3**	**0.0**	**(509.8)**	**107.5**

*CHANGE %	REVENUE	GROSS PROFIT	STORES' OPERATING COSTS	OTHER DISTRIBUTION COSTS	SEGMENT PROFIT OR LOSS
UNAUDITED					
Poland	-33.5%	-37.8%	-12.0%	4.5%	<-100%
Central and Eastern Europe	-34.3%	-38.9%	-7.6%	-29.1%	<-100%
Western Europe	-26.8%	-33.1%	-13.6%	-18.3%	17.9%
Other countries	-29.9%	-38.6%	-25.2%	-50.3%	7.9%
Retail	**-33.4%**	**-38.0%**	**-11.3%**	**-10.0%**	**<-100%**
E-commerce	**70.6%**	**75.1%**	**-**	**71.6%**	**94.7%**

Stores' operating costs

Stores' operating costs	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	CHANGE%
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Salaries, wages and employee benefits	(394.7)	(483.6)	(439.0)	-18.4%
Other rental costs – utilities and other variable costs	(176.6)	(168.9)	(154.6)	4.6%
Depreciation/amortisation expense	(548.7)	(594.7)	(546.1)	-7.7%
Taxes and charges	(4.2)	(9.7)	(9.2)	-56.7%
Raw material and consumables used	(61.0)	(71.1)	(65.8)	-14.2%
Agency services	0.0	(6.4)	(5.9)	-100.0%
Transport services	(5.3)	(5.4)	(4.5)	-1.9%
Other services	(72.3)	(88.6)	(84.1)	-18.4%
Other expenses	(5.4)	(1.4)	(1.5)	>100%
Total	**(1,268.2)**	**(1,429.8)**	**(1,310.7)**	**-11.3%**

Until recently, stores' operating costs were the largest cost group, representing more than 50% of total costs. In 2020/21, due to the rapidly developing e-commerce channel, the share fell to 44%, from 55% in the previous year. This item was the second largest group of costs, after other distribution costs. In the reporting period, stores' operating costs were PLN 1,268.2m, having decreased by PLN 161.6m (-11.3%) year on year. The most important items of stores' operating costs were rental costs, depreciation/amortisation expense and salaries, which accounted for 13.9%, 43.3% and 31.1% of the total, respectively.

Other distribution costs

Other distribution costs	January 1st 2020– January 31st 2021	January 1st 2019– January 31st 2020	January 1st 2019– December 31st 2019	CHANGE%
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Salaries, wages and employee benefits	(223.9)	(212.5)	(196.7)	5.4%
Other rental costs – utilities and other variable costs	(29.5)	(23.7)	(21.0)	24.5%
Depreciation/amortisation expense	(46.3)	(33.1)	(30.4)	39.9%
Taxes and charges	(16.9)	(6.8)	(6.0)	>100%
Raw material and consumables used	(69.9)	(35.5)	(33.9)	96.9%
Transport services	(296.5)	(207.2)	(191.0)	43.1%
Agency services	0.0	0.0	0.0	-
Other services	(442.4)	(329.3)	(296.5)	34.3%
Other expenses	(209.0)	(114.6)	(104.5)	82.4%
Total	**(1,334.4)**	**(962.7)**	**(880.0)**	**38.6%**

Other distribution costs, due to the development of the e-commerce business, further accelerated by the COVID-19 pandemic, increased in 2020/21 by 38.6%, to PLN 1,334.4m, thus increasing its share in total costs to nearly 47%. The largest groups of costs were other services (33.2%), which included logistics services, transport services (22.2%) related to online sales, salaries and employee benefits (16.8%), and other expenses (15.7%) consisting primarily of marketing costs.

Administrative expenses

Administrative expenses	January 1st 2020– January 31st 2021	January 1st 2019– January 31st 2020	January 1st 2019– December 31st 2019	CHANGE%
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Salaries, wages and employee benefits	(82.0)	(62.6)	(63.2)	31.0%
Other rental costs – utilities and other variable costs	(19.9)	(9.6)	(9.5)	>100%
Depreciation/amortisation expense	(37.6)	(29.0)	(25.8)	29.7%
Taxes and charges	(9.6)	(31.8)	(31.3)	-69.8%
Raw material and consumables used	(16.9)	(11.6)	(11.1)	45.7%
Transport services	(0.3)	(0.2)	(0.3)	50.0%
Agency services	0.0	0.0	0.0	-
Other services	(73.1)	(54.5)	(52.7)	34.1%
Other expenses	(12.8)	(12.1)	(11.1)	5.8%
Total	**(252.2)**	**(211.4)**	**(205.0)**	**19.3%**

Administrative expenses in 2020/21 increased by PLN 40.8m year on year, and their share in total costs stayed relatively unchanged (at ca. 8%). The largest groups of administrative expenses are salaries and employee benefits (32.5%) and other services (29.0%), the latter consisting mainly of consulting costs, rental costs and depreciation/amortisation expense (total 22.8%).

EFFECT OF OTHER INCOME AND EXPENSES

How we define the individual components of the result

Other distribution costs include costs of operation of organisational units supporting sales and development of the sales network, including costs of the expansion division, regional managers, logistics, and marketing.

Administrative expenses include expenses relating to management of all operations of the Group (costs of financial and accounting divisions, administration, costs of the Management Board) and general expenses.

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 2020/21, other expenses and other income were PLN 196.1m and PLN 47.8m, respectively; on a net basis, the Group generated PLN 148.3m in other expenses, compared with PLN 1.1m other expenses in the previous year. The main reason for the change on 2019/20 was recognition of impairment losses in the current period, including impairment losses on non-current assets and intangible assets (PLN 84.5m), impairment losses on Gino Rossi S.A. (PLN 21.8m), and provisions for costs of store closures (PLN 36.4m).
Additionally, on the cost side, a PLN 80.1m loss allowance (impairment of trade receivables) was recognised in 2020/21.

Operating profit (loss)

Operating loss in 2020/21 was PLN 626.7m, i.e. the net operating result fell by PLN 777.2m year on year.

Finance income and costs

In 2020/21, finance income was PLN 97.7m, a decrease of PLN 49.7m year on year. The main drivers of the change were the valuation of options to buy non-controlling interests at PLN 61.8m (2019/20: PLN 108.3m) and the change in foreign exchange gains (losses).

In the same period, finance costs were PLN 278.4m, a decrease of PLN 37.0m year on year. In the reporting period, finance costs included interest and commission fees (PLN 84.8m; 2019/20: PLN 78.8m), foreign exchange losses (PLN 69.1m; 2019/20: PLN 19.1m), and valuation of options, including options to buy non-controlling interests (PLN 96.1m; 2019/20: PLN 134.4m).

INCOME TAX

In 2020/21, income tax was PLN 20.6m (2019/20: PLN 7.2m); current tax expense was PLN 61.4m, with deferred tax assets at PLN 41.2m.

NET PROFIT

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 2020/21 was PLN -988.9m, with the net result being PLN 1,008.7m lower year on year.

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

	January 31st 2021	January 31st 2020	December 31st 2019	CHANGE%
	AUDITED	UNAUDITED	AUDITED	AUDITED
Non-current assets, including:	**3,375.1**	**4,213.9**	**4,210.5**	**-19.8%**
Property, plant and equipment	1,237.9	1,381.0	1,380.0	-10.3%
Right-of-use assets	1,455.5	1,996.3	1,986.6	-26.7%
Deferred tax assets	152.1	113.7	110.3	37.9%
Current assets, including:	**3,061.4**	**2,849.4**	**2,933.2**	**4.4%**
Inventory	2,192.6	2,075.6	1,942.3	12.9%
Cash and cash equivalents	458.7	292.4	542.6	-15.5%
Assets classified as held for sale	**210.9**	**0.0**	**0.0**	**-**
TOTAL ASSETS	**6,647.4**	**7,063.3**	**7,143.7**	**-6.9%**
Non-current liabilities, including:	**2,785.4**	**2,896.9**	**3,095.8**	**-10.0%**
Financing liabilities	472.7	475.9	683.0	-30.8%
Current liabilities, including:	**3,346.5**	**3,169.8**	**2,958.3**	**13.1%**
Financing liabilities	1,196.9	1,147.1	830.4	44.1%
Trade and other payables	1,269.3	1,178.5	1,158.2	9.6%
Liabilities directly related to assets classified as held for sale	**205.7**	**0.0**	**0.0**	**-**
TOTAL LIABILITIES	**6,337.6**	**6,066.7**	**6,054.1**	**4.7%**
EQUITY	**309.8**	**996.6**	**1,089.6**	**-71.6%**

NON-CURRENT ASSETS

How we define the individual components of the 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 %	
	January 31st 2021	January 31st 2020	December 31st 2019	PROPERTY, PLANT AND EQUIPMENT	IN RETAIL SPACE
	AUDITED	UNAUDITED	AUDITED	AUDITED	
Leasehold improvements	**541.8**	**652.3**	**655.9**	**-17.4%**	**0.8%**
Manufacturing and distribution	**603.0**	**620.2**	**615.8**	**-2.1%**	
Land, buildings and structures	398.2	401.3	382.4	4.1%	
Machinery and equipment	169.1	124.5	170.5	-0.8%	
Property, plant and equipment under construction	35.7	94.4	62.9	-43.2%	
Other	**93.1**	**108.5**	**108.3**	**-14.0%**	
Total	**1,237.9**	**1,381.0**	**1,380.0**	**-10.3%**	

As at January 31st 2021, non-current assets comprised, among other things, property, plant and equipment (PLN 1,237.9m), intangible assets (PLN 308.3m), goodwill (PLN 197.9m), right-of-use assets (PLN 1,455.5m), and deferred tax assets (PLN 152.1m). Non-current assets decreased 19.9%, to PLN 3,375.1, from December 31st 2019, mainly due to a decrease in the amount of the right-of-use assets and loans.

Deferred tax assets disclosed as at January 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 152.1m 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 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 January 31st 2021, current assets were PLN 3,061.4m and comprised inventories (PLN 2,192.6m), cash and cash equivalents (PLN 458.7m), trade and other receivables (PLN 406.4m), income tax receivables (PLN 1.7m) and derivative financial instruments (PLN 1.7m). Current assets rose 4.4% from PLN 2,933.2m as at December 31st 2019, with inventories up 12.9% and cash and cash equivalents down 15.5%.

Inventory

	January 31st 2021	January 31st 2020	December 31st 2019	CHANGE %
	AUDITED	UNAUDITED	AUDITED	AUDITED
Retail	690.8	1,025.7	925.5	-25.4%
Warehouse	979.2	575.9	565.1	73.3%
E-commerce	555.0	512.1	487.5	13.8%
Factory	30.6	29.3	21.5	42.3%
Total inventories before consolidation adjustments	**2,255.6**	**2,143.0**	**1,999.6**	**12.8%**
Consolidation adjustments	**(63.0)**	**(67.4)**	**(57.3)**	**9.9%**
Total net inventories	**2,192.6**	**2,075.6**	**1,942.3**	**12.9%**
Share of inventory write-down in net inventories	**-1.7%**	**-1.0%**	**-1.1%**	**55.8%**
Inventory turnover[1]	**292**	**280**	**281**	**3.9%**

[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.

As at January 31st 2021, most of the goods of the CCC Group (ca. 33%) were located within the retail chain, in the main warehouse of the Group, i.e. at the Logistics Centre in Polkowice (ca. 42% of all goods) and in the warehouses of eobuwie.pl (24%). As at the 2020/21 reporting date, the amount of inventory write-downs was PLN 37.1m, compared with PLN 21.3m in the previous year. Inventory turnover increased 3.9% on December 31st 2019.

Cash and cash equivalents

As at January 31st 2021, the CCC Group's cash and cash equivalents were PLN 458.7m, having decreased by PLN 83.9m (-15.5%) on a net basis relative to December 31st 2019. At year-end 2020/21, 97% of cash was held in hand and 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 January 31st 2021, the Group's equity decreased by PLN 779.8m (-71.6%) relative to January 31st 2020. The decrease was primarily attributable to the PLN 1,280.3m net loss from continuing and discontinued operations incurred in 2020/21.

As at January 31st 2021, non-current liabilities were PLN 2,785.4m, having decreased by PLN 310.4m (-10.1%), from PLN 3,095.8m as at December 31st 2019. As at year-end 2020/21, the total amount of non-current liabilities comprised non-current financing liabilities (PLN 472.7m), liabilities under the obligation to buy non-controlling interests (PLN 828.6m), and lease liabilities (PLN 1,415.4m).

As at January 31st 2021, current liabilities were PLN 3,346.5m, having increased by PLN 388.2m (13.1%), from PLN 2,958.3m as at December 31st 2019. As at year-end of 2020/21, the total amount current liabilities comprised mainly financing liabilities (PLN 1,196.9m), trade payables (PLN 1,269.3m), lease liabilities (PLN 450.5m), and other liabilities (PLN 386.2m).

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

	January 1st 2020– January 31st 2021	January 1st 2019– January 31st 2020	January 1st 2019– December 31st 2019	*CHANGE %
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Profit before tax	**(1,260.1)**	**(111.7)**	**(17.9)**	**>100%**
Adjustments	1,428.7	945.5	890.0	51.1%
Income tax paid	(56.0)	(47.3)	(47.3)	18.4%
Cash flow before changes in working capital	112.6	786.5	824.8	-85.7%
Changes in working capital	(174.7)	(66.5)	161.8	>100%
Cash flows from operating activities	(62.1)	720.0	986.6	<-100%
Cash flows from investing activities	(261.8)	(746.6)	(713.6)	-64.9%
Cash flows from financing activities, including:	240.0	(55.3)	(104.7)	<-100%
Proceeds from borrowings and issue of bonds	252.1	672.5	569.6	-62.5%
Net proceeds from issue of shares	506.9	0.0	0.0	-
Total cash flows	(83.9)	(81.9)	168.3	2.4%

Net cash flows from operating activities

Consolidated net cash flows from operating activities in 2020/21 were PLN -62.1m and resulted from changes in working capital of PLN -174.7m (including change in inventories and inventory write-downs of PLN -357.3m), and in a PLN 112.6m operating profit adjusted for non-cash transactions.

Net cash flows from investing activities

Consolidated net cash flows from investing activities in 2020/21 were PLN -261.8m. The amount was primarily attributable to a decrease in capital expenditure.

Net cash flows from financing activities

Consolidated net cash flows from financing activities in 2020/21 were PLN 240.0m. The amount included mainly cash inflows from bank borrowings of PLN +252.1m, net proceeds from issue of shares of PLN +506.9m, repayment of borrowings with interest of PLN -155.8m, and lease payments of PLN -360.5m. For more information on net cash flows from financing activities, see 'Debt and liquidity of the CCC Group'.

As a result of the cash flows presented above, at year-end 2020/21 the CCC Group's cash balance was PLN 458.7m, i.e. PLN 166.3m more than on January 31st 2020.

Profit guidance

No profit guidance for 2020/21 was issued.

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

At the end of January 2021, the Group had financing liabilities of PLN 1,669.6m, consisting of bank borrowings, bonds and financial assistance. As at January 31st 2020, the long-term portion of bank borrowings decreased by PLN 3.2m year on year.

The current portion of financing liabilities comprised debt under bonds of PLN 210.4m and bank borrowings of PLN 986.5m.

BANK	COMPANY	INSTRUMENT	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]	CURRENCY
Credit facility agreements							
Pekao S.A.	CCC.eu Sp. z o.o	Short-term credit facility	October 14th 2014	April 30th 2021	300.0	235.7	PLN
PKO BP	CCC.eu Sp. z o.o	Short-term credit facility	November 21st 2019	April 30th 2021	50.0	24.2	PLN
mBank	CCC.eu Sp. z o.o	Short-term credit facility	December 17th 2018	April 30th 2021	150.0	105.6	PLN
Citibank	CCC.eu Sp. z o.o	Short-term credit facility	March 3rd 2009	April 30th 2021	101.0	91.5	PLN
Citibank	CCC.eu Sp. z o.o	Short-term credit facility	March 3rd 2009	April 30th 2021	101.0	101.0	PLN
PKO BP	eobuwie.pl S.A.	Short-term credit facility	November 21st 2019	April 30th 2021	20.0	0.0	PLN
Pekao S.A.	eobuwie.pl S.A.	Short-term credit facility	October 26th 2017	April 30th 2021	260.0	133.1	PLN
PKO BP	Gino Rossi S.A.	Short-term credit facility	November 21st 2019	April 30th 2021	10.0	0.1	PLN
AO Citibank	CCC Russia	Short-term credit facility	December 20th 2019	April 30th 2021	1,124.6	1,124.6	RUB
BNP Paribas	CCC S.A., Karl Voegele AG	Short-term credit facility	October 21st 2019	April 30th 2021	17.0	16.7	CHF
PKO BP	CCC.eu Sp. z o.o	Long-term credit facility	November 21st 2019	November 21st 2022	126.1	126.1	PLN
		Including short-term portion			93.9	93.9	PLN
PKO BP	eobuwie.pl S.A.	Long-term credit facility	November 21st 2019	November 21st 2022	103.2	103.2	PLN
		Including short-term portion			76.8	76.8	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
Total credit facility agreements, PLN					**1,852.0**	**1,551.2**	**PLN**
Total credit facility agreements, RUB					**1,124.6**	**1,124.6**	**RUB**
Total credit facility agreements, CHF					**17.0**	**16.7**	**CHF**

Guarantee limit							
PKO BP	CCC S.A.	Bank guarantee limit	November 21st 2019	April 30th 2021	45.0	32.3	PLN
PKO BP	Gino Rossi S.A.	Bank guarantee limit	November 21st 2019	April 30th 2021	5.0	3.5	PLN
mBank	CCC S.A.	Bank guarantee limit	November 4th 2012	April 30th 2021	34.0	30.1	PLN
Santander	CCC S.A.	Bank guarantee limit	March 31st 2009	April 30th 2021	65.0	31.2	PLN
Santander	CCC S.A.	Bank guarantee limit	April 11th 2018	April 30th 2021	17.0	17.0	PLN
BNP Paribas Bank Polska S.A.	CCC S.A.	Bank guarantee limit	May 4th 2011	April 30th 2021	50.0	22.7	PLN
Pekao S.A.	eobuwie.pl S.A.	Bank guarantee limit	October 26th 2017	April 30th 2021	34.5	34.5	PLN
Ceska sporitelna	CCC Czech	Bank guarantee limit	April 6th 2020	June 30th 2021	70.9	70.9	CZK
Ceska sporitelna	CCC Slovakia	Bank guarantee limit	April 6th 2020	June 30th 2021	45.0	45.0	CZK
Raiffeisen	CCC Hungary	Bank guarantee limit	June 25th 2014	December 31st 2021	3.0	1.3	EUR
Total guarantee limit, PLN					**250.5**	**171.3**	**PLN**
Total guarantee limit, CZK					**115.9**	**115.9**	**CZK**
Total guarantee limit, EUR					**3.0**	**1.3**	**EUR**

Aid financing							
UBS	KVAG	Aid financing	April 4th 2020	March 29th 2025	0.5	0.5	CHF
Ceska sporitelna	CCC Czech	Aid financing	April 6th 2020	June 30th 2021	29.1	0.0	CZK
Ceska sporitelna	CCC Slovakia	Aid financing	April 6th 2020	June 30th 2021	14.9	0.0	CZK
Total credit facility agreements, CHF					**0.5**	**0.5**	**CHF**
Total credit facility agreements, CZK					**44.0**	**0.0**	**CZK**

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.

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.

Covenants

As at January 31st 2021, during the reporting period and until the date of authorisation of this Report for issue, none of the covenants were breached.

Under the terms of the bonds, whose outstanding balance as at the reporting date was PLN 210.4m, and the credit facilities, whose outstanding balance as at January 31st 2021 was PLN 1,459.2m, the Group is obliged to comply with the following covenants:

Covenants effective as of January 1st 2020 – suspended on April 24th 2020:

1) Ratio 1 [net financial debt/EBITDA] not higher than 3.5,
2) Ratio 2 [interest coverage ratio] of not less than 5.0,
3) Ratio 3 [dividend payout ratio] not higher than 50.0% (calculated for full-year data).

Covenants effective from April 24th 2020 to November 5th 2020:

1) Cash balance, i.e. the sum of positive cash balances in the Group's bank accounts, not lower than PLN 40.0m.

* Covenants effective as of November 5th 2020:

1) Cash balance, i.e. the sum of positive cash balances in the Group's bank accounts, not lower than PLN 40.0m.
2) The net financial debt /EBITDA ratio may not be higher than:
   a) 4.58:1 for the calculation period ending July 31st 2021; and
   b) 3,5:1 for each subsequent calculation period.

* The above covenants will be replaced with new corresponding covenants upon execution of the New Financing Agreement.

