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Report of the Supervisory Board of CCC S.A. on the results of the evaluation of the standalone financial statement of CCC S.A. and the consolidated financial statement and the Management Board's report on the activity of CCC S.A. Capital Group.

for the financial year beginning 1 January 2020 and ending 31 January 2021.

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1. Introduction

Acting pursuant to