DEBT RATIOS

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

The general 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:

	January 31st 2021	January 31st 2020	December 31st 2019
	AUDITED	**UNAUDITED**	**AUDITED**
Net debt			
Bank borrowings	1,459.2	1,412.5	1,303.4
(+) Liabilities under bonds	210.4	210.5	210.0
= Financing liabilities	**1,669.6**	**1,623.0**	**1,513.4**
(-) Cash and cash equivalents	458.7	292.4	542.6
= Net debt	**1,210.9**	**1,330.6**	**970.8**
Debt ratio			
Total equity	309.8	996.6	1,089.6
(+) Net debt	1,210.9	1,330.6	970.8
= Capital employed	**1,520.7**	**2,327.2**	**2,060.4**
Debt ratio (net debt/capital employed)	**0.8**	**0.6**	**0.5**

The debt ratio increased by 0.3 pp year on December 31st 2019, primarily due to the decrease in equity (by PLN -779.8m).

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.

	January 31st 2021	January 31st 2020	December 31st 2019
	AUDITED	**UNAUDITED**	**AUDITED**
Inventory	2,192.6	2,075.6	1,942.3
(+) Trade receivables, other receivables, income tax receivable, and lease receivables	408.4	478.3	448.3
(+) Cash and cash equivalents	458.7	292.4	542.6
(+) Derivative financial instruments	1.7	3.1	0.0
= Current assets	**3,061.4**	**2,849.4**	**2,933.2**
Current financing liabilities	1,196.9	1,147.1	830.4
(+) Trade payables and other liabilities	1,674.2	1,461.9	1,549.0
(+) Provisions and grants	24.9	20.3	20.7
(+) Lease liabilities	450.5	540.5	557.2
(+) Derivative financial instruments	0.0	0.0	1.0
= Current liabilities	**3,346.5**	**3,169.8**	**2,958.3**
Current ratio (current assets/current liabilities)	**0.9**	**0.9**	**1.0**

As at January 31st 2021, the CCC Group's current ratio was 0.9 and did not change significantly relative to December 31st 2019 (-0.1pp) as current assets increased in pace with current liabilities.

The excess of current liabilities over current assets is PLN 285.1m. This situation is largely attributable to the presentation of right-of-use assets as non-current, while lease liabilities are broken down into current and non-current, the presentation of a significant portion of the financial debt as current, the presentation (measurement) of inventories at cost, while the amount of inventories measured at selling prices would be higher as the current gross margins stand at approximately 40-50%.

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.

ISSUE OF SECURITIES AND USE OF PROCEEDS

In May 2020, pursuant to Resolution No. 3/EGM/2020 of the Extraordinary General Meeting of the Company of April 17th 2020 on an increase in the Company's share capital through the issue of Series I and Series J ordinary shares, waiver of the existing shareholders' pre-emptive rights to all Series I and Series J shares, seeking admission and introduction of Series I shares, rights to Series I shares and Series J shares to trading on the regulated market operated by the Warsaw Stock Exchange, conversion of Series I shares, rights to Series I shares and Series J shares into book-entry form, authorisation to enter into an agreement for registration of Series I shares, rights to Series I shares and Series J shares in the depository for securities, and relevant amendments to the Articles of Association, the Company issued 13.7m shares at the price of PLN 37 per share, with net proceeds to the Company of PLN 506.9m. Proceeds from the issue of shares were used to purchase merchandise for the current and subsequent collections.

Therefore, the Company's share capital was increased from PLN 4,116,800.00 to PLN 5,486,800.00 through the issue, pursuant to the Resolution, of 6,850,000 Series I ordinary bearer shares with a par value of PLN 0.10 per share, and 6,850,000 Series J ordinary registered shares with a par value of PLN 0.10 per share. As part of the Offering, 83 investors subscribed for Series I Shares and Ultro S.à r.l. acquired Series J Shares.

FEASIBILITY OF INVESTMENT PLANS

The Group intends to finance investment projects with its own funds and with external capital. In the opinion of the Management Board, there are currently no major threats which could adversely affect implementation of the investment plans in the future provided the ongoing refinancing process of the Company is successfully completed.

AGREEMENTS EXECUTED BY COMPANIES OF THE CCC GROUP

Loans

In the reporting period, the CCC Group was a party to the following loan agreements:

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	2%
CCC S.A.	CCC Shoes Bulgaria EOOD	December 14th 2014	December 31st 2021	4.0	BGN	6%
CCC S.A.	CCC Shoes&Bags d.o.o. Beograd	September 22nd 2016	December 31st 2021	0.1	EUR	4%
		November 18th 2016	December 31st 2021	0.1	EUR	
		December 9th 2016	December 31st 2021	0.1	EUR	
CCC S.A.	NG2 Suisse S.a.r.l.	August 29th 2018	December 31st 2021	2.0	CHF	1%
CCC S.A.	Karl Voegele AG	January 2nd 2019	April 30th 2021	10.0	CHF	1%
		March 19th 2019	April 30th 2021	8.0	CHF	
CCC S.A.	HR Group Holding S.a.r.l.	January 31st 2019	December 31st 2029	41.5	EUR	8%
CCC S.A.	CCC Obutev d.o.o	February 18th 2019	February 17th 2021	0.8	EUR	1%
		April 21st 2020	April 30th 2021	0.3	EUR	1%
CCC S.A.	CCC Hrvatska d.o.o.	February 28th 2019	February 27th 2021	3.8	HRK	1%
CCC S.A.	HR Group GmbH & Co. KG	February 17th 2020	March 31st 2023	6.2	EUR	3%
CCC S.A.	Gino Rossi S.A.	December 18th 2018	May 20th 2022	22.1	PLN	3M WIBOR + 1.65%
		December 18th 2018	October 31st 2021	0.4	PLN	1M WIBOR + 1.4%
		December 18th 2018	October 31st 2021	31.4	PLN	1M WIBOR + 1.3%
		December 18th 2018	October 31st 2021	9.5	PLN	1M WIBOR + 1.4%

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	3%
		February 5th 2019	February 3rd 2021	1.0	EUR	2%

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	2%
CCC.EU	CCC Austria Ges.m.b.h. (agreement)	April 11th 2018	April 30th 2023	14.1	EUR	2%
CCC.EU	CCC GERMANY GmbH (agreement)	April 11th 2018	April 30th 2023	18.5	EUR	2%
CCC.EU	CCC Russia	December 12th 2019	December 31st 2021	1.8	USD	7%
		March 3rd 2020	March 31st 2021	200.0	RUB	8%
		March 10th 2020	March 31st 2021	200.0	RUB	8%
		March 17th 2020	March 31st 2021	200.0	RUB	8%

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	39.1	PLN	1M WIBOR + 0.6%
NG2 Suisse S.a.r.l.	KVAG	October 25th 2018	December 31st 2021	4.0	CHF	1%
NG2 Suisse S.a.r.l.	KVAG	May 22nd 2018	-	28.0	CHF	1%
EOBUWIE	LFT BEEHER B.V.	July 23rd 2020	July 23rd 2023	0.0	EUR	3M WIBOR +0.55%
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	CHF	3M WIBOR +0.55%

Sureties, guarantees and other contingent liabilities

In the reporting period, the CCC Group provided the following sureties and guarantees:

Guarantees provided as support of commercial space lease contract

	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
CCC S.A.	35	CCC Czech Republic	43.2	CZK
CCC S.A.	18	CCC Czech Republic	1.1	EUR
CCC S.A.	37	CCC Slovakia s.r.o.	1.7	EUR
CCC S.A.	38	CCC Hungary Kft.	4.4	EUR
CCC S.A.	16	CCC Hungary Kft.	174.6	HUF
CCC S.A.	2	CCC Germany GmbH	0.2	EUR
CCC S.A.	34	CCC Austria	2.7	EUR
CCC S.A.	14	CCC Hrvatska	0.5	EUR
CCC S.A.	7	CCC Slovenia	0.5	EUR
CCC S.A.	58	Shoe Express	1.7	EUR
CCC S.A.	1	Shoe Express	0.1	RON
CCC S.A.	1	Karl Voegele AG [2]	0.0	CHF
CCC S.A.	5	CCC Bulgaria	0.2	EUR
CCC S.A.	4	CCC Russia	0.1	EUR
CCC S.A.	28	CCC Russia	36.5	RUB
CCC S.A.	2	CCC Russia	0.2	USD
CCC S.A.	1	CCC Team	0.3	PLN
CCC S.A.	2	CCC Ukraine	0.1	EUR
CCC S.A.	10	CCC Ukraine	0.2	USD
CCC S.A.	1	DEEZEE	0.1	PLN
CCC S.A.	16	eobuwie	1.5	EUR

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 to reverse factoring agreement	December 12th 2019	April 28th 2024	240.0	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 to multi-purpose credit facility agreement	October 31st 2019	-	360.0	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Pekao S.A.	CCC.eu Sp. z o.o.	Surety to revolving credit facility agreement	October 31st 2019	December 31st 2024	6.0	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 to multi-purpose 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 to overdraft 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 to 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 to confirming agreement	August 2nd 2018	3 years from debt due date	120.0	PLN
CCC S&B Sp. z o.o. (Surety provided jointly with eObuwie Logistics 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 to 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.)	Millenium	CCC Factory sp. z o.o.	Surety to reverse factoring agreement	December 12th 2019	April 28th 2024	80.0	PLN

Obtained by CCC S.A.:

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 to 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 30th 2021	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., 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 SA	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. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o, CCC.eu Sp. z o.o and CCC Factory Sp. z o.o.)	AO CITIBANK	CCC Russia	Surety to credit facility agreement	December 20th 2019	December 31st 2024	24.0	USD
CCC S.A.	Raiffeisen Bank Zrt	CCC Hungary	Surety to bank guarantee agreement	June 25th 2014	December 31st 2021	3.0	EUR

For information on material off-balance sheet items, see Note 27 'Contingent assets and liabilities' to the consolidated financial statements.

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. „Related-party transactions".

DESCRIPTION OF SIGNIFICANT AGREEMENTS
CREDIT FACILITY AGREEMENTS AND BANK GUARANTEE FACILITY AGREEMENTS

1. Common Terms Agreement of November 5th 2020 between CCC S.A. and Powszechna Kasa Oszczędności Bank Polski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., mBank S.A., Santander Bank S.A., Bank BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A. and Bank Millennium S.A.
2. Credit facility agreement of November 5th 2020 between CCC S.A., mBank S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
3. Credit facility agreement of November 5th 2020 between CCC S.A., mBank S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
4. Credit facility agreement of November 5th 2020 between CCC S.A. and mBank S.A.
5. Credit facility agreement of November 5th 2020 between CCC S.A., mBank S.A. and Santander Bank S.A.
6. Credit facility agreement of November 5th 2020 between CCC S.A., mBank S.A. and BNP Paribas Bank Polska S.A.
7. Credit facility agreement of November 5th 2020 between CCC S.A., mBank S.A. and. Bank Handlowy of Warsaw S.A.
8. Credit facility agreement of November 5th 2020 between CCC S.A., mBank S.A. and Bank Millennium S.A.
9. Annex 9 of October 31st 2020 to the multi-purpose credit facility agreement of April 24th 2019 with Bank Polska Kasa Opieki Spółka Akcyjna.
10. Annex 10 of November 30th 2020 to the multi-purpose credit facility agreement of April 24th 2019 with Bank Polska Kasa Opieki Spółka Akcyjna.
11. Annex 11 of December 14th 2020 to the multi-purpose credit facility agreement of April 24th 2019 with Bank Polska Kasa Opieki Spółka Akcyjna.
12. Annex 12 of December 28th 2020 to the multi-purpose credit facility agreement of April 24th 2019 with Bank Polska Kasa Opieki Spółka Akcyjna.
13. Annex 13 of January 15th 2021 to the multi-purpose credit facility agreement of April 24th 2019 with Bank Polska Kasa Opieki Spółka Akcyjna.
14. Annex 14 of January 31st 2021 to the multi-purpose credit facility agreement of April 24th 2019 with Bank Polska Kasa Opieki Spółka Akcyjna.
15. Annex 6 of April 1st 2020 to the multi-purpose credit facility agreement of October 26th 2017 with Bank Polska Kasa Opieki Spółka Akcyjna.
16. Annex 7 of April 22nd 2020 to the multi-purpose credit facility agreement of October 26th 2017 with Bank Polska Kasa Opieki Spółka Akcyjna.
17. Annex 8 of August 21st 2020 to the multi-purpose credit facility agreement of October 26th 2017 with Bank Polska Kasa Opieki Spółka Akcyjna
18. Annex 9 of October 29th 2020 to the multi-purpose credit facility agreement of October 26th 2017 with Bank Polska Kasa Opieki Spółka Akcyjna
19. Annex 1 of April 30th 2020 to the multi-purpose credit facility agreement of November 21st 2019 between CCC S.A., CCC.EU, Gino Rossi S.A., eobuwie.pl S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
20. Annex 2 of October 29th 2020 to the multi-purpose credit facility agreement of November 21st 2019 between CCC S.A., CCC.EU, Gino Rossi S.A., eobuwie.pl S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
21. Annex 8 of March 10th 2020 to the multi-purpose credit facility agreement of May 30th 2016 between CCC.EU and Powszechna Kasa Oszczędności Bank Polski S.A.
22. Annex 149 of April 16th 2020 to the multi-purpose and multi-currency credit facility agreement of March 31st 2009 between CCC S.A. and Santander Bank Polska Spółka Akcyjna.
23. Annex of December 18th 2020 to the credit agreement of December 20th 2019 between CCC Russia Ltd and AO Citibank.
24. Agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.EU, Gino Rossi, CCC Factory, CCC Shoes&Bags, and Powszechna Kasa Oszczędności Bank Polski S. A, Powszechna Kasa Oszczędności Bank Polski S.A., mBank S.A., Santander Bank S.A., BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A. and Bank Millennium S.A., Santander Factoring and Pekao Factoring.
25. Annex 1 of September 14th 2020 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.EU, Gino Rossi, CCC Factory, CCC Shoes&Bags and Powszechna Kasa Oszczędności Bank Polski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., mBank S.A., Santander Bank S.A., BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A. and Bank Millennium S.A., Santander Factoring and Pekao Factoring.
26. Annex 2 of October 20th 2020 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.EU, Gino Rossi, CCC Factory, CCC Shoes&Bags and Powszechna Kasa Oszczędności Bank Polski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., mBank S.A., Santander Bank S.A., BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A. and Bank Millennium S.A., Santander Factoring and Pekao Factoring.
27. Annex 3 of November 30th 2020 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.EU, Gino Rossi, CCC Factory, CCC Shoes&Bags and Powszechna Kasa Oszczędności Bank Polski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., mBank S.A., Santander Bank S.A., BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A. and Bank Millennium S.A., Santander Factoring and Pekao Factoring.
28. Credit agreement between Karl Voegele AG and UBS of April 8th 2020.
29. Credit facility agreement between CCC Czech and Ceska Sporitelna of April 6th 2020.
30. Credit and guarantee facility agreement between CCC Slovakia and Ceska Sporitelna of April 6th 2020.

Analysis of selected financial and operating data of CCC S.A.

Selected financial and operating data of CCC S.A.

	PLNm			EURm		
Selected financial data from the statement of profit or loss and other comprehensive income	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**
	AUDITED	UNAUDITED	AUDITED	AUDITED	UNAUDITED	AUDITED
Revenue	**1,822.8**	**2,391.9**	**2,270.0**	**408.0**	**556.0**	**527.7**
Gross profit (loss)	728.7	753.0	693.7	163.1	175.0	161.3
Operating profit (loss)	45.6	59.2	55.2	10.2	13.8	12.8
Profit (loss) before tax	(654.4)	(43.8)	(35.6)	(146.5)	(10.2)	(8.3)
Net profit (loss)	**(657.5)**	**(56.4)**	**(51.0)**	**(147.2)**	**(13.1)**	**(11.8)**
Selected financial data from the statement of financial position	**January 31st 2021**	**January 31st 2020**	**December 31st 2019**	**January 31st 2021**	**January 31st 2020**	**December 31st 2019**
Non-current assets	**1,675.9**	**1,924.7**	**1,925.6**	**369.3**	**447.5**	**452.2**
Current assets, including:	**869.8**	**657.2**	**650.8**	**191.6**	**152.8**	**152.8**
Inventory	360.4	404.0	345.5	**79.4**	**93.9**	81.1
Cash	199.5	50.4	95.4	44.0	11.7	22.4
Total assets	**2,545.7**	**2,581.9**	**2,576.4**	**560.9**	**600.3**	**605.0**
Non-current liabilities, including:	**939.9**	**540.0**	**746.3**	**207.1**	**125.6**	**175.2**
Financing liabilities	247.1	0.0	210.0	54.4	0.0	49.3
Current liabilities, including:	**800.0**	**1,088.0**	**871.1**	**176.3**	**253.0**	**204.6**
Financing liabilities	210.4	323.2	111.4	46.4	75.1	26.2
Total liabilities	**1,739.9**	**1,628.0**	**1,617.4**	**383.4**	**378.5**	**379.8**
Equity	**805.8**	**953.9**	**959.0**	**177.5**	**221.8**	**225.2**

	PLNm			EURm		
Selected financial data from the statement of cash flows	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**	**January 1st 2020–January 31st 2021**	**January 1st 2019–January 31st 2020**	**January 1st 2019–December 31st 2019**
	AUDITED	UNAUDITED	AUDITED	AUDITED	UNAUDITED	AUDITED
Net cash flows from operating activities	(316.3)	538.5	593.8	(70.8)	125.2	138.0
Net cash flows from investing activities	(90.7)	(451.7)	(467.4)	(20.3)	(105.0)	(108.7)
Net cash flows from financing activities	511.1	(140.7)	(135.3)	114.4	(32.7)	(31.5)
TOTAL CASH FLOWS	**104.1**	**(53.9)**	**(8.9)**	**23.3**	**(12.5)**	**(2.2)**
Capital expenditure	(52.9)	(111.1)	(129.5)	(11.8)	(25.8)	(30.1)

Operational data	**January 31st 2021**	**January 31st 2020**	**December 31st 2019**
Number of stores	462	472.0	473.0
Retail space (thousand m^2)	310	311.8	312.3

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

How we define the individual components of the result

Revenue includes revenue from sale of merchandise and products and from sublease services generated in the ordinary course of business, and revenue from the provision of logistics services to CCC.eu sp. z o.o.

As **costs of sales** the Group recognizes: costs of goods sold, cost of packaging sold, cost of provisions for complaints; cost of sublease, logistics and accounting services; inventory write-downs.

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.

We also use the following measures in the analysis: revenue per square metre of retail space, and sales of like-for-like store (definitions of these measures are given in the respective tables).

Revenue

	REVENUE [1]			*CHANGE%
	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Retail	1,470.4	2,227.2	2,112.1	-34.0%
E-commerce	240.3	42.6	38.0	>100%
Wholesale/services	112.1	122.1	119.9	-8.2%
Total	**1,822.8**	**2,391.9**	**2,270.0**	**-23.8%**

[1] Only revenue from sales to external customers.

Revenue in 2020/21 was PLN 1,822.8, having decreased by PLN 569.1m (-23.8%) year on year.

The change was primarily attributable to the retail segment (PLN -756.8 million/ -34.0% year on year) due to the closing of the stores in the periods from March 15th to May 7th 2020, from November 7th to November 28th 2020, and from December 29th to January 17th 2021 in connection with the spread of COVID-19 pandemic. After the lockdown, there was a slow return of customers to shopping in offline stores, with some customers moving to the e-commerce channel. This was also the time of after-season sales, which involved discounts. The decrease in retail revenue is offset by a dynamic increase in e-commerce revenue (the e-commerce channel was launched in June 2019). In 2020/21, revenue from e-commerce was PLN 240.3m, having increased PLN 197.7m (+464.1%) year on year. Its share in total revenue increased from 1.8% in 2019/20 to 13.2% in the current period. In 2020/21, revenue from wholesale and services fell by PLN 10.0m (-8.2%), to PLN 112.1m.

The year-on-year change was attributable to a decrease in sales generated by like-for-like CCC stores, of PLN -629.5m (-35.7%), and in sales generated by other stores, of PLN -127.3m (-27.3%). Sales generated by like-for-like stores – open and other stores fell PLN -36.6m (-3.1%) and PLN -720.2m (-68.0%), respectively. The breakdown of revenue into like-for-like sales and sales by newly opened or closed outlets is presented below.

		LIKE-FOR-LIKE STORES		*CHANGE %	OTHER STORES	
	NUMBER	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020		January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020
		AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
Poland	364	1,131.8	1,761.3	-35.7%	338.6	465.9
Total	**364**	**1,131.8**	**1,761.3**	**-35.7%**	**338.6**	**465.9**

		LIKE-FOR-LIKE STORES - OPEN		*CHANGE %	OTHER STORES – OPEN	
	NUMBER	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020		January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020
		AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
Poland	364	1,131.8	1,168.4	-3.1%	338.6	1,058.8
Total	**364**	**1,131.8**	**1,168.4**	**-3.1%**	**338.6**	**1,058.8**

[1] Like-for-like stores are stores that operated without interruption in 2020 and 2019.
[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.
[3] Like-for-like stores – open – this comprises only those stores which generated sales in the reporting period and the comparative period (excluding the impact of government restrictions on the operation of offline stores).

Gross profit

As a result of lower revenue, cost of sales also decreased. Compared with the previous year, cost of sales decreased by PLN 544.8m (-33.2%), to PLN 1,094.1m as at the reporting date. Gross profit was PLN 728.7m, having decreased by PLN 24.3m (-3.2%).

STORES’ OPERATING COSTS

How we define the individual components of the result

Stores’ operating costs

Stores’ operating costs include costs of operating the stores and other retail facilities. This item includes mainly:
- salaries and wages of in-store personnel,
- depreciation of property, plant and equipment (leasehold improvements),
- depreciation of right-of-use assets,
- costs of services (including utility costs),
- variable lease payments (including sales-based rents).

Stores’ operating costs	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	*CHANGE %
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Salaries, wages and employee benefits	(173.7)	(208.8)	(190.6)	-16.8%
Other rental costs – utilities and other variable costs	(90.0)	(103.6)	(93.0)	-13.1%
Depreciation/amortisation expense	(223.8)	(257.3)	(240.1)	-13.0%
Raw material and consumables used	(15.4)	(15.0)	(13.3)	2.7%
Other services	(23.3)	(28.6)	(27.2)	-18.5%
Transport services	(0.9)	(0.1)	0.0	>100%
Taxes and charges	0.0	0.0	0.0	-
Other expenses	0.0	(0.1)	(0.2)	-100.0%
Total	**(527.1)**	**(613.5)**	**(564.4)**	**-14.1%**

Stores’ operating costs decreased by PLN 86.4m (-14.1%), to PLN 527.1m. The most important items of stores’ operating costs were rental costs, depreciation/amortisation expense and salaries, which accounted for 17.1%, 42.5% and 33.0% of the total, respectively.

The decrease was mainly attributable to:
- lower salaries and employee benefits expense, attributable to the store closures during the lockdown periods and government subsidies to salaries and employee benefits expense of PLN 13.5m,
- lower other lease costs (sales-based rents and variable costs: utilities, electricity, etc.) attributable to the store closures during the lockdown periods and renegotiation of lease contracts,
- lower depreciation expense on right-of-use assets due to renegotiation of lease contracts.

In the financial year, the total amount of public aid (subsidies to salaries and employee benefits) was PLN 18.4m.

Other distribution costs

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:
- costs of salaries of employees at sales support units,
- depreciation of property, plant and equipment,
- cost of services,
- other expenses,
- low-value and short-term leases.

Other distribution costs	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	*CHANGE %
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Salaries, wages and employee benefits	(16.2)	(23.9)	(21.7)	-32.2%
Other rental costs – utilities and other variable costs	(0.2)	(0.2)	(0.1)	0.0%
Depreciation/amortisation expense	(7.4)	(1.1)	(1.1)	>100%
Raw material and consumables used	(0.8)	(4.3)	(4.1)	-81.4%
Other services	(3.2)	(1.6)	(0.7)	100.0%
Transport services	(19.5)	(2.9)	(2.5)	>100%
Taxes and charges	(3.2)	(0.4)	(0.1)	>100%
Other expenses	(0.5)	(0.9)	(0.9)	-44.4%
Total	**(51.0)**	**(35.3)**	**(31.2)**	**44.5%**

Other distribution costs increased by PLN 15.7m (44.5%), to PLN 51.0m, driven by a significant increase in transport costs due to the development of sales in the e-commerce channel.

Administrative expenses

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

Administrative expenses	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	*CHANGE %
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Salaries, wages and employee benefits	(12.5)	(14.7)	(13.4)	-15.0%
Other rental costs – utilities and other variable costs	(3.8)	(2.1)	(3.9)	81.0%
Depreciation/amortisation expense	(4.2)	(10.0)	(7.4)	-58.0%
Raw material and consumables used	(4.5)	(1.8)	(1.6)	>100%
Other services	(23.8)	(12.3)	(11.5)	93.5%
Transport services	(0.1)	(0.1)	(0.1)	0.0%
Taxes and charges	(0.8)	(4.1)	(4.0)	-80.5%
Other expenses	(2.7)	(2.6)	(2.6)	3.8%
Total	**(52.4)**	**(47.7)**	**(44.5)**	**9.9%**

Administrative expenses increased by PLN 4.7m (9.9%), to PLN 52.4m. The increase was mainly attributable to higher costs of services, such as outsourcing and advisory services.

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 and costs of the Company include interest expense, commission fees, and foreign exchange gains and losses.

Income tax includes accrued tax and deferred tax.

Other operating income and expenses

Net other expenses and other income came in negative at PLN -52.6m, compared with PLN 2.7m net other income in the previous year. Provisions were the largest item of other expenses, and included accrued expenses accounted for in connection with the provision for costs of store closures in Germany of PLN 36.6m.

The need to recognise the provision resulted from COVID-19 and worse-than-expected results of the stores, lease guarantees demanded by certain lessors from CCC S.A., the terms and conditions of the agreement concluded between the Company and HRG at the time of disposal of CCC Germany, including provisions concerning compensation of losses by HRG to CCC S.A. Accordingly, CCC expects HRG, the owner of CCC Germany, to take steps to accelerate early closure of some of the stores and terminate respective lease contracts. Therefore, a provision was recognised for what, in the opinion of CCC, would be the maximum amount of landlords' claims for early termination of rental contracts.

On September 30th 2020, the CCC Group was notified that its associate HRG (in which the CCC Group holds a minority interest) had filed for self-supervised bankruptcy proceedings to be commenced with respect to its subsidiary CCC Germany GmbH (which HRG acquired from CCC S.A. at the end of 2018 and in which HRG holds 100 shares). As at January 31st 2021, the carrying amount of shares in HRG held by the Company was PLN 0.0m (December 31st 2019 and January 31st 2020: PLN 0.0m).

Other income was PLN 20m, having decreased by PLN 6.0m year on year (in 2019, other income included a one-off gain of PLN 11.5m on disposal of property, plant and equipment).

Finance income and costs

In 2020/21, finance income was PLN 39.5m, an increase of PLN 6.3m year on year. Interest income on cash in bank accounts and other interest income (50.1% of total finance income), of PLN 19.8m, was the main item of finance income in the reporting period (2019/20: PLN 12.1m).
Finance income also includes income from guarantees and sureties of PLN 14.8m, representing 37.5% of total finance income.

Other finance costs were PLN 91.4 m, having decreased by PLN 44.8m year on year. In the reporting period, the main item of finance costs was foreign exchange gains of PLN 43.6m and interest on debt of PLN 23.5m. As at the reporting date, the valuation of HRG option, charged to finance costs, was PLN 13.3m.

Finance costs also included, as separate items, loss allowances, including a PLN 133.9m provision for sureties, a PLN 252.6m impairment charge on loans and other financial receivables, a PLN 127.3m provision for the restructuring of debt at NG2 Suisse S.à.r.l. and Karl Voegele AG, and a PLN 134.3m impairment loss on shares.

The COVID-19 pandemic significantly affected Karl Voegele AG's operating performance in 2020/21 and its prospects for the future. The business process optimization started after the acquisition of the company did not bring the expected results. Therefore, a strategic review of Karl Voegele AG was carried out. The Company holds shares in the company through NG2 Suisse S.à.r.l., owned by CCC S.A. The Management Board has decided to sell the shares in NG2 Suisse S.à.r.l. and, indirectly, the interest in Karl Voegele AG. In the reporting period, an impairment loss of PLN 46.3 million was recognised for the full value of the shares held in NG2 Suisse S.à.r.l. The recoverable amount of NG2 Suisse S.à.r.l. was measured at fair value less costs to sell.

In connection with the planned sale of shares in NG2 Suisse S.à.r.l. a significant risk of non-recovery of the loans granted by CCC S.A. to Karl Voegele AG and NG2 Suisse S.à.r.l. was identified. This led to a change in the classification of the loans by the Management Board, from Level 1 to Level 3. As a result, allowances were recognised of PLN 75.9m and PLN 8.5m, respectively, covering 100% of the loans' amount.

The Company also recognised a loss allowance for financial guarantees provided to Karl Voegele AG of PLN 70.4m (covering the entire amount of the guarantees) and a PLN 127.3m provision for debt restructuring (deleveraging of the two companies).

In addition to the loss allowance for the loans and the provisions for sureties, in 2020/21 owing to COVID-induced deterioration of the financial condition of HRG, an associate, the Company identified impairment losses on the loans to the group. These assets were reclassified from Level 1 to Level 3. The entire credit exposure of the CCC Group to HRG was analysed. Then the amount of the exposure was compared with the present value of cash flows that CCC S.A. expects to receive from the HRG Group, and appropriate allowances were recognised. The Company recognised a PLN 130.2m impairment loss on the loan and interest accrued.

The COVID-19 pandemic also adversely affected the business of Gino Rossi S.A. Accordingly, indications of impairment of the interest in the company were identified. The Management Board of the parent decided to recognise an impairment loss for the entire amount of the shares (PLN 88.0m). The recoverable amount of shares in Gino Rossi S.A. was measured at fair value less costs to sell. An impairment loss of PLN 36.0m was recognised on loans to Gino Rossi S.A. These assets were reclassified from Level 1 to Level 3.

During the 2020/21 financial year, a loss allowance was also recognised for other loans of PLN 1.4m and other short-term financial receivables of PLN 0.6m; the Group also recognised a provision for other sureties of PLN 63.5m.

For detailed information on the loans and sureties, broken down by gross carrying amount, credit exposure and impairment losses, see Note 6.1 to the separate financial statements.

Income tax

In 2020/21, income tax was PLN 3.1m (including PLN 17.9m of current tax and PLN 14.8m of deferred tax assets).

After finance income, finance costs and income tax, net loss was PLN 657.5m, i.e. the net loss increased by PLN 601.1m year on year.

STATEMENT OF FINANCIAL POSITION (review of the main items)

	January 31st 2021	January 31st 2020	December 31st 2019	CHANGE %
	AUDITED	UNAUDITED	AUDITED	AUDITED
Non-current assets, including:	**1,675.9**	**1,924.7**	**1,925.6**	**-13.0%**
Property, plant and equipment	561.0	572.8	575.8	-2.6%
Right-of-use assets	595.0	687.9	686.9	-13.4%
Deferred tax assets	24.4	12.0	9.6	>100%
Current assets, including:	**869.8**	**657.2**	**650.8**	33.7%
Inventory	360.4	404.0	345.5	4.3%
Cash and cash equivalents	199.5	50.4	95.4	>100%
Total assets	**2,545.7**	**2,581.9**	**2,576.4**	**-1.2%**
Non-current liabilities, including:	**939.9**	**540.0**	**746.3**	25.9%
Lease liabilities	674.0	512.9	509.0	32.4%
Financing liabilities	247.1	0.0	210.0	17.7%
Current liabilities, including:	**800.0**	**1,088.0**	**871.1**	-8.2%
Lease liabilities	198.3	205.3	201.4	-1.5%
Financing liabilities	210.4	323.2	111.4	88.9%
Trade payables and other liabilities	119.1	547.3	545.5	-78.2%
Total liabilities	**1,739.9**	**1,628.0**	**1,617.4**	**7.6%**
Equity	**805.8**	**953.9**	**959.0**	**-16.0%**

NON-CURRENT ASSETS

How we define the individual components of the assets

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

Right-of-use assets are measured at cost as at the contract inception date. The cost of a right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments paid on or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee, an estimate of the costs to be incurred by the lessee to dismantle and remove the underlying asset, refurbish the site on which it is located, or bring the underlying asset to the condition required by the lease terms, unless those costs are incurred to produce inventories.

Deferred tax assets and liabilities are recognised as a result of differences between the carrying amounts of assets and liabilities and their corresponding tax bases and on unused tax losses.

As at January 31st 2021, non-current assets comprised property, plant and equipment (PLN 561.0m), intangible assets (PLN 1.9m), goodwill (PLN 48.8m), right-of-use assets (PLN 595.0m), long-term investments (PLN 377.4m), lease receivables (PLN 67.4m) and deferred tax assets (PLN 24.4m). Compared with December 31st 2019, non-current assets fell 13.0%, to PLN 1,675.9m, mainly due to a PLN 134.4m decrease in long-term investments, a PLN 91.9m decrease in right-of-use assets, a PLN 78.0m decrease in long-term loans. Following COVID-induced deterioration of the financial condition of HRG, an associate, the Company identified impairment losses on the loans to the group.

CURRENT ASSETS

How we define the individual components of the assets

Inventories are stated at the lower of cost or net realisable value. Cost of finished goods and work in progress includes design costs, raw materials, direct labour, other direct costs and related manufacturing overheads (based on normal operating capacity), excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less variable costs necessary to make the sale.

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

As at January 31st 2021, current assets were PLN 869.8m and comprised inventories (PLN 360.4m), cash and cash equivalents (PLN 199.5m), receivables from customers (PLN 230.1m), loans (PLN 47.3m), other receivables (PLN 17.1m) and lease receivables (PLN 15.4m). Current assets increased 33.7% on December 31st 2019, from PLN 650.8m, mainly due to a PLN 225.2m increase in trade receivables.

Inventory

The Company's objective is to minimise inventories, while maintaining an adequate volume of merchandise to maximise sales. As at January 31st 2021, inventories increased by 4.3% year on year, to PLN 360.4m. Considering the customer's right to return unused goods, the Company recognises returns liabilities and returns assets. Deliveries made after the reporting date are allocated to revenue of the next period, while returns reduce revenue in the current period. The amount of the asset is disclosed in inventories, while the liability is presented in other liabilities. As at the reporting date, the amount of the asset was PLN 1.9m, and the amount of the liability was PLN 3.9m.

Cash and cash equivalents

As at January 31st 2021, cash and cash equivalents were PLN 199.5m, having increased by PLN 104.1m on December 31st 2019. As at the reporting date, 99% of cash was held in hand or in bank accounts.

EQUITY AND FINANCING LIABILITIES

How we define the individual components of the assets

Equity is recognized with a breakdown into specific components, in accordance with legal regulations and the relevant provisions of the Articles of Association. Components of equity:

- share capital is recognized at the amount specified in the Articles of Association and disclosed in the court register,
- share premium,
- retained earnings created from distribution of profit or loss, retained earnings, and net profit (loss) for the reporting period, and based on the existing employee stock option plan.

Dividend payments to owners are recognised as a liability in the Company's financial statements in the period in which they were approved by shareholders of the Company.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, and are classified as current liabilities if they mature within one year. Otherwise, liabilities are disclosed as non-current. Trade liabilities are measured at amounts due.

As at January 31st 2021, equity decreased by PLN 153.2m, or -16.0%. The decrease was attributable, among other things, to net loss from continuing and discontinued operations of PLN 657.5m in 2020/21, partially offset by the proceeds from the issue of shares of PLN 504.3m.

As at January 31st 2021, non-current liabilities were PLN 939.9m, And mainly consisted of financing liabilities (PLN 247.1m), lease liabilities (PLN 674.0.), grants (PLN 14.0m), and provisions (PLN 4.8m). Non-current liabilities were PLN 193.6m (25.9%) higher than as at December 31st 2019, mainly due to a PLN 37.1m increase in financing liabilities, and a PLN 165.0m increase in lease liabilities.

As at January 31st 2021, current liabilities were PLN 800.0m, And consisted of financing liabilities (PLN 210.4m) and liabilities towards suppliers (PLN 16.8 million); lease liabilities (PLN 198.3m), provisions (PLN 266.2m), other liabilities (PLN 102.3m), income tax liabilities (PLN 2.3m) and grants (PLN 3.7m). Current liabilities decreased by PLN 71.1m (-8.2%), from PLN 871.1m as at December 31st 2019, mainly due to a PLN 439.7m (-96.3%) year-on-year decrease in trade payables. For information on financing liabilities, see 'Debt and liquidity of CCC S.A.'

STATEMENT OF CASH FLOWS (review of the main items)

	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019	*CHANGE %
	AUDITED	UNAUDITED	AUDITED	UNAUDITED
Profit before tax	**(654.4)**	**(43.8)**	**(35.6)**	**>100%**
Adjustments	978.6	384.7	385.9	>100%
Income tax paid	(24.8)	(10.1)	(9.9)	>100%
Cash flow before changes in working capital	**299.4**	**330.8**	**340.4**	**-9%**
Changes in working capital	(615.7)	207.7	253.4	<-100%
Cash flows from operating activities	**(316.3)**	**538.5**	**593.8**	**<-100%**
Cash flows from investing activities	**(90.7)**	**(451.7)**	**(467.4)**	**-80%**
Cash flows from financing activities, including:	**511.1**	**(140.7)**	**(135.3)**	**<-100%**
Issue of shares	506.9	0.0	0.0	-
Dividends and other distributions to owners	0.0	(19.7)	(19.7)	-100%
Total cash flows	**104.1**	**(53.9)**	**(8.9)**	**<-100%**

Net cash flows from operating activities

In 2020/21, net cash flows from operating activities were PLN -316.3m, a decrease of PLN 854.8m on 2019/20. The decrease was attributable to changes in working capital, mainly current liabilities.

Net cash flows from investing activities

In 2020/21, net cash flows from investing activities were PLN -90.7m, an increase of PLN 361.0m on 2019/20. The change reflected a decrease in expenditure on property, plant and equipment, of PLN -52.9m, a decrease in investments in associates to PLN 44.0m, and movements in loans (repayment of PLN 261.7m and a decrease in loans down to PLN -250.9m).

Net cash flows from financing activities

In 2020/21, net cash flows from financing activities were PLN 511.1m. As at the end of 2019/20, the main reason for the PLN 651.8m change was PLN 250.0m in proceeds from borrowings and PLN 506.9m in proceeds from the share issue.

Given the cash flows discussed above, at year-end 2020/21, CCC held cash of PLN 199.5m, an increase of PLN 149.1m compared with the balance as at January 31st 2020.

PROFIT GUIDANCE

No profit guidance for 2020/21 was issued.

Management of financial resources and liquidity

DEBT AND LIQUIDITY OF CCC S.A.

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

Bank and non-bank borrowings. Bonds

At the end of January 2021, the Company had long-term financing liabilities of PLN 247.1m, comprising a long-term credit facility of PLN 250m (CTA) and other non-monetary changes (PLN -2.9m).

Current financing liabilities included liabilities under bonds of PLN 210.3m and short-term credit facilities of PLN 0.1m. This item increased by PLN 99.0m on December 31st 2019.

Credit facilities and guarantee limits in 2020/21 are presented below.

BANK	COMPANY	INSTRUMENT	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	UTILISATION [MILLION]	CURRENCY
Credit facility agreements							
BNP Paribas	CCC S.A., Karl Voegele AG	Short-term credit facility	October 21st 2019	April 30th 2021	17.0	16.7	CHF
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
Total credit facility agreements, PLN					**460.0**	**460.0**	**PLN**
Total credit facility agreements, CHF					**17.0**	**16.7**	**CHF**
Guarantee limit							
PKO BP	CCC S.A.	Bank guarantee limit	November 21st 2019	April 30th 2021	45.0	32.3	PLN
mBank	CCC S.A.	Bank guarantee limit	November 4th 2012	April 30th 2021	34.0	30.1	PLN
Santander	CCC S.A.	Bank guarantee limit	March 31st 2009	April 30th 2021	65.0	31.2	PLN
Santander	CCC S.A.	Bank guarantee limit	April 11th 2018	April 30th 2021	17.0	17.0	PLN
BNP Paribas Bank Polska S.A.	CCC S.A.	Bank guarantee limit	May 4th 2011	April 30th 2021	50.0	22.7	PLN
Total guarantee limit, PLN					**211.0**	**133.3**	**PLN**

Bonds

For information on the bonds, see section 'Analysis of selected financial and operating data of the CCC Group' on page 37.

Covenants

For information on the covenants, see section 'Analysis of selected financial and operating data of the CCC Group' on page 37.

Net cash flows from financing activities

In 2020/21, cash flows from bank borrowings drawn and repaid, including interest, were PLN 110.9m. The Company also issued bonds for a total amount of PLN 506.9m. Given the changes in financing activities described above, the Company's net cash flows from financing activities in 2020/21 were PLN 511.1 million (2019/20: PLN -140.7m).

DEBT RATIOS

The Management Board of CCC S.A. uses the general debt ratio and the current ratio to analyse the level of the Company's debt. For a discussion of the ratios, see below.

The general 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 the net debt. The calculation of the debt ratio is presented below:

	January 31st 2021	January 31st 2020	December 31st 2019
	AUDITED	UNAUDITED	AUDITED
Net debt			
Bank borrowings	247.2	112.7	111.4
(+) Liabilities under bonds	210.3	210.5	210.0
= Financing liabilities	**457.5**	**323.2**	**321.4**
(-) Cash and cash equivalents	199.5	50.4	95.4
= Net debt	**258.0**	**272.8**	**226.0**
Debt ratio			
Total equity	805.8	953.9	959.0
(+) Net debt	258.0	272.8	226.0
= Capital employed	**1,063.8**	**1,226.7**	**1,185.0**
Debt ratio (net debt/capital employed)	**24.3%**	**22.2%**	**19.1%**

As at January 31st 2021, the debt ratio was 24.3%, having increased 5.2pp on December 31st 2019.

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.

	January 31st 2021	January 31st 2020	December 31st 2019
	AUDITED	UNAUDITED	AUDITED
Inventory	360.4	404.0	345.5
(+) Trade receivables and other receivables	262.6	37.2	37.3
(+) Cash and cash equivalents	199.5	50.4	95.4
(+) Loans	47.3	165.6	172.6
= Current assets	**869.8**	**657.2**	**650.8**
Current financing liabilities	210.4	323.2	111.4
(+) Trade payables and other liabilities	121.4	555.9	554.7
(+) Provisions and grants	269.9	3.6	3.6
(+) Lease liabilities	198.3	205.3	201.4
= Current liabilities	**800.0**	**1,088.0**	**871.1**
Current ratio (current assets/current liabilities)	**1.1**	**0.6**	**0.7**

As at January 31st 2021, the current ratio was 1.1, having increased 0.4 on December 31st 2019, mainly due to an increase in current assets (33.7%) and a decrease in current liabilities (-8.2%). The excess of current assets over current liabilities was PLN 69.8m.

FINANCIAL INSTRUMENTS

For information on the financial instrument, see section 'Analysis of selected financial and operating data of the CCC Group' on page 39.

ISSUE OF SECURITIES AND USE OF PROCEEDS

For information on the issue of securities, see section 'Analysis of selected financial and operating data of the CCC Group' on page 39.

FEASIBILITY OF INVESTMENT PLANS

For assessment of the feasibility of investment plans, see section 'Analysis of selected financial and operating data of the CCC Group' on page 39.

AGREEMENTS EXECUTED BY CCC S.A.

Loans

In the reporting period, the Company was a party to the following loan agreements:

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	2%
CCC S.A.	CCC Shoes Bulgaria EOOD	December 14th 2014	December 31st 2021	4.0	BGN	6%
CCC S.A.	CCC Shoes&Bags d.o.o. Beograd	September 22nd 2016	December 31st 2021	0.1	EUR	4%
		November 18th 2016	December 31st 2021	0.1	EUR	
		December 9th 2016	December 31st 2021	0.1	EUR	
CCC S.A.	NG2 Suisse S.a.r.l.	August 29th 2018	December 31st 2021	2.0	CHF	1%
CCC S.A.	Karl Voegele AG	January 2nd 2019	April 30th 2021	10.0	CHF	1%
		March 19th 2019	April 30th 2021	8.0	CHF	
CCC S.A.	HR Group Holding S.a.r.l.	January 31st 2019	December 31st 2029	41.5	EUR	8%
CCC S.A.	CCC Obutev d.o.o	February 18th 2019	February 17th 2021	0.8	EUR	1%
		April 21st 2020	April 30th 2021	0.3	EUR	1%
CCC S.A.	CCC Hrvatska d.o.o.	February 28th 2019	February 27th 2021	3.8	HRK	1%
CCC S.A.	HR Group GmbH & Co. KG	February 17th 2020	March 31st 2023	6.2	EUR	3%
CCC S.A.	Gino Rossi S.A.	December 18th 2018	May 20th 2022	22.1	PLN	3M WIBOR + 1.65%
		December 18th 2018	October 31st 2021	0.4	PLN	1M WIBOR + 1.4%
		December 18th 2018	October 31st 2021	31.4	PLN	1M WIBOR + 1.3%
		December 18th 2018	October 31st 2021	9.5	PLN	1M WIBOR + 1.4%

Sureties, guarantees and other contingent liabilities
In the reporting period, CCC S.A. provided the following sureties and guarantees:

Guarantees provided as support of commercial space lease contract

	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
CCC S.A.	35	CCC Czech Republic	43.2	CZK
CCC S.A.	18	CCC Czech Republic	1.1	EUR
CCC S.A.	37	CCC Slovakia s.r.o.	1.7	EUR
CCC S.A.	38	CCC Hungary Kft.	4.4	EUR
CCC S.A.	16	CCC Hungary Kft.	174.6	HUF
CCC S.A.	2	CCC Germany GmbH	0.2	EUR
CCC S.A.	34	CCC Austria	2.7	EUR
CCC S.A.	14	CCC Hrvatska	0.5	EUR
CCC S.A.	7	CCC Slovenia	0.5	EUR
CCC S.A.	58	Shoe Express	1.7	EUR
CCC S.A.	1	Shoe Express	0.1	RON
CCC S.A.	1	Karl Voegele AG [2]	0.0	CHF
CCC S.A.	5	CCC Bulgaria	0.2	EUR
CCC S.A.	4	CCC Russia	0.1	EUR
CCC S.A.	28	CCC Russia	36.5	RUB
CCC S.A.	2	CCC Russia	0.2	USD
CCC S.A.	1	CCC Team	0.3	PLN
CCC S.A.	2	CCC Ukraine	0.1	EUR
CCC S.A.	10	CCC Ukraine	0.2	USD
CCC S.A.	1	DEEZEE	0.1	PLN
CCC S.A.	16	eobuwie	1.5	EUR

Other sureties and guarantees

Provided by CCC S.A. 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 to reverse factoring agreement	December 12th 2019	April 28th 2024	240.0	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 to multi-purpose credit facility agreement	October 31st 2019	-	360.0	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Pekao S.A.	CCC.eu Sp. z o.o.	Surety to revolving credit facility agreement	October 31st 2019	December 31st 2024	6.0	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 to multi-purpose 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 to overdraft 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 to 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 to confirming agreement	August 2nd 2018	3 years from debt due date	120.0	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 to reverse factoring agreement	December 12th 2019	April 28th 2024	80.0	PLN

Obtained by CCC S.A.:

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 to 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 30th 2021	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., 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 SA	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. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC.EU Sp. z o.o and CCC Factory Sp. z o.o.)	AO CITIBANK	CCC Russia	Surety to credit facility agreement	December 20th 2019	December 31st 2024	24.0	USD
CCC S.A.	Raiffeisen Bank Zrt	CCC Hungary	Surety to bank guarantee agreement	June 25th 2014	December 31st 2021	3.0	EUR

For information on material off-balance sheet items, see Note 27 'Contingent assets and liabilities' to the consolidated financial statements.

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. „Related-party transactions".

DESCRIPTION OF SIGNIFICANT AGREEMENTS

CREDIT FACILITY AGREEMENTS AND BANK GUARANTEE FACILITY AGREEMENTS

For description of significant agreements, see page 44.

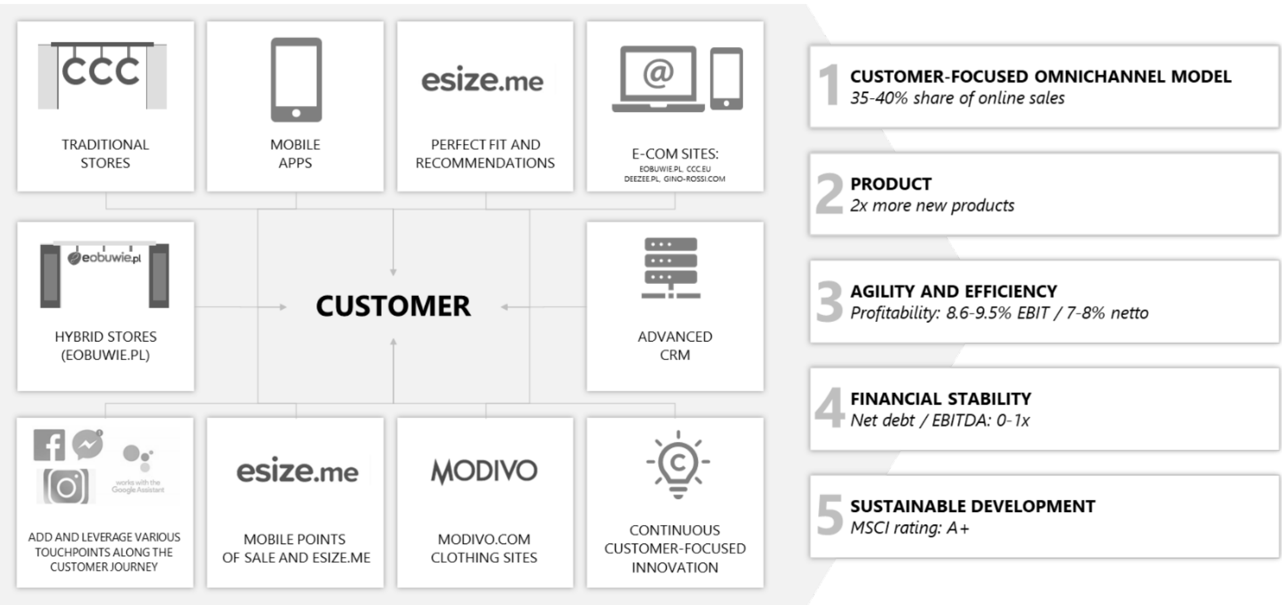
Strategy of the CCC Group. Execution and growth plans

MISSION AND STRATEGY

Development strategy

In 2019, the Group worked on a comprehensive strategy for the CCC Group, which was finalised and adopted in January 2020 – GO.22 Strategy (see Current Report No. 4/2020)

The Group's strategy is focused on existing and future customers and comprises five pillars: omnichannel, product, agility and efficiency, financial stability, and sustainable development. The objectives set for each pillar will be pursued with the use of new technologies and data analytics.



PILLAR 1: CUSTOMER-FOCUSED OMNICHANNEL MODEL

The unique omnichannel sales ecosystem comprises complementary channels (including offline stores, hybrid stores, online platforms, mobile applications, esize.me scanners etc.), through which the Group intends to offer its products in any manner expected by its customers.

Over the period covered by the strategy, the Group's plan is to selectively expand its offline channel, which will include active management of its offline store portfolio and store digitalisation using self-service checkouts, tablets, esize.me scanners and other solutions. The strategy envisages growing the Group's retail area by up to 120,000 m^2 net by 2022 (compared with 725,000 m^2 at the end of 2019), mainly on the Romanian and Russian markets.

In a parallel effort, the Group plans to rapidly expand its digital channels, particularly eobuwie.pl, but also ccc.eu, deezee.pl, gino-rossi.pl, and the MODIVO platform launched in 2019. The Group's strategic goal is to drive its e-commerce sales so that they reach a 35%–40% share in total sales by 2022.

PILLAR 2: PRODUCT

The Group continues to develop products to match customer needs. In line with the product change directions in CCC channels envisaged in the strategy, the Group focuses on strengthening 5–6 core brands (including Lasocki, Gino Rossi and Sprandi), improving product quality, sneakerisation, expanding the fashion proposal, building a wider e-commerce only offering and growing the other categories (such as accessories). Product developments will be accompanied by a change in the communication approach geared towards reinforcing the identity of individual brands – for instance, by building purchase opportunities through micro-season communication in stores and online and making an extensive use of social media channels.

PILLAR 3: AGILITY AND EFFICIENCY

To secure the successful implementation of the Group's key objectives, the strategy provides for the improvement and optimisation of selected internal processes, particularly through widespread use of new technologies, latest IT solutions, and data analytics.

The strategy provides for optimisation of supply chain and product life cycle management, launch of a shared service centre, and improvement of financial supervision through SAP, BI and other tools.
Another important element of the strategy is the development of the corporate culture, for instance by introducing the Group's key values of customer and product focus across the organisation; dynamism, enthusiasm, dedication; openness and cooperation; responsibility and personal development.

PILLAR 4: FINANCIAL STABILITY

The Group plans its financial policy to ensure the stability and financial security of the Group. The strategy assumes an increase in the Group's operating profit margin to 8.5–9.5% and net profit margin to 7.0-8.0% in 2022. The Group seeks to improve its working capital efficiency with efforts to shorten the cash conversion cycle to less than 100 days. Capital expenditure in 2020–2022 is expected to average at PLN 150m–200m annually, compared with PLN 700m the year before. CCC's strategic objective is to achieve a low net debt to EBITDA ratio of 0–1x (compared with 2.9 at the end of 2019), with a proviso that its achievement is and will continue to be affected by the COVID-19 pandemic (particularly lockdown restrictions and the post-lockdown reduction in store traffic). Therefore, the debt target may need to be revised (relevant analyses are under way).

PILLAR 5: SUSTAINABLE DEVELOPMENT

The Group implements a sustainable development plan, minimises the impact of its operations on the environment and supports pro-environmental and pro-social activities. Over the next three years, CCC will expand the range of its environmentally friendly products, with relevant measures including launch of further eco-friendly product lines, increased share of eco leathers in the manufacturing processes, and cooperation only with those suppliers who have committed to observe the CCC Code of Conduct, containing environmental and CSR obligations. The CCC Group is also UNICEF's first global partner from Poland. The money we donate is used to save the lives of children around the world and to support education in developing countries.

GROWTH PROSPECTS

In 2021, The Group anticipates the footwear market in Central and Eastern Europe to expand at a rate of approximately 7% (in value terms) in 2020–2025, with the online footwear market expected to achieve a two-digit growth. Key trends the Group expects will continue in 2021:

1. Further development of multichannel customer relationship formats
2. Further development of the online channel and consumer shopping habits
3. Stores becoming an increasingly engaging component of multichannel customer relationships
4. Personalisation of customer relationships
5. Growing demand for 'value for money' products
6. Growing competition, particularly in online retail
7. Increasing availability and growing popularity of fashion products (fast fashion, etc.)
8. Expanding sports footwear segment – with its growth by far outpacing the footwear market as a whole
9. Diminishing seasonal variance due to climate change.

10 Greater weight attached by the apparel and footwear industry to environmental considerations

Corporate governance

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RULES

Since January 1st 2016, CCC S.A. has been subject to the new corporate governance rules implemented under Resolution No. 26/1413/2015 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie (WSE) of October 13th 2015 – 'Code of Best Practice for WSE Listed Companies 2016' (the "Code of Best Practice 2016").

The document is available on the WSE's website at www.corp-gov.gpw.pl. Starting from 2017, the Company has published non-financial reports.

INFORMATION ON NON-COMPLIANCE WITH CORPORATE GOVERNANCE RULES

CCC S.A. complies with the recommendations and rules set out in the Code of Best Practice 2016.
CCC's full statement of compliance with the Code of Best Practice 2016 is available in the corporate governance section of the Company's website at https://corporate.ccc.eu/lad-korporacyjny.

DISCLOSURE POLICY

CCC S.A. runs a corporate website, which is a reliable and useful source of information on the Company for capital market participants. It features an investor relations section designed specifically for the Company's shareholders, investors and stock market analysts (https://corporate.ccc.eu/relacje-inwestorskie). It provides transparent, reliable and complete content to enable investors and analysts to make informed decisions. The corporate website is available in Polish and English.

The CCC Group ensures equal access to information on the Company through strict compliance with disclosure obligations that arise from its presence on a regulated market, application of corporate governance rules and use of best market standards and practices to communicate with capital market participants.

The activities taken under the disclosure policy are addressed to particular capital market participants, including retail and institutional investors, shareholders, regulated market entities (the Financial Supervision Authority and the Warsaw Stock Exchange), and stock market analysts.

In order to properly discharge its disclosure obligations, CCC S.A. publishes:

- information required under the laws applicable to companies listed on the WSE and under the Code of Best Practice for WSE Listed Companies 2016;
- financial results and periodic reports within the time limits prescribed under applicable laws. The Company seeks to ensure that its financial results and periodic reports are published in the shortest possible time;
- communications concerning major events affecting the price of Company shares immediately upon their occurrence, unless otherwise required by law;
- communications concerning material related-party transactions, in accordance with applicable laws.

The tools used to communicate with capital market participants include, without limitation:

- Electronic Information Transmission System (ESPI) – used to discharge disclosure obligations arising from the fact that Company shares are traded on a regulated market;
- Electronic Information Base (EIB) – used for distribution of corporate governance reports;
- Investor Relations section of the corporate website (http://firma.ccc.eu/pl/3,relacje-inwestorskie.html), containing all relevant information on the Company, including current reports, presentations, financial statements, information on the Company's governing bodies, current shareholding structure, contact details, etc.;
- live broadcasts of earnings conferences for investors, analysts and the media held after the publication of financial results (video recordings of earnings conferences are available on the Investor Relations site);
- conference calls for domestic and foreign investors and analysts;
- meetings of representatives of the Management Board and the Investor Relations team with retail and institutional investors and analysts, including Open Days and Investors' Days held at the Company's registered office;
- participation of representatives of the Management Board and the Investor Relations team in investor conferences in Poland and abroad;
- ensuring the Investor Relations team is available to capital market participants by phone and electronic means of communication. The Company strives to answer all queries as soon as practicable but not later than within three (3) business days of their receipt. The processing time may be extended in well justified cases and in circumstances that are beyond the Company's control;
- posting materials relating to General Meetings, including video recordings, on the Investor Relations site.
- The Investor Relations website at https://corporate.ccc.eu/ relacje-inwestorskie is periodically reviewed and updated so that the content best meets the information needs of capital market participants.

Risk management

Key features of the internal control and risk management systems applied by the Company in preparing financial statements and consolidated financial statements

Financial statements and consolidated financial statements are prepared in accordance with:

- International Financial Reporting Standards as endorsed by the European Union;
- Polish Accounting Act of September 29th 1994 (consolidated text in Dz.U. of 2013, item 330, as amended);
- Articles of Association of CCC S.A.;
- Accounting policies applied by CCC S.A. and policies applied by subsidiaries;
- internal accounting procedures.

The process of preparing financial statements is covered by the internal control and risk management systems, which contribute to ensuring the reliability and accuracy of financial reporting and compliance with internal laws and regulations.
The internal control system consists of:

- control activities performed by employees of the CCC Group companies with respect to their tasks and responsibilities;
- functional control provided through supervision of subordinate organisational units by all employees in management positions,
- control provided by the internal audit function for independent and objective assessment of the risk management and internal control systems.

Risk management in the process of preparing financial statements consists in identifying and assessing relevant risks and then defining and implementing measures to reduce or eliminate them. The process of preparing the Company's financial statements is overseen by Chief Accountant and Vice President of the Management Board, Chief Financial Officer, who is in charge of the financial and accounting departments.

The risk management process begins at the lowest levels of the Group to ensure that pre-set objectives are met. The risk management process at the CCC Group is overseen by the Management Board and key management personnel. Also, financial and accounting processes are subject to independent internal audits. Proper preparation of financial statements is also verified by members of the Audit Committee. In order to confirm that the data contained in financial statements is correct and consistent with the Company's accounting records, the financial statements are audited by an independent auditor, who then issues an opinion thereon. All actions taken by the Company are designed to ensure compliance with all legal requirements and the facts and to identify and eliminate any potential risks early so that the reliability and accuracy of the presented financial data is not affected.

Scope of the Group's risk management system

Key risk management objectives:
- to ensure security of the Company's operations;
- to ensure effective decision-making to maximise profits at acceptable risk levels.

The risk management policy of the CCC Group sets out the relevant assumptions, policies, risk factors and risk mitigation methods to maximise control of risks that could adversely affect the operations of the CCC Group. The policy is mandatory and applied by all CCC Group companies. The risk management policy is constantly refined and supplemented by detailed regulations covering the individual risk areas within the Group, including:
- Management Board remuneration policy;
- code of ethics;
- supplier code of conduct;
- procurement policy;
- IT system security policy;
- OHS policy;
- environmental policy.

Bodies responsible for risk management at the Group

The bodies responsible for risk management at the CCC Group and their respective areas of responsibilities are provided below.

MANAGEMENT BOARD OF CCC S.A.
Approves the CCC Group Risk Management Policy, which forms the basis for implementation of the Risk Management System.

AUDIT COMMITTEE
Monitors the effectiveness of the risk management system with respect to risks materially affecting the Company's operations, including the effectiveness of any corrective actions taken. For more information, see Section 7.5.3.

SUPERVISORY BOARD
Periodically verifies the correctness and effectiveness of the Risk Management Policy to ensure that all key risks have been identified and appropriate corrective actions have been implemented.

INTERNAL AUDITOR
Periodically reports on the effectiveness of the systems and their functions with regard to implementation and maintenance of effective internal control systems, risk management, legal compliance, and internal audit functions.

FINANCIAL DEPARTMENT:
- Implements the CCC Group Risk Management System;
- Exercises supervision of risk management personnel at the CCC Group;
- Constantly gathers knowledge and techniques to improve the effectiveness of risk management systems;
- Monitors the Risk Management System and ensures it is integrated with the CCC Group's processes.

MANAGEMENT PERSONNEL:
- Raise awareness of the importance of the Risk Management System;
- Manage the available resources to implement and maximise the effectiveness of the Risk Management System;
- Review plans and assumptions for expanding the Risk Management System.

Risk levels acceptable to the Group

The CCC Group relies on basic criteria for identifying, assessing and determining risk relevance, developed on the basis of the concept of risk tolerance. An important task of the Group's management personnel is to define a strategy and acceptable level of risk that must factor in the amount of risk the Group is willing to accept in order to deliver on its objectives. This level of risk is updated on a regular basis and every time the CCC Group changes its operating strategy.

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
Footfall at offline stores	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.	➢ 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, ➢ ongoing monitoring of store performance and store chain management, including store closures and openings, space reductions and expansions, relocations, etc. ➢ consistent expansion of digital distribution channels – online and mobile sales platforms, ➢ monitoring the activities of other market operators.
Aligning products with customer expectations	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.	➢ building on the long track-record in designing, manufacturing and sale of footwear; ➢ influencing fashion trends through promotional and marketing activities and collaboration with influencers; ➢ implementing improvements in the process of creating, ordering and delivering collections to shorten design-to-shelf lead times.
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)	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.	➢ promotional and marketing activities aimed at strengthening individual brands, ➢ building a footwear retail ecosystem integrating numerous touchpoints to increase customer loyalty; ➢ rollout of up-to-date offline store formats to boost brand image
Trade credit risk	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.	➢ regular checks of customers' financial condition; ➢ regular checks of customers' credit history
Currency risk	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	➢ continuous monitoring of movements in currency exchange rates relevant to the Group; ➢ implementation of a natural hedging strategy.

	stronger CNY may lead to deterioration in import terms and increase costs for consumers.	
Interest rate risk	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.	➢ diversification of capital sources, ➢ monitoring of key interest rates.
Risk related to overall economic conditions	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).	➢ diversifying its operations in terms of countries in which it is present (reducing the correlation of economic situation between countries); ➢ monitoring the economic situation globally and in the countries relevant to the Group, and adjusting the Group's strategy accordingly, ➢ monitoring important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).
Seasonality of sales and weather conditions	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.	➢ 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.
Risk of lockdown (government-imposed restrictions on offline retail)	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.	➢ 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.

Reporting calendar

May 18th 2021	Separate and consolidated annual report for 2020/21
May 31st 2021	Consolidated report for the first quarter of 2021
October 13th 2021	Consolidated report for the first half of 2021
November 24th 2021	Consolidated report for the third quarter of 2021

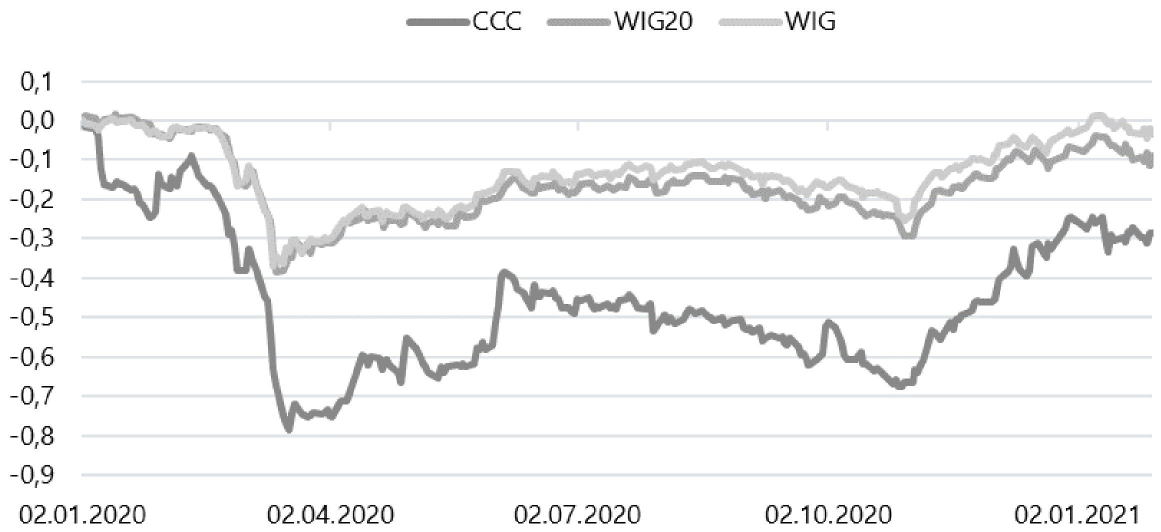
CCC shares on the Warsaw Stock Exchange

CCC stock price

CCC 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-Div, WIG-Odzież, and WIG ESG.

As at January 31st 2021, the price of one CCC share was PLN 82.70, which translated into market capitalisation of close to PLN 5.3bn. The highest price in the year (closing price) was PLN 115.90, while the lowest price was PLN 24.98. The maximum transaction price in 2020/21 was PLN 116.00, while the minimum price was PLN 24.30.

CCC S.A. stock performance from January 1st 2020 to January 31st 2021



June 24th 2020 The Company's Annual General Meeting passed a resolution to cover the loss for the financial year 2019 of PLN 50,819,425.30 from statutory reserve funds.

Presented below is selected information on the price of CCC shares in 2019–2021:

DATA	January 31st 2021	January 31st 2020	*CHANGE %
	AUDITED	UNAUDITED	UNAUDITED
Consolidated net profit (loss) attributable to owners [PLNm]	(988.9)	19.8	<-100%
Separate net profit attributable to owners [PLNm]	(657.5)	(56.4)	>100%
Consolidated earnings per share [PLN]	(19.8)	1.0	<-100%
Separate earnings per share [PLN]	(13.2)	(1.4)	>100%
High [PLN]	115.9	258.8	-55%
Low [PLN]	25.0	83.4	-70%
Share price at end of period [PLN]	82.7	97.0	-15%
Average share price in the period [PLN]	62.2	153.2	-59%
Average P/E ratio	(3.1)	147.3	<-100%
P/E ratio at end of period	(4.2)	93.2	<-100%
Free float shares at end of period	49,913,756	41,168,000	33%
Free float at end of period	0.5	0.5	0%
Capitalisation at end of period [PLNm]	4,127,867,621.2	3,991,237,600.0	14%
Dividend paid per share [PLN]	0.0	0.0	-

Investor Relations

The Investor Relations Office of the CCC Group is responsible for the implementation of the Group Disclosure Policy (see 'Disclosure Policy of the CCC Group"), whose aim is mainly to ensure equal access to information and effective communication and to build confidence among capital market participants, particularly retail and institutional investors from Poland and abroad. The persons responsible for investor relations use best communication practices in line with expectations and best practices applied in international markets, as demonstrated by the '10 Out of 10 – Investor Friendly Company' certificate awarded by the Association of Retail Investors in an awards programme held under the honorary patronage of the 'Shareholder Democracy. Informed Investments' educational campaign.

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Dividend policy

In view of the Company's financial results and its intention to share profits with the shareholders, on April 28th 2015 the Management Board of CCC S.A. adopted a dividend policy (the dividend policy was later updated by a resolution of the Management Board on March 17th 2017).

Dividend policy of CCC S.A.

1. The Management Board of CCC S.A. intends to recommend to the General Meeting that dividend be paid of 33% and 66% of the consolidated net profit of the CCC Group (attributable to owners of the parent), assuming that the net debt to EBITDA ratio at the end of the relevant financial year is below 3.0.

2. In recommending the amount of profit distribution, the Management Board will take into account the financial condition and liquidity position of the Group, its existing and future liabilities (including potential restrictions under credit facility agreements and debt instruments in issue), as well as the assessment of the CCC Group's prospects in specific market and macroeconomic conditions.

3. The new dividend policy applies as of distribution of the Group's consolidated net profit for the financial year ended December 31st 2016.

None of the Group shares carry any dividend preference.

Dividend history

FINANCIAL YEAR	PAYOUT RATIO (% OF CONSOLIDATED NET PROFIT)	TOTAL DIVIDEND (PLN MILLION)	DIVIDEND PER SHARE
2019	0%	0.0	0.0
2018	35%	19.8	0.5
2017	33%	94.7	2.3
2016	33%	101.4	2.6
2015	33%	86.0	2.2
2014	*27%	115.2	3.0
2013	49%	61.4	1.6
2012	58%	61.4	1.6
2011	50%	61.4	1.6
2010	49%	57.6	1.5
2009	46%	38.4	1.0
2008	37%	38.4	1.0
2007	0%	0.0	0.0
2006	72%	38.4	1.0
2005	88%	38.4	1.0

* As a result of adjusting net profit for the effect of non-recurring factors, the payout ratio was 50%.

Share capital and shareholders

As at January 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
I	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
Total			**54,868,000**	**5,486,800**	

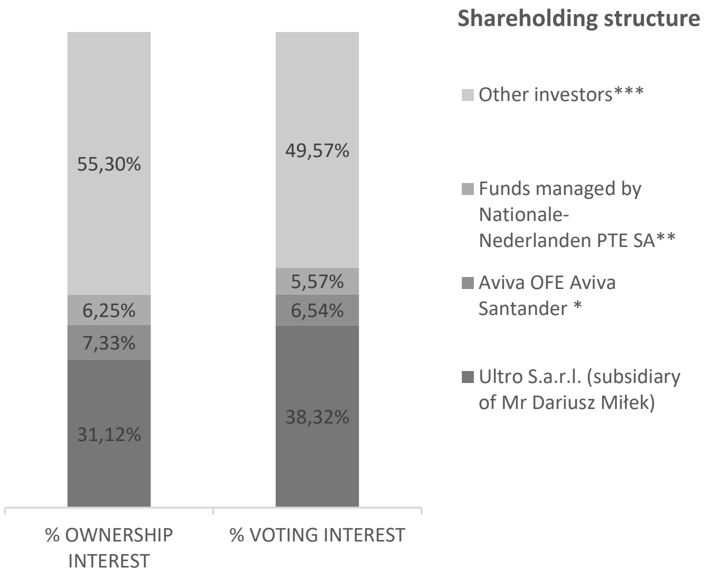
Large holdings of CCC S.A. shares

According to the information available to the Company, shareholders holding 5% or more of total voting rights in CCC S.A. as at January 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,

• 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
Ultro S.a.r.l. (subsidiary of Mr Dariusz Miłek)	17,077,465	31.12%	23,577,465	38.32%
Aviva OFE Aviva Santander *	4,022,000	7.33%	4,022,000	6.54%
Funds managed by Nationale-Nederlanden PTE SA**	3,428,494	6.25%	3,428,494	5.57%
Other investors***	30,340,041	55.30%	30,490,041	49.57%
Total	**54,868,000**	**100%**	**61,518,000**	**100%**



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

** As per the Notification by Nationale-Nederlanden PTE S.A. of December 28th 2020. (Current Report No. 71/2020), including: Nationale-Nederlanden OFE and other Funds managed by Nationale-Nederlanden PTE S.A. specified in the Notification.

***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)
Management Board		
Ultro S.a.r.l. (subsidiary of Mr Dariusz Miłek)	17,077,465	1,707,746
Marcin Czyczerski, CEO and President	5,100	510
Mariusz Gnych, Vice President	207,112	20,711
Karol Półtorak, Vice-President	5,500	550

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 Sp. z o.o., subsidiary of 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%
Total	**6,650,000**	**13.62%**	**13,300,000**	**4.85%**

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 ¾ 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.

General Meeting of CCC S.A.

Operation and principal powers of the CCC S.A. General Meeting, shareholder rights and the manner of their exercise

The General Meeting operates on the basis of information published by the Company, including on the CCC S.A. website, the Articles of Association of the Company and the Rules of Procedure, and to the extent not provided for in these documents – on the basis of the Commercial Companies Code.

Convening and cancelling the General Meeting:
- The General Meeting may be convened as an ordinary (annual) or extraordinary meeting of shareholders.
- The General Meeting may be held at the Company's registered office, in Warsaw or in Wrocław, at the venue and on the date specified in the notice of the General Meeting.
- The Annual General Meeting is held annually, within six months of the end of the financial year.
- The Management Board gives a notice of the General Meeting, specifying the venue and time (date and time), in the form of a current report and on the Company's website.

Powers of the General Meeting

The powers and responsibilities of the General Meeting include, in addition to any matters related to the Company's operations and matters specified in applicable laws, except for the acquisition and disposal of real property, perpetual usufruct right to real property or interest in real property:
- Appointment and removal of Supervisory Board members
- Approval of the Rules of Procedure for the Supervisory Board

- Determination of the rules of remuneration for the Supervisory Board
- Determination of remuneration for Supervisory Board members.

The powers of the General Meeting are defined in the following documents:
- The Articles of Association of the Company, available on the Company’s website
- Rules of Procedure for the General Meeting of CCC S.A., available on the Company's website (www.ccc.eu)
- Commercial Companies Code
- Taking into account the Code of Best Practice for WSE Listed Companies.

Participation in General Meetings of the Company
Members of the Management and Supervisory Boards may participate in a General Meeting. The auditor should be present if financial matters of the Company are to be considered during the Meeting.

The Management Board may also invite other experts and advisers to participate in a General Meeting in order to present their opinions to participants of the Meeting on matters included on the agenda. To the extent permitted by law and acting in the best interests of the Company, CCC S.A. may also allow members of the media to attend a General Meeting.

The Management and Supervisory Board members and the Company’s auditor, within their respective remits and to the extent necessary to resolve matters discussed at the General Meeting, provide General Meeting participants with relevant explanations and information concerning the Company. Answers to questions raised by General Meeting participants are provided in keeping with the laws governing the operation of the capital market, and all information must be provided in a manner prescribed therein.

Shareholders may attend General Meetings of CCC S.A. and exercise voting rights in person or by proxy. Powers of proxy to vote should be granted in writing or in electronic form. A power of proxy granted in electronic form will not require a secure electronic signature verifiable with a valid qualified certificate.

Shareholders are required to notify the Company that a power of proxy has been granted in electronic form and send the power of proxy to wza@ccc.eu. If further powers of proxy have been granted, a complete sequence of powers of proxy must be presented along with documents confirming the authority to act on behalf of preceding proxies.

Since 2016, shareholders may participate in a General Meeting by electronic means of communication if the notice of the General Meeting provides for such option. Participation via electronic means includes in particular:

1) real-time broadcast of the General Meeting;
2) real-time two-way communication where shareholders may speak during the General Meeting from a location other than the venue of the General Meeting;
3) exercise of voting rights at the General Meeting by the shareholder in person or through a proxy.

Voting at the General Meeting of the Company

Presented below are the rules of voting at the Company’s General Meeting, which are consistent with the Rules of Procedure for the General Meeting, the Company’s Articles of Association, and the Commercial Companies Code:
- Voting is by open ballot. A secret ballot is ordered with regard to an election, removal from office of members of the Company’s governing bodies or bringing them to account, and personnel matters. A secret ballot will also be ordered at the request of at least one shareholder or his representative.
- The General Meeting may appoint a Ballot Counting Committee, whose responsibilities will be to ensure that each vote is properly conducted, to oversee the provision of computer services (in the case of electronic voting) and to count the votes and deliver the voting results to the Chair of the General Meeting.
- One share carries the right to one vote at the General Meeting. In the case of Series A1 preference shares (registered preference shares), one share confers the right to two votes.
- The Chair of the General Meeting declares the voting results, which are then recorded in the minutes of the meeting.

Three General Meetings held in 2020

On **April 17th 2020, an Extraordinary General Meeting was held** to vote on a resolution to increase the Company’s share capital through issue of Series I and Series J ordinary shares, waive existing shareholders’ pre-emptive rights to all Series I and Series J shares, seek admission and introduction of Series I shares, allotment certificates on Series I shares and Series J shares to trading on a regulated market operated by the Warsaw Stock Exchange, convert Series I shares, allotment certificates on Series I shares and Series J shares into book-entry form, grant authorisation to enter into an agreement for registration of Series I shares, allotment certificates on Series I shares and Series J shares in the depository for securities and amend the Articles of Association of the Company.

Annual General Meeting of CCC S.A. held on June 24th 2020

The Annual General Meeting approved the Directors' Reports on the Company's and the CCC Group's operations in 2019 and the financial statements for 2019.

The Annual General Meeting passed a resolution to cover the loss for the financial year 2019 of PLN 50,819,425.30 from statutory reserve funds.
The General Meeting passed a resolution to adopt the Remuneration Policy for members of the Management and Supervisory Boards of CCC S.A.
On June 24th, the General Meeting increased the number of members of the Company's Supervisory Board and appointed Henry McGovern to the Board.

|On **December 14th 2020, The Extraordinary General Meeting** passed two resolutions, one to approve the creation of limited property rights in the form of a pledge over shares in CCC Shoes&Bags Sp. z o.o. and the other to amend the Memorandum of Association of CCC Shoes&Bags Sp. z o.o. and the Articles of Association of CCC.eu Sp. z o.o.

Management and supervisory bodies and their committees at CCC S.A.

Management Board

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

Full name of Management Board Member	Position held
Marcin Czyczerski	President of the Management Board
Mariusz Gnych	Vice President
Karol Półtorak	Vice President

Marcin Czyczerski
President of the Management Board

Appointed President of the Management Board on March 8th 2019
Marcin Czyczerski 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.
Mr Czyczerski 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.

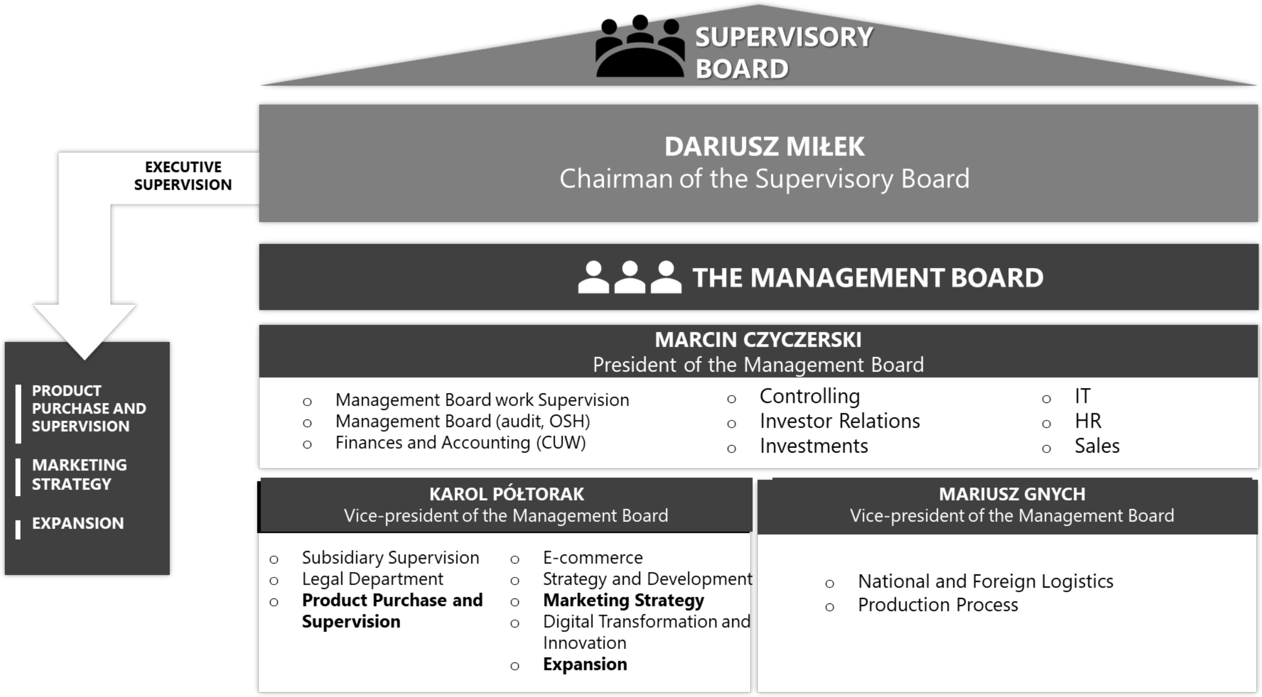
Mariusz Gnych
Vice President of the Management Board

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 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. In 2004, he was appointed President of the Management Board of CCC Factory Sp. z o.o. and member of the Management Board of CCC S.A. In 2007, he became Vice President of the Management Board of CCC S.A. 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 of the Management Board

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 Voegele 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).



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 of the Management Board
Mariusz Gnych	Vice President
Karol Półtorak	Vice President
Adam Holewa	Vice President

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.

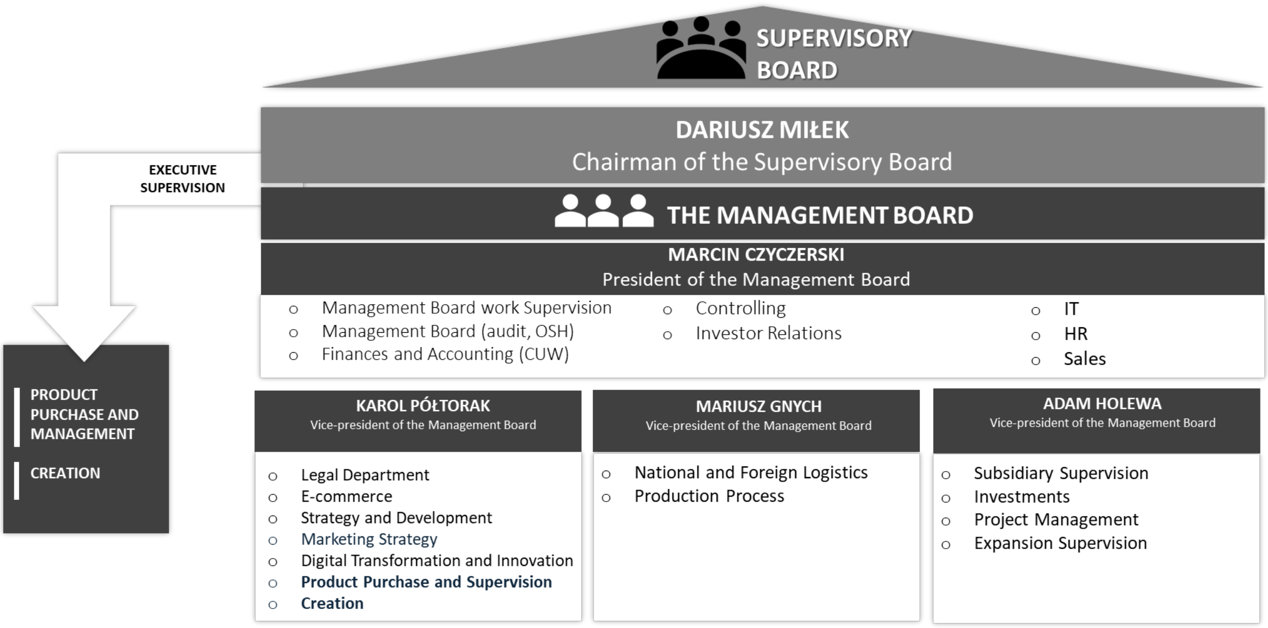
He established his position by leading numerous projects promoting international expansion (opening of new manufacturing facilities, development of sustainable development concepts, implementation of project management based on manufacturing systems and Lean methodology, process digitalisation, and production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

The division of responsibilities changed following the appointment of the new Management Board Member.



Rules governing the appointment and removal of management personnel and their powers, including decision-making powers to issue or buy back shares

Members of the Company's Management Board are appointed and removed by the Supervisory Board. The powers and rules of procedure for the Management Board of CCC S.A. are set out in the following regulations:

- Commercial Companies Code;
- Articles of Association of the Company, available on the Company's website (https://corporate.ccc.eu/lad-korporacyjny);
- Rules of Procedure for the Management Board, available on the Company's website (https://corporate.ccc.eu/lad-korporacyjny);
- Chart showing the division of responsibility for particular areas of the Company's operations among the Management Board members (https://corporate.ccc.eu/wladze-ccc).

New shares may be issued subject to a resolution of the Company's General Meeting, and a new share issue results in an increase in the Company's share capital. The rules applicable to new share issues and share buybacks are laid down in the Commercial Companies Code and the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

The powers and responsibilities of the Management Board:
- establishing internal rules and regulations of the Company;
- submitting proposals on allocation of profit and coverage of loss to the Supervisory Board;
- entering into employment contracts with the Company's employees other than Management Board members;
- granting commercial powers of proxy;
- passing resolutions to establish and close Company branches;
- submitting proposals on any other matters to the Supervisory Board and the General Meeting;
- calling General Meetings.

The Management Board is required to perform all its duties and obligations prescribed by applicable laws and the Company's Articles of Association.

The President of the Management Board directs the work of the Management Board, particularly by coordinating, supervising and organising the work of individual Management Board members.

A Management Board member may raise any matter falling within the scope of powers of the Management Board for consideration at a Management Board meeting and may request that a Management Board meeting be called for that purpose.

Non-competition and personal interests

A Management Board member may not engage in any business activities competing with the Company's business, be a partner in any competing civil-law or other type of partnership, or serve on a governing body of any corporation or other legal entity competing with the Company if he or she holds 10% or more of the Company's shares, without prior consent from the General Meeting.
In the event of a conflict of interests between the Company and a Management Board member, his or her spouse, persons related to him or her through blood or marriage in the first or second degree, or any persons to whom the Management Board member is personally related, the Management Board member should refrain from participating in the resolution of a given matter, and may request that this be recorded in the minutes of the Management Board meeting.

The Management Board has authority over all matters of CCC S.A. which are not reserved for other governing bodies of the Company under the Commercial Companies Code or the Articles of Association. All Management Board members are authorised and obliged to manage CCC S.A.'s affairs, direct all activities of the Company, represent it in dealings with third parties and manage its assets. The Management Board is required to exercise due care in managing the Company's assets and affairs and to comply with the law, the Articles of Association, the Rules of Procedure for the Management Board and the resolutions passed by the Supervisory Board and the General Meeting, which are binding on the Management Board pursuant to applicable laws or the Articles of Association.

Organisation of the Management Board's work

The Company's business is managed by the Management Board, which directs the Company's business, represents it in dealings with third parties, performs activities required under civil law, makes decisions concerning the Company's affairs in accordance with applicable laws, and assumes responsibility for such decisions, except for any matters reserved for the General Meeting or the Supervisory Board under the Commercial Companies Code and the Company's Articles of Association.

The Management Board is headed by the President of the Management Board, who coordinates and directs the work of the Management Board.
In the absence of the President of the Management Board, the chair will be taken by the Vice President of the Management Board or Director designated by the President.

The Management Board members perform their duties in person.
The powers and responsibilities of Management Board members in matters falling within the ordinary course of business have been divided into areas, each of them led by the individual Management Board members. A relevant scope of responsibilities has been assigned to each Management Board member as part of their respective functions. Details are provided at the beginning of this Section.

Management Board meetings

The Management Board meets on an as needed basis.

Other invited persons may attend Management Board meetings subject to consent of all Management Board members.

Management Board meetings are called and chaired by the President of the Management Board or, in his or her absence, a Vice President of the Management Board.

Also, the President of the Management Board is required to call a meeting at a written request of another Management Board member. In such a case, the meeting should be held within seven (7) days of the date of request, unless the requesting party sets a different time limit.

Supervisory Board

As at the issue date of this report and in 2020/21, the Supervisory Board of CCC S.A. comprised the following members:

Full name of Supervisory Board Member	Position held
Dariusz Miłek	Chair of the Supervisory Board (elected on April 11th 2019 – first term of office)
Wiesław Oleś	Deputy Chair of the Supervisory Board (Chair of the Supervisory Board elected on June 24th 2015/Deputy Chair of the Supervisory Board elected on May 9th 2019 – third term of office)
Waldemar Jurkiewicz	Member of the Supervisory Board (elected on June 2nd 2016 for the third term of office), member of the Audit Committee
Filip Gorczyca	Member of the Supervisory Board (elected on April 11th 2019 – second term of office), Chair of the Audit Committee
Zofia Dzik	Member of the Supervisory Board (elected on June 18th 2019 – first term of office), member of the Audit Committee
Henry McGovern	Member of the Supervisory Board (elected on June 24th 2020 – first term of office)

Dariusz Miłek

Chair of the Supervisory Board

In 1993−2003, Dariusz Miłek conducted business activities under the name MIŁEK in Lubin and, from 1995, in Chróstnik. In 1999–2004, he worked at CCC Sp. z o.o. of Polkowice as commercial proxy and, from 2002, as President of the Management Board. From June 15th 2004 to April 11th 2019, he served as President of the Management Board of CCC S.A. Winner of coveted management awards. In 2007, he received the title of Entrepreneur of the Year 2007 and was given the opportunity to represent Poland in the World Entrepreneur of the Year in Monte Carlo. In 2014, he was awarded the Kisiel award in the entrepreneur category. Winner of the Bulls and Bears award from Gazeta Parkiet as the CEO of the Year 2014. Awarded the title of Free Poland Sports Ambassador.

Wiesław Oleś

Deputy Chair of the Supervisory Board

Wiesław Oleś founded the law firm Oleś & Rodzynkiewicz sp.k. and Forum TFI S.A. He holds a degree in Law from the Faculty of Law and Administration of the Jagiellonian University of Kraków. Following completion of legal training as a judge, he passed a judge examination in 1991, and he obtained a licence to practise as a legal counsel in 1993. After completing his studies, he was a member of the board of the Regional Audit Chamber in Kraków, a consultant of the United States Agency for International Development (USAID) programmes, collaborating with Harvard Institute for International Development, and a member of the Board of the Lesław Paga Foundation. He practises law with the law firm Kancelaria Radców Prawnych Oleś & Rodzynkiewicz, specialising in capital markets and investment funds. His previously held positions include serving as Chair of the Supervisory Board and President of the Management Board of Forum TFI S.A. At present, he also serves as Chair of the Supervisory Boards of Black Red White S.A. and Raport S.A. and as member of the Supervisory Board of CPD S.A.

Waldemar Jurkiewicz

Member of the Supervisory Board

Experienced manager, leading teams of 50 to 500 employees, who has worked on the Management Boards and as CEO of IT companies. He graduated from the Faculty of Computer Science and Management of the Wrocław University of Science and Technology, and he completed prestigious executive education programmes at ICAN Institute and Harvard Business Review Poland. He completed numerous post-graduate programmes at the Wrocław University of Science and Technology and various courses and training in project management, human resources, new technologies, and IT products. He has gained his extensive experience in IT management and development of new technology start-ups working for a number of IT companies. He began his professional career in 1986–1991 as a designer of computer-aided control systems at the Lumel Research and Development Centre for Electrical Metrology. In 1991, he co-founded Max Elektronik S.A., a company he directed as its CEO until 2011. He built the 150-member organisation from scratch, managing the company's sales and marketing, technology, execution, and back office functions. In 2003–2007, Max Elektronik became part of the EMAX Group, where served as CEO of Max Elektronik and Director General of the Group's Software Product Centre. In 2007–2011, Max Elektronik was included in the listed Sygnity Group, established through a merger of the Emax Group with the Computerland Group, where he served as CEO of Max Elektronik and Director General of the Software Development Centre, managing a team of over 500 employees of the Group's companies located across Poland. In 2006–2015, he concurrently served as Adviser to the Management Board of eobuwie.pl S.A. (formerly traf s.c., Traf Sp. Jawna), assisting the Management Board in various transactions, including an investor acquisition process and an IPO project. In 2015−2016, he served as Chair of the Supervisory Board of eobuwie.pl S.A. He was actively involved in negotiating the terms of a merger with CCC S.A.'s strategic investor. Since 2016, he has been a member of the Supervisory Board of eobuwie.pl S.A. and a member of the Supervisory Board of the listed company CCC S.A.

Filip Gorczyca
Member of the Supervisory Board

In 2017–2019, he was Vice President of the Management Board of Alior Bank, responsible for the Finance Division. In 2016–2017, he served as Senior Investment Director of the Medicover Group, where he was responsible for an IPO that was successfully completed on the Stockholm Stock Exchange, among other projects. In 2004–2016, he worked at the international consultancy PwC, including as Deputy Director responsible for capital market and financial reporting services in Central and Eastern Europe (from 2011). He completed a management programme at Harvard Business School in Boston and holds a degree in Finance and Banking from the Warsaw School of Economics. He holds a licence to practise as a statutory auditor and a ACCA certificate (FCCA).

Zofia Dzik
Member of the Supervisory Board

She graduated from the Cracow University of Economics, University of Illinois in Chicago, SWPS University of Social Sciences and Humanities in Warsaw. She completed Executive Programmes in Stanford and INSEAD Business School. She holds an MBA degree from Manchester Business School. Mentor, certified member of the Association for Project Management (APMP), explorer of leadership themes and certified member of The John Maxwell Team, a renowned international leadership, coaching, speaking, and training development organisation. In 1995–2003, consultant at Arthur Andersen and Andersen Business Consulting, Head of the Insurance Department, also responsible for projects in the financial services sector, covering strategy, business scalability, mergers, omnichannel, reorganisation, and finance. From 2003, she worked for the fintech company Intouch Insurance Group (RSA Group), where she served as President of the Management Board of CEE's first direct insurance company Towarzystwo Ubezpieczeń Link4 S.A. (start-ups, brand building, CRM, process automation, individual risk assessment, new technologies, agile, innovative distribution channels, leadership, people at work, talent management, succession planning) in 2004–2007. In 2007–2009, she was a member of the Management Board of Intouch Insurance B. V. in the Netherlands and CEO of the Intouch Insurance Group for Central and Eastern Europe. In the latter position, she was responsible for new market development. She served on the Supervisory Boards of TU Link4 S.A. (Member of the Supervisory Board until July 2015) and Direct Insurance Shared Services Center in Poland, Intouch Strachowanie in Russia (a start-up) and Direct Pojistovna in the Czech Republic (a start-up), and she was Deputy Chair of the Supervisory Board of TU na Życie Link4 Life S.A. In 2006–2008, she was a member of the Management Board of the Polish Insurance Chamber. In 2007–2010, she served on the Supervisory Board of the Insurance Guarantee Fund. In 2010−2016, she was an independent member of the Supervisory Boards of the following companies: KOPEX S.A., a mining equipment manufacturer, Polish Energy Partners S.A. (PEP S.A.), a renewable energy company, 2014–2016 FSCD (Digital University), 2015–2016 a member of the Supervisory Board and Audit Committee of AmRest SE, a leading QSR operator in Europe with over 1,000 restaurants, own brands and Starbucks, Pizza Hut and KFC franchises; 2012–2016 PKOBP S.A., a leading universal bank in CEE, where she also served as Deputy Chair of the Audit and Nomination Committees and a member of the Risk Committee; 2015–2017 InPost, a courier services provider and parcel locker operator, where she also served as Chair of the Audit Committee, 2011–2018 ERBUD S.A., Poland's leading construction company. Benefit Systems S.A., an innovative employee benefit services and sports infrastructure operator. From 2010, investor and social innovator, President of the Management Board of Humanites, a think&do social tank, combining humanities and technology, whose objective is to provide systemic support for social transition, social capital building, and qualitative development of society in four areas: Family, Education, Work Environment and the World of Culture and Media, mentor, author of the Cohesive Leadership™ model, a development programme for leaders building committed organisations giving employees room to lead an integrated life and stimulating internal motivation. Founder and director of the Academy of Leadership for Leaders in Education. Currently, an independent member of the Supervisory Boards of the following companies: BRW S.A., a leading manufacturer and distributor of furniture in Poland and Europe (Deputy Chair), PKP CARGO S.A., a leading logistics operator and freight carrier in Europe (a member of the Audit Committee, Chair of the Nomination Committee), and Sanok Rubber S.A., an international manufacturer of rubber goods.

Henry McGovern
Member of the Supervisory Board

Henry McGovern has built a reputation as one of the leading entrepreneurs and most successful businessmen in Central Europe.
Founder and former Chief Emotional Officer of AmRest Holdings SE, a leading restaurant company in Europe, operator of quick service restaurants and casual dining restaurants, including such global brands as: KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog, Bacoa and Sushi Shop in 26 countries, Henry is the epitome of the "Everything's Possible!" culture. Since 2005, AmRest has been listed on the Warsaw Stock Exchange, and since 2018 also on the Madrid Stock Exchange. Since its debut on the stock exchange, the value of the AmRest group under Henry's leadership has increased from the initial USD 100m to over USD 3bn, growing significantly faster than the market. Thanks to Henry's vision and strategy, the company invested in Glovo, Spain's leading delivery food platform. In 2008, Forbes Magazine recognised Henry as one of the top five businessmen in Poland. Henry McGovern is the father of three sons and a daughter. He lives with his family in Wrocław. He is an active member of the "Young Presidents Organization". Henry has very broad interests, especially in the fields of new technologies, artificial intelligence and food trends. Being an active investor in companies and start-ups, he focuses on solving the world's biggest problems in these areas. Henry is regularly invited as a speaker at conferences such as the European Food Service Summit, The Singularity University, and the ScaleUp Summit: https://vimeo.com/growthinstitute/review/339248274/942d4eecd1.

Rules governing appointment and removal of the supervisory staff

Members of the Supervisory Board of CCC S.A. are appointed for a joint two-year term of office. Individual members of the Management Board and the entire Supervisory Board may be dismissed at any time before the end of the term of office. The General Meeting of CCC S.A. appoints the Chair of the Supervisory Board from among its members. The Supervisory Board of CCC S.A. is composed of five to seven members. Members of the Supervisory Board are appointed and removed from office by the General Meeting. The Annual General Meeting of CCC S.A. appointed Supervisory Board members for a new term on June 18th 2019 (Current Report No. 40/2019), adding a sixth member, appointed by the Annual General Meeting on June 24th 2020.

In accordance with the Articles of Association of CCC S.A. and the Code of Best Practice of the WSE Listed Companies, at least two members of the Supervisory Board should meet the independence criteria. Independent members of the Supervisory Board should meet the independence criteria set out in the Commission Recommendation of February 15th 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC), also taking into account the Code of Best Practice for WSE Listed Companies 2016.

Following appointment by the Annual General Meeting on June 18th 2019 of the five-member Supervisory Board of a new term, at its meeting on August 8th 2019 the Supervisory Board assessed the submitted statements of compliance with the independence criteria and passed Resolution No. 02/08/2019/RN to determine the number of Supervisory Board members meeting the independence criteria, stating that three out of five Supervisory Board members met the independence criteria.

During their service in 2020/21, members of the Supervisory Board of the Company reported no changes in their independence status or personal, factual and organisational links with CCC S.A.'s shareholders.

As the number of members of the Supervisory Board was increased to six and the Annual General Meeting appointed Henry McGovern as a new member on June 24th 2020 (Current Report No. 50/2020), the Supervisory Board, at its meeting on September 29th 2020, assessed the submitted statements of compliance with the independence criteria and passed Resolution No. 01/09/2020/RN to determine the number of Supervisory Board members meeting the independence criteria, stating that a majority of the six members of the Supervisory Board met the independence criteria.

Powers and responsibilities of the Supervisory Board

The Supervisory Board takes steps to ensure that the Management Board provides it with regular and exhaustive reports on all matters of importance and risks connected with CCC S.A.'s business, as well as on how the risks are managed. Detailed powers and rules of procedure for the Supervisory Board of CCC S.A. are set out in the following documents:
• Articles of Association of the Company, available on the Company's website (https://corporate.ccc.eu/lad-korporacyjny)
• Rules of Procedure for the Supervisory Board, available on the Company's website (https://corporate.ccc.eu/ lad-korporacyjny)
• Resolutions of the General Meeting
• Commercial Companies Code and other applicable laws.

Operation and organisation of the Supervisory Board

The procedures to be followed by the Supervisory Board are defined in the Company's Articles of Association and Rules of Procedure for the Supervisory Board. The Supervisory Board performs its duties collectively. However, it may delegate certain supervisory duties to its individual members. The Supervisory Board meets on an as needed basis, at least three times in a financial year.

Meetings are called at least at a week's notice, by fax, registered mail or email. Supervisory Board meetings are called by the Chair of the Supervisory Board on his or her own initiative or at the request of other members of the Supervisory Board or Management Board. If such request is submitted to the Chair, a Supervisory Board meeting should be held within two weeks from the date of the request. A resolution may be voted on without a Supervisory Board meeting being formally called provided all Supervisory Board members consent to that. Each Supervisory Board member may request that a particular matter be included in the agenda of the next Supervisory Board meeting, however the request must be submitted no later than three days prior to the date of the meeting.

The Supervisory Board may only adopt resolutions if at least half of its members are in attendance and all of its members have been invited. Any resolution passed in contravention of this provision will be null and void.
Supervisory Board members may vote on resolutions by written ballot or using means of remote communication. A resolution is valid if all Supervisory Board members have been provided with its draft.

Committees

The Supervisory Board of CCC S.A. may appoint standing or ad hoc committees to act as its collective advisory and opinion-forming bodies. The Company's Audit Committee of the first term was appointed on June 2nd 2016. Following expiry of the Supervisory Board's term of office in 2019 and the appointment, on June 18th 2019, by the Annual General Meeting (the "GM") of the Supervisory Board of a new term (2019–2021), the Supervisory Board, at the next meeting after the GM on August 8th 2017, appointed the Audit Committee of the third term from among its members in accordance with the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017. In the Audit Committee, Filip Gorczyca has the required knowledge and skills in accounting or auditing, and Waldemar Jurkiewicz has the knowledge and skills required in the industry in which the Company operates.

Under the Act on Statutory Auditors, Audit Firms, and Public Oversight and Annex II to Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, as well as requirements stipulated in the Code of Best Practice for WSE Listed Companies 2016, Zofia Dzik and Filip Gorczyca were deemed to be independent members of the Audit Committee.

Authorisation and role of the Audit Committee

The Audit Committee is a standing committee of the Supervisory Board of CCC S.A.
The Audit Committee performs the tasks and exercises the powers provided for in the
Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 (the "Act on Statutory Auditors") and other regulations applicable to public companies, as well as those provided for in resolutions of the Supervisory Board, the Rules of Procedure and other internal regulations in place at the Company.
The Committee also follows the recommendations set out in the Code of Best Practice for WSE Listed Companies, which
– with regard to the supervisory board committees – require the application of Annex I to Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.
The Committee provides expert advice to the Supervisory Board and supports it in the correct
and effective application by the Company of financial reporting standards, operation of internal controls and cooperation with the Company's auditor.
Any terms not defined in the Rules of Procedure have the meanings given to them in generally applicable laws.

Election and composition of the Audit Committee

The Audit Committee consists of at least three members, including the Chair of the Audit Committee appointed by the Supervisory Board for its term of office from among its members.

The Supervisory Board elects the Committee members, including the Chair, at the first meeting of the Supervisory Board of a new term.

A majority of the Committee members, including the Chair, should have the status of independent members, in accordance with generally applicable laws.

At least one of its members should be qualified and experienced in accounting or financial auditing.

At least one member must have the knowledge and skills required in the industry in which the Company operates, or individual members must have the knowledge and skills specific to the different aspects of the industry
in which the Company operates.

The independence of Audit Committee members is verified based on the criteria stipulated in Art. 129.3.1-10 of the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 (Dz.U. of 2017, item 1089) and Annex II to Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

Should the number of Committee members decrease, the Supervisory Board will forthwith elect a new member to fill the vacancy by calling a Supervisory Board meeting to be held as soon as practicable.

Powers and responsibilities of the Audit Committee
The Audit Committee supports the Supervisory Board in the performance of its statutory control and supervisory duties with respect to:

- monitoring of the financial reporting process at CCC S.A. and its Group,
- monitoring of the effectiveness of the internal control
- and risk management systems at the CCC Group,
- monitoring of the effectiveness of the internal audit function at the CCC Group, including the financial reporting function,
- monitoring of the proper operation of the risk identification and management systems,
- monitoring of the independence of internal and external auditors,

- monitoring of the financial audit process.

The Supervisory Board may require the Audit Committee to assist it in performing other supervisory functions.

In exercise of oversight over financial reporting, the Audit Committee in particular:
- monitors the financial reporting process, including by issuing opinions on the accounting policies and rules of preparation of financial statements adopted by the Company,
- analyses the full-year, half-year and quarterly financial statements together with the Company's governing bodies,
- monitors the performance of auditing tasks, including, without limitation, audits performed by an auditing firm, taking into account any conclusions and findings made by the Polish Audit Oversight Commission based on inspections carried out at the auditing firm; this includes discussion of the results of audits of full-year separate and consolidated financial statements,
- notifies the Supervisory Board of the audit findings, and explains how the audit contributed to the reliability of CCC S.A's financial reporting and what role the Audit Committee played in the audit,
- provides recommendations to ensure reliability of CCC S.A.'s financial reporting process,
- issues opinions on the Directors' Reports and the Management Board's proposals concerning allocation of profit or coverage of loss, and provides recommendations to the Supervisory Board regarding their assessment,
- issues opinions on material financial information published by the Company.

In exercise of oversight over internal control, the Audit Committee in particular:
- examines the adequacy of the Management Board's systems for identifying, monitoring and mitigating threats to the Company's operations,
- monitors the effectiveness of the Company's internal control system, including the effectiveness of corrective measures taken,
- supervises the operation of internal audit, including by monitoring its work plans
- and work results, and by evaluating resources,
- monitors compliance of the Company's operations with applicable laws and other regulations.

In exercise of oversight over risk management, the Audit Committee in particular:
- monitors the effectiveness of the system for managing risks materially affecting the Company's operations,
- provides opinions on draft rules for sound and prudent management and acceptable levels of risk in each area of the Company's operations,
- provides opinions on the Company's material draft compliance regulations and changes in compliance regulations, including non-compliance risk policies,
- evaluates application by relevant units of the Company of the procedure for reporting irregularities identified at the Company.

In order to ensure the independence of external auditors, the Committee in particular:
- provides recommendations to the Supervisory Board concerning selection of an auditor for the Company, change of the auditor and the auditor's fees,
- checks and monitors the independence of the auditor and the auditing firm, particularly where the auditing firm provides non-audit services to CCC S.A.,
- expresses opinions on the engagement of an external auditor to perform non-audit services, and presents its position on the Company's policy in this respect,
- assesses the independence of the auditor and approves the provision of permitted non-audit services by the auditor at CCC S.A. and entities controlled by CCC S.A.,
- develops a policy for selecting an audit firm to perform audits,
- develops a policy for the provision of permitted non-audit services by the auditing firm, its affiliates and members of its network,
- establishes procedures for selecting an auditing firm by CCC S.A.,
- reviews the effectiveness of the external audit process and the Management Board's response to the external auditor's recommendations.

At the beginning of each year, the Audit Committee approves an annual plan of its activities that meets its statutory obligations, and agrees with the Supervisory Board on a planned meeting schedule.

In order to perform the activities specified in Section 3, the Audit Committee may:
- request such information, explanations and documents as may be required by the Audit Committee to discharge its responsibilities,
- demand that the lead auditor discuss with the Audit Committee, the Management Board, or the Supervisory Board of CCC S.A. the key audit-related issues raised in the additional report referred to in Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC,
- receive information from the Company's governing bodies and employees, who must provide Committee members with
- such information or with access to such information,
- participate in the meetings of Company employees,

- invite external advisers to attend Committee meetings and seek information and opinions from such advisers – the costs of any such advisory services, first approved by the Supervisory Board, will be borne by the Company.

Responsibilities of the Audit Committee

The Audit Committee submits the following to the Supervisory Board:

- conclusions, positions and recommendations made in connection with the performance of its functions early enough to allow the Supervisory Board to promptly take appropriate action,
- report on its activities at least once every six months, at the time of authorisation of the Company's full-year and half-year financial statements,
- report on its activities in a given financial year early enough to enable the Supervisory Board to include the contents of the report in the annual assessment of the Company's position.

In the reports referred to in Sections 7.1.2 and 7.1.3 the Committee must include information concerning the tasks assigned, its composition, number of meetings held and attendance, and its main activities, particularly those relating to the assessment of independence of the auditing firm. This information is required to be published in the corporate governance report.

The Audit Committee should perform its duties in accordance with its remit and should ensure that the Supervisory Board is regularly informed of its activities and work results.

The Chair of the Committee or another Committee member authorised by the Chair should be present at the Annual General Meeting of the Company in order to answer questions relating to the Committee's activities and determinations.

Pursuant to Par. 70.1.8 and Par. 71.1.8 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, the Supervisory Board of CCC S.A. made a representation to the effect that:

- the laws and regulations governing the appointment, composition and operation of the Audit Committee at CCC S.A. and the CCC Group, including the requirements for its members to meet the independence criteria and have knowledge and skills relevant for the industry in which CCC S.A. operates and knowledge and skills in accounting or auditing, are complied with,
- the Audit Committee performed the tasks of an audit committee laid down in applicable laws.

Remuneration of CCC S.A.'s governing bodies

Rules of remuneration for management and supervisory staff

The remuneration rules for members of the Management and Supervisory Boards are defined in the Remuneration Policy for Members of the Management Board and Supervisory Board of CCC S.A., adopted by the Annual General Meeting on June 24th 2020. The remuneration policy was introduced in view of the key role of the Management Board and Supervisory Board members at the Company. It aims to support delivery of the Company's business strategy and promote its long-term interests and stability, including by motivating Management and Supervisory Board members to work effectively for the Company, encouraging them to stay with the Company over the long term and linking the interests of the Management Board members to those of the Company. The amount of remuneration for the Management Board and Supervisory Board members is determined taking into account the amount of work necessary to properly perform the functions of individual members of the above bodies and the scope of duties, responsibilities and competencies connected with the performance of those functions. The remuneration amount corresponds to the size of the Company's business and is reasonable in relation to its financial performance.

Bonus rules

In order to improve the quality and efficiency of the work of Management Board members, their remuneration is determined taking into account its incentivising role and smooth and effective management of the Company. Therefore, the remuneration consists of a fixed component, which is a monthly pay determined by the Supervisory Board in a resolution, and variable components, which are cash bonuses awarded at the discretion of the Supervisory Board after the first and second half of a year, depending on whether the financial and non-financial criteria for awarding the variable remuneration have been satisfied. The amount of variable pay depends on the level of achievement of financial targets, including the Company's profitability and financial performance. The non-financial performance criteria include fulfilment of tasks assigned individually or collectively to each Management Board member by the Supervisory Board under a business strategy adopted by the Company and not directly linked to financial criteria, in particular strategic tasks set taking into account the Company's current situation; taking into account corporate social responsibility.

Members of the Management Board are awarded variable remuneration in the form of:

a) An individual short-term bonus contingent on the achievement of individual short-term targets, granted for the first and the second half of the year, determined on the basis of four-times monthly remuneration of a Management Board member, payable by March 31st for the second half of the year, and by September 30th for the first half of the year.

b) A short-term collective bonus contingent on the achievement of short-term targets set for the Management Board as a whole, granted for annual periods, determined on the basis of four-times monthly remuneration of a Management Board member, payable by March 31st.

c) A long-term bonus contingent on an increase in CCC S.A.'s value (understood as an increase in the share price), payable to each Management Board member for a three-year period and calculated as: 100,000 x difference between the average price of Company shares in the fourth quarter of 2022 and the average price of Company shares in the fourth quarter of 2019, payable by March 31st 2023.

The decision to award cash bonuses to members of the Management Board lies within the remit of the Supervisory Board.

Remuneration of CCC S.A. Management Board and bonuses

Gross remuneration of Management Board members	**January 1st 2020–January 31st 2021**				
	Fixed components of remuneration:		**Variable components of remuneration:**		
	Remuneration under service contract [2]	**Additional benefits**	**Short-term bonus [3]**	**Long-term bonus (2020–2022) payable in 2023**	**Total**
Marcin Czyczerski [1]	1,204,375.0	8,320.0	0.0 [4]	0.0	1,212,695.0
Karol Półtorak	976,500.0	5,200.0	140,000.0	0.0	1,121,700.0
Mariusz Gnych	976,500.0	9,100.0	140,000.0	0.0	1,125,600.0
Total	**3,157,375.0**	**22,620.0**	**280,000.0**	**0.0**	**3,459,995.0**

Gross remuneration of Management Board members	**January 1st 2019–January 31st 2020**				
	Fixed components of remuneration:		**Variable components of remuneration:**		
	Remuneration under service contract [2]	**Additional benefits**	**Short-term bonus [3]**	**Long-term bonus (2020–2022) payable in 2023**	**Total**
Marcin Czyczerski [1]	1,228,125.0	8,320.0	250,000.0	0.0	1,486,445.0
Karol Półtorak	857,500.0	5,200.0	390,000.0	0.0	1,252,700.0
Mariusz Gnych	857,500.0	9,100.0	390,000.0	0.0	1,256,600.0
Total	**2,943,125.0**	**22,620.0**	**1,030,000.0**	**0.0**	**3,995,745.0**

[1] Marcin Czyczerski has served as President of the Management Board since April 11th 2019. Previously, he was Vice President of the Management Board.

[2] The fixed remuneration paid to Management Board members under service contracts was temporarily reduced by 25% from October to December 2019 and by 20% from March to June 2020.

[3] The amounts include:
- for 2020 – bonuses for the second half of 2019 that were paid in 2020; as the payment of the bonus for the first half of 2020 was postponed until March 31st 2021, its amount has not been included in this table;
- for 2019 – bonuses for the second half of 2018 and the first half of 2019 that were paid in 2019.

[4] Marcin Czyczerski did not receive a short-term bonus for 2019 as the Remuneration Rules for members of the Company's Management Board in effect until December 31st 2019 did not provide for the payment of a short-term bonus to the President of the Company's Management Board (as this position was previously held by Dariusz Miłek, who decided to voluntarily forego any variable remuneration considering his status of a shareholder).

Remuneration of the Supervisory Board of CCC S.A.

Gross remuneration of Supervisory Board members	January 1st 2020–January 31st 2021				
	Fixed components of remuneration:		Variable components of remuneration:		Total
	Remuneration under service contract and for performance of additional duties as a member of a separate committee	Additional monetary and non-monetary benefits, including benefits for close ones	Short-term bonus	Long-term bonus	
Dariusz Miłek, Chairman of the Supervisory Board since April 11th 2019	0.0	8,190.0	0.0	0.0	8,190.0
Wiesław Oleś, Deputy Chairman of the Supervisory Board [1]	130,000.0	0.0	0.0	0.0	130,000.0
Waldemar Jurkiewicz, Member of the Supervisory Board, Member of the Audit Committee	104,000.0	0.0	0.0	0.0	104,000.0
Filip Gorczyca, Member of the Supervisory Board, Chairman of the Audit Committee, appointed to Supervisory Board on April 11th 2019.	117,000.0	0.0	0.0	0.0	117,000.0
Zofia Dzik, Member of the Supervisory Board, Member of the Audit Committee, appointed to Supervisory Board on June 18th 2019.	104,000.0	0.0	0.0	0.0	104,000.0
Henry McGovern, Member of the Supervisory Board, appointed to Supervisory Board on June 24th 2020.	43,429.0	0.0	0.0	0.0	43,429.0
TOTAL	**498,429.0**	**8,190.0**	**0.0**	**0.0**	**506,619.0**

Gross remuneration of Supervisory Board members	January 1st 2019–January 31st 2020				
	Fixed components of remuneration:		Variable components of remuneration:		Total
	Remuneration under service contract and for performance of additional duties as a member of a separate committee	Additional monetary and non-monetary benefits, including benefits for close ones	Short-term bonus	Long-term bonus	
Dariusz Miłek, Chairman of the Supervisory Board since April 11th 2019	0.0	8,190.0	0.0	0.0	8,190.0
Wiesław Oleś, Deputy Chairman of the Supervisory Board [1]	130,000.0	0.0	0.0	0.0	130,000.0
Waldemar Jurkiewicz, Member of the Supervisory Board, Member of the Audit Committee	87,524.0	0.0	0.0	0.0	87,524.0
Filip Gorczyca, Member of the Supervisory Board, Chairman of the Audit Committee, appointed to Supervisory Board on April 11th 2019.	72,096.0	0.0	0.0	0.0	72,096.0
Zofia Dzik, Member of the Supervisory Board, Member of the Audit Committee, appointed to Supervisory Board on June 18th 2019.	48,051.0	0.0	0.0	0.0	48,051.0
Henry McGovern, Member of the Supervisory Board, appointed to Supervisory Board on June 24th 2020.	0.0	0.0	0.0	0.0	0.0
TOTAL	**337,671.0**	**8,190.0**	**0.0**	**0.0**	**345,861.0**

[1] Wiesław Oleś has served as Deputy Chair of the Supervisory Board since June 18th 2019. Previously, he was Chair of the Supervisory Board.

The management and supervisory personnel do not receive any remuneration for their service at the CCC Group companies other than specified above.

Agreements between the Company and its management personnel providing for compensation in the event of resignation or removal from office without a good reason or following acquisition by another company

1) If a member of the Company's Management Board is removed from office, he or she will be entitled to receive a severance pay equal to six/twelve months' base pay (with its amount to be determined individually for each member of the Management Board). The severance pay must be paid within 30 days of the date of removal from office.

2) The severance pay referred to in item 3 will not be paid if:
- the Management Board member has committed an offence to the detriment of the Company during his or her service;
- the Management Board member has disclosed, divulged or used a Company's secret without the required consent.

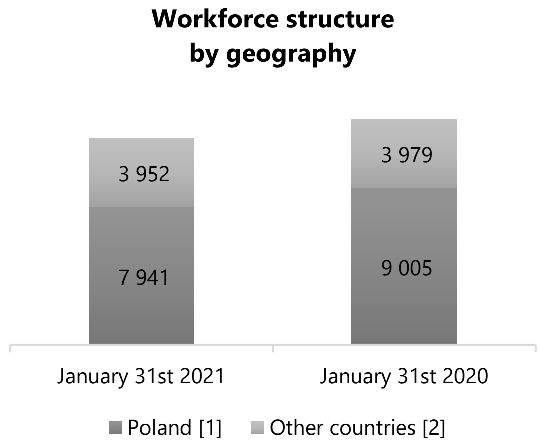
Employees of the CCC Group

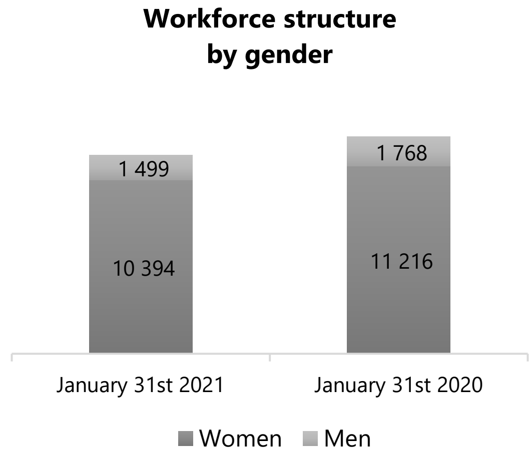
CCC employees are a vital asset of the organisation – every day they work towards the achievement of the objectives set out in the Group's strategy, enhancing its growth potential. Employee commitment and efficiency translates into our Customers' and Shareholders' satisfaction.

Workforce structure

As at January 31st 2021, the CCC Group employed 11,893 staff. The automation and improvements to numerous processes allowed the Group to downsize its workforce by 1,091 year on year. Store employees continue to be the largest employee category (accounting for about 70% of total workforce), with administrative staff accounting for just under 18% and logistics and production personnel representing the smallest share of total workforce.

	January 31st 2021		January 31st 2020	
`	WOMEN	MEN	WOMEN	MEN
		Poland		
Store employees	4,179	219	4,852	250
Production personnel	555	94	764	153
Logistics employees	753	424	801	566
Administrative staff	1,204	513	1,107	512
Total	**6,691**	**1,250**	**7,524**	**1,481**
		Central and Eastern Europe		
Store employees	2,738	167	2,827	179
Production personnel	0	0	0	0
Logistics employees	0	3	0	2
Administrative staff	89	18	68	21
Total	**2,827**	**188**	**2,895**	**202**
		Western Europe		
Store employees	458	30	465	32
Production personnel	0	0	0	0
Logistics employees	0	0	0	0
Administrative staff	15	1	12	0
Total	**473**	**31**	**477**	**32**
		Other countries		
Store employees	124	12	42	6
Production personnel	0	0	0	0
Logistics employees	21	9	21	11
Administrative staff	258	9	257	36
Total	**403**	**30**	**320**	**53**
		All employees		
Store employees	7,499	428	8,186	467
Production personnel	555	94	764	153
Logistics employees	774	436	822	579
Administrative staff	1,566	541	1,444	569
All employees	**10,394**	**1,499**	**11,216**	**1,768**



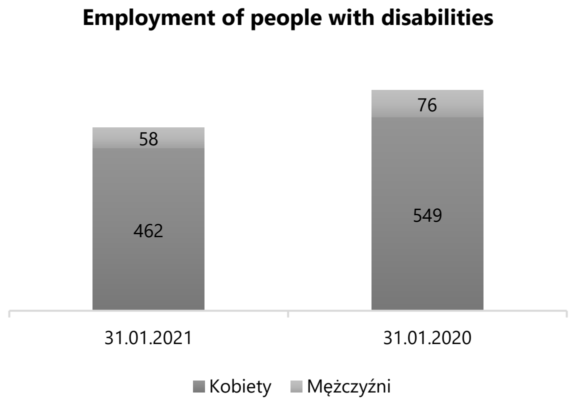


[1] 'Poland' comprises employees of the CCC, Gino Rossi and eobuwie.pl chains.
[2] 'Other countries' comprises employees outside Poland.

Given the type of the Group's business, women account for almost 90% of its total workforce.

Employment of people with disabilities

The working conditions enable employment of people with disabilities. As at January 31st 2021, the Group employed 520 people with disabilities, who accounted for more than 4% of total workforce.



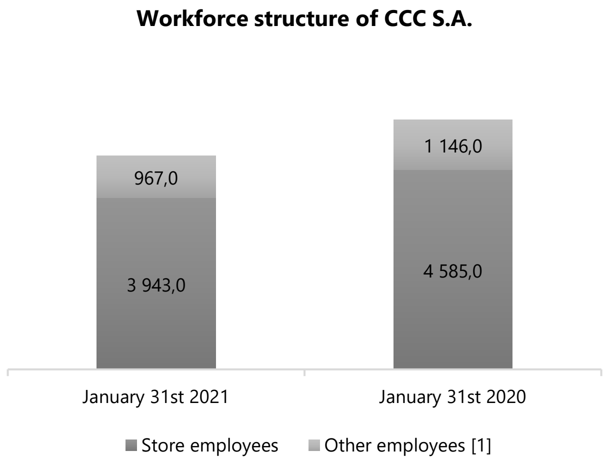
Employees of the parent CCC S.A.

Workforce structure

As at January 31st 2021, CCC S.A. employed 4,910 staff, a decrease of 821 year on year. The reduction was partly attributable to reorganisation at the Group following launch of the Shared Services Centre in Polkowice. In 2020/21, employees of the new department were transferred to CCC.eu.

CCC S.A.'s workforce includes mainly store employees, who accounted for 80% of all employees in the last financial year. Logistics employees represent 15% of the total workforce, while administrative staff – only 5%. Year on year, the number of employees decreased by 14%. Details are provided in the table below.

[1] (



	January 1st 2020–January 31st 2021		January 1st 2019–January 31st 2020	
	WOMEN	MEN	WOMEN	MEN
Store employees	3,834.0	109.0	4,428.0	157.0
Logistics employees	524.0	230.0	552.0	296.0
Administrative staff	149.0	64.0	227.0	71.0
All employees	**4,507.0**	**403.0**	**5,207.0**	**524.0**

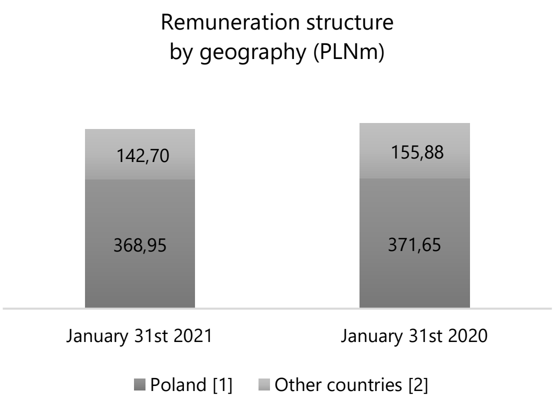
Given the nature of the Company's business, women account for a large percentage of employees (92% of total workforce in the last financial year).

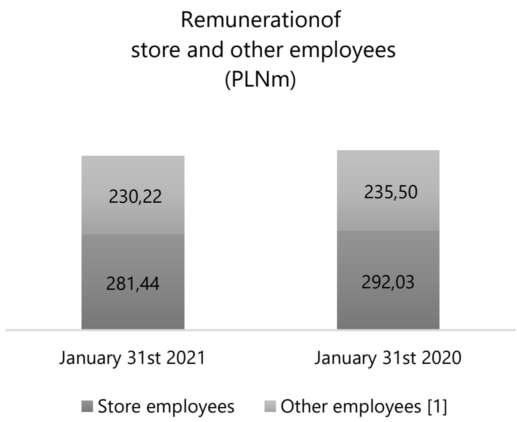
Employment of people with disabilities

The working conditions at CCC S.A. enable employment of people with disabilities. As at January 31st 2021, the Company employed 335 people with disabilities, who represented approximately 7% of its total workforce.

Remuneration policy for all employees

The Group's remuneration policy is based on the principle of equality, which means the amount of remuneration depends on an employee's skills, competencies, and dedication. In 2020/21, the relative shares of remuneration paid to CCC Group employees were as follows:





[1] 'Poland' comprises employees of the CCC, Gino Rossi and eobuwie.pl chains.
[2] 'Other countries' comprises employees outside Poland.

[1] Other employees are administrative and logistics staff.

Development programmes for employees

Leading organisations are made up of outstanding employees. The same holds true for CCC, which is why we promote professional development of our employees.

Our organisation quickly and flexibly responded to the new COVID reality by adapting its activities and development models. To ensure the safety and health of our employees and to adapt to the hybrid work model, we carried out all development activities online, which was facilitated by an earlier effort to digitalise the Learning & Development area. During the first lockdown in 2020, we successfully launched our Home Development Academy targeted at sales department personnel.

Development programmes for CCC store employees

HOME DEVELOPMENT ACADEMY

We were among the few retail companies in Poland to use the time spent at home during the first lockdown for professional development of our employees.

As part of our Home Development Academy project, we provided training to strengthen both their hard and soft skills. More than 3,600 employees of CCC stores participated in 147 webinars covering 14 topics and involving 37 coaches.

CCC RSM ACADEMY

The second half of 2020 saw the launch of the Management Skills Development Programme for Regional Sales Managers.

The primary objectives of the CCC RSM Academy are to enhance management skills and to 'design think' business projects through teamwork.

SALES MASTER AND DECORATOR/SALESPERSON

In 2020, we launched a new development programme intended primarily for sales personnel at the key TOP 154 stores. Persons to be assigned a new role of Sales Master or Decorator/Salesperson were selected at each store.

The Programme's objectives are to:

- increase business awareness,
- motivate employees by engaging them in project work,
- increase the standard of product display in offline stores through visual merchandising (VM),
- strengthen sales and VM competencies,
- provide sales and VM training.

The Sales Master/Decorator-Salesperson expert programme was also launched in markets outside Poland.

Training to enhance digital competences of our teams: CCC Mobile Application, Instore CCC.

In addition, regular product training and sales training focusing on key periods, including Black Friday and Back to School, were held in 2020.

New training tools and promoting a knowledge sharing culture

The year 2020 marked the launch of new training tools that were developed in collaboration with customers. In order to ensure the best possible L&D experience for employees, we added videos featuring our sales teams as a new training format.

Multidisciplinary project teams

One of the projects created with the participation of our store employees from across Poland was Briefing. The project was aimed at developing a new standard to drive daily motivation and engagement of our store sales teams. We started work on the project in February 2020 with the goal of implementing the new standard across all CCC stores in September.

International cooperation – CCC International L&D Meeting

During monthly meetings of the people involved in sales force training and development activities, we share best practices and work out new solutions together.

Development programmes for CCC administrative staff

In late September and early October 2020, a Development Interview pilot project for management staff was carried out to develop key competencies assessment tools for CCC, which facilitated the process to design development interviews for 2021.

Training delivered in 2020/21

In 2020/21, we provided training in: E-commerce Grow, Eastern Culture, Construction Law, Change Management, Zoom, Excel, Motivation, Team Building, Negotiations, Training Package for HR Department, Public Speaking.

Training provided during working hours is complemented by external education of employees wanting to acquire new qualifications. Employees take part in development programmes by attending training courses, conferences, symposia, seminars, workshops and studies financed or co-financed by the employer.

CCC S.A. and CCC.eu Sp. z o.o. provided a total of 12,530 training hours in 2020/21, which cost PLN 666 thousand, VAT-inclusive.

Attracting and recruiting talent

As we invest in our employees to retain them for the long term, we value their experience and commitment, promoting internal recruitment and succession. We recruit outside employees if no members of our own staff meet the requirements of a job.

The aim of the recruitment process is to hire the best candidates holding the required skills and qualifications who will perform the assigned tasks efficiently, take initiative and achieve pre-set goals. The recruitment process ensures equal opportunities and objective assessment of candidates with the use of appropriate selection tools. The organisational aspects of the process are provided for in the Recruitment Procedure.

We implement various initiatives extending beyond standard recruitment announcements to reach potential candidates for a job. We have established collaborative partnerships with universities across Poland, take part in job fairs, run recruitment campaigns on social media, search for and contact potential candidates directly, collaborate with Job Centres, local websites and the press.

Candidates are encouraged to visit kariera.ccc.eu in order to learn more about CCC and the development opportunities it offers. In order to maintain smooth communication with candidates during the recruitment process, we use the Applicant Tracking System (ATS), which allows us to efficiently manage the recruitment process, from the creation of a job ad to the selection of the best candidate. The CCC Group is committed to employee development, therefore every recruitment process is initiated internally and communicated to the sales, warehouse, office and administrative personnel.

CCC also focuses on the development of young talent – in 2020 we organised paid summer work placements for the best students and graduates in the areas of e-commerce, IT, marketing, controlling, and HR. Some of them decided to stay with us for longer.

In 2020, we were also awarded the Reliable Employer and Friendly Workplace titles.

Communication

To be able to meet our ambitious goals and face the post-pandemic reality, we decided to gain a better understanding of our employees. In order to create a coherent strategy for external communication of the employer's brand and to attract top talent, but also to streamline and align internal processes to increase employee commitment, we conducted a comprehensive internal survey covering the entire CCC community, starting from the Head Office staff. Next, the survey will cover store and warehouse employees.

Besides gathering knowledge of key issues related to working in CCC, the survey seeks to develop a comprehensive employer branding strategy for 2021–2022, reorient the employer's brand towards fashion tech and acquire key digital competencies. The previous biennial satisfaction surveys will be replaced by pulse surveys to regularly monitor the key commitment and satisfaction areas in correlation with the business and HR strategies.

As part of the product and customer focus, projects are continued under the Fall in Love with Shoes campaign. Each project employs gamification techniques to encourage employees to become brand and product ambassadors. A next step will be to set up interdisciplinary teams forming a Culture Team, where every employee will have their say and will be able to engage in image-building and recruitment projects.

As the CCC Group operates in keeping with strong ethical standards, it has put a Code of Ethics in place, which sets out rules governing the relationships with co-workers, suppliers, and trading partners. The Code of Ethics enables the Group to implement processes and procedures preventing misconduct and take action if a breach of law, internal rules or ethical standards is reported.

For more information on employee matters, see the ‘Employee’ section of the Non-financial Report.

CCC COMMITMENT

Non-financial information about the Group

In accordance with the Accounting Act and the principles of sustainable development incorporated in its strategy, the CCC Group has prepared a report containing key non-financial information about the Group. The CCC Group's Non-financial Report, which forms an integral part of the Annual Directors’ Report, contains information about the Group's business model, key non-financial performance indicators related to the Group's operations, policies followed by the Group with respect to social, employee, and environmental matters, respect for human rights, anti-corruption and bribery, along with information on the outcomes of the implementation of those policies, as well as due diligence procedures. The Report also presents risks relating to the Group's business and the method of their management. The Non-financial Report has been drawn up in accordance with Core Global Reporting Initiative (GRI) Standards. It may serve the Group’s key stakeholders as a source of reliable information on the non-financial aspects of the CCC Group’s operations. For more information, see http://firma.ccc.eu/

REPRESENTATIONS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Representation of the Management Board on accuracy of the financial statements

To the best of the knowledge of the Management Board of CCC S.A., the full-year consolidated 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 of the Supervisory Board and information on the auditor

Pursuant to Par. 70.1.7 and Par. 71.1.7 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, the Supervisory Board of CCC S.A. represented that:

on February 28th 2019, it appointed an audit firm, i.e. Ernst & Young Audyt Polska sp. z o.o. sp. k., with its registered office at Rondo ONZ 1, Warsaw, entered in the list of entities qualified to audit financial statements maintained by the National Council of Statutory Auditors under No. 130 (the “audit firm”), to review the half-year financial statements of CCC S.A. and the half-year consolidated financial statements of the CCC Group, as well as to audit the separate financial statements of CCC S.A. and the consolidated financial statements of the CCC Group for 2019–2021; the audit firm performing the audit of the full-year separate and consolidated financial statements was appointed in compliance with the applicable laws; both the audit firm and the auditors who performed the audit of the full-year financial statements met the conditions required to issue an objective and independent report on the full-year separate and consolidated financial statements for 2020/21 in accordance with the applicable laws, professional standards and standards of professional conduct; CCC S.A. and the CCC Group observe the applicable laws and regulations relating to the rotation of the audit firm and the lead auditor as well as the mandatory grace periods; CCC S.A. has in place a policy for the appointment of an audit firm and for the provision of additional non-audit services by the audit firm, its affiliates and members of its network, including services conditionally exempt from the group of conditionally prohibited services.

Pursuant to Par. 70.1.14 and Par. 71.1.12 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, and pursuant to Art. 382.3 of the Commercial Companies Code, the Supervisory Board of CCC S.A. represented that:

The Supervisory Board assessed the following documents submitted by the Management Board:

• Directors' Report on the operations of the Company and the CCC Group in 2020/21

• separate financial statements of CCC S.A. for 2020/21,

• consolidated financial statements of the CCC Group for 2020/21.

Following the assessment, the Supervisory Board determined that the Directors' Report on the Company's and the Group's operations in 2020/21 meets, in all material respects, the requirements set out in Art. 49 and Art. 55.2a of the Accounting Act and in 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, and the information contained therein is consistent with the information presented in the audited separate financial statements of the Company and the consolidated financial statements of the CCC Group for 2020/21.

Furthermore, the Supervisory Board has ascertained that the separate financial statements for the financial year 2020/21, the consolidated financial statements for the financial year 2020/21, and the Directors' Report on the Company's and the Group's operations in 2020/21, submitted by the Company’s Management Board, present accurately and clearly all the information which is necessary and material for an assessment of the Company’s and the Group’s assets and financial condition as at January 31st 2021, and are consistent with the accounting records, documents and the factual state of affairs.

The Supervisory Board issued a positive opinion on the separate financial statements for the financial year 2020/21, the consolidated financial statements for the financial year 2020/21, and the Directors' Report on the Company's and the Group's operations in 2020/21, based on:

• the contents of the financial statements and the Directors' Report submitted by the Management Board;

• reports prepared by the independent auditor, i.e. Ernst & Young Audyt Polska sp. z o.o. sp. k. of Warsaw, on the audit of the Company's separate financial statements and the CCC Group’s consolidated financial statements as at January 31st 2021, as well as the additional report for the Audit Committee, prepared pursuant to Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, and in accordance with the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017;

• meetings with representatives of the audit firm, including with the lead auditor;

• information provided by the Audit Committee on the course, results and relevance of the audit for the reliability of the Company's financial reporting, as well as the Audit Committee's role in the audit of the financial statements;

• findings of other inspections performed in the selected financial and operating areas.

AUDITOR'S FEES	January 1st 2020–January 31st 2021	January 1st 2019–January 31st 2020	January 1st 2019–December 31st 2019
CCC Group and CCC S.A.			
Audit and reviews of financial statements	0.4		0.4
Subsidiaries			
Audit and reviews of financial statements	0.3		0.3
Total	**0.7**	**0.0**	**0.7**

The auditor also provided review services for the interim condensed financial statements.

OTHER INFORMATION

Parent’s branches (establishments)
As at the reporting date, the parent had 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 13 months ended January 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 January 1st 2020 to January 31st 2021, and comparative periods from January 1st 2019 to January 31st 2020 and from January 1st 2019 to December 31st 2019. The Directors' Report was prepared in compliance with the separate financial statements as well as current and periodic reports. The Directors' Report is consistent with Par. 71.3 and Par. 71.4 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 February 19th 2009, and contains elements required under Par. 68.5-6 applicable to issuers of securities in the manufacturing, construction, trade, and services sectors. 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. In the case of the Rules of the Warsaw Stock Exchange, Sections 29.1, 29.2, 29.3 and 29.5 apply.

Agreements between the Company and the management staff

On October 28th 2020, the Management Board members (indemnified persons) and CCC S.A. (Guarantor) entered into liability risk allocation agreements (indemnification agreement).

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.

Restrictions on the exercise of voting rights at the Company

In the reporting period, there were no restrictions on the exercise of voting rights at the Company.

Significant events subsequent to the reporting date that may have a material effect on the Company's future financial performance

In December 2020, eobuwie.pl signed a contract for the construction of a 15-thousnad sqm warehouse in Romania (Bucharest). Upon completion, this warehouse will be leased for a period of six years. 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 third 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.

On March 8th 2021, CCC.eu Sp. z o.o. executed a PLN 64.9m factoring agreement with Bank Millennium S.A. for a period until August 31st 2022, supported by a PLN 51.9m guarantee provided by Bank Gospodarstwa Krajowego until May 27th 2023.

On March 8th 2021, CCC Factory Sp. z o.o. executed a PLN 13.1m factoring agreement with Bank Millennium S.A. for a period until August 31st 2022, supported by a PLN 10.5m guarantee provided by Bank Gospodarstwa Krajowego until May 27th 2023.

On March 9th 2021, CCC.eu Sp. z o.o. executed a PLN 172.2m factoring agreement with Santander Factoring Sp. zo.o. for a period until March 4th 2023, supported by a PLN 127.7m guarantee provided by Bank Gospodarstwa Krajowego until June 4th 2023.

On March 9th 2021, CCC Factory Sp. z o.o. executed a PLN 28.9m factoring agreement with Santander Factoring Sp. z o.o. for a period until March 4th 2023, supported by a PLN 23.1m guarantee provided by Bank Gospodarstwa Krajowego until June 4th 2023.

On March 31st 2021, the Group executed two preliminary conditional agreements for the sale of shares in eobuwie.pl S.A. with Cyfrowy Polsat S.A. and A&R Investments Limited. The transaction involves the sale of two blocks of shares – 10% each (i.e. a total of 20% of shares) – in eobuwie.pl S.A. for a price of PLN 500m for each block, i.e. for a total amount of PLN 1bn.

In connection with the planned transaction, on March 31st 2021 the Group executed a binding share purchase agreement with MKK3 sp. z o.o. (a minority shareholder in eobuwie.pl S.A.) and its partners, with the participation of eobuwie.pl S.A., concerning purchase by the Group from MKK3 sp. z o.o. of a 20% equity interest in eobuwie.pl S.A. for a total price of PLN 720m by September 30th 2021. The Group assumes that the funds for the purchase of the 20% interest from MKK3 sp. z o.o. will come partially from the transactions with the Investors (as mentioned above) and partially from external sources (the Group is conducting analyses and discussions in this respect). Furthermore, under the agreement, the put option exercisable on February 28th 2023, measured at PLN 743.7m as at the reporting date, has expired. The agreement also provides for an option to purchase the remaining 5% of shares in eobuwie.pl S.A. for a price of PLN 180.0m. The option may be exercised on condition that eobuwie.pl S.A. does not introduce float the company shares on a regulated market. For more information on the transaction, see 'Going concern' in Note 1 to these financial statements.

After the reporting date, on April 30th 2021, the parties to the Standstill Agreement (the Group companies and the institutions providing financing to the Group) signed an annex to the Standstill Agreement extending its term – for more information, see ‘Going concern’ in Note 1 to these financial statements.

Pursuant to Current Report No. 27/2021 of May 17th 2021, the Company announced that the Bondholders Meeting resolved to amend ”Terms and Conditions of the Bonds recorded in the Bond Register with the possibility of transfer to the CSDP deposit, prepared in Polkowice on June 21st 2018" (the "Terms and Conditions”), concerning the issue of Series 1/2018 Bonds (the "Bonds”). In particular, the amendments provide for:
- extension of the Bonds’ redemption date from June 29th 2021 to June 29th 2026;
- establishment of security interests for the Bonds, including a registered and financial pledge on the shares of eObuwie.pl S.A., a surety provided by subsidiaries, and submission by the borrower and the subsidiaries of statement on voluntary submission to enforcement.

For more information, see ‘Going concern’ in Note 1 to these financial statements.

In accordance with the announced strategy for Gino Rossi S.A., the Group has decided to close down the subsidiary’s footwear factories. Production operations at these plants will continue until July 2021, after which they will be transferred to Polkowice. 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. On April 16th 2021, agreements were signed with employees specifying detailed terms of termination of the cooperation agreements. In 2021, the Group continues its strategy to close its stores operating under the Gino Rossi brand. The last store will cease to operate in 2021. The Gino Rossi brand products will be sold in CCC stores and through the e-commerce channels of CCC and eobuwie.pl. On May 4th 2021, the Company launched the HalfPrice chain a new sales concept. The stores offer branded products at attractive prices. The sales mix includes fashion as well as cosmetics, sports equipment, home accessories and much more. Ultimately, in 2021 the Company plans to open approximately 60 HalfPrice stores across Poland.

As part of its efforts to sell Karl Voegele AG ('KVAG'), the Management Board is holding discussions with potential investors. Due to the close operating relationship between KVAG and NG2 Suisse GmbH ("NG2"), which is also the direct shareholder of KVAG, the Issuer expects that the KVAG shares will be divested indirectly, through sale of the shares in NG2. In connection with the transaction, the Issuer is simultaneously carrying out preparatory activities including debt relief of NG2 and KVAG involving conversion of the debt into equity.

Directors’ Report on the operation of CCC S.A. was authorised for issue by the parent’s Management Board on May 18th 2021 and signed on its behalf:	
Signatures of all Board members:	
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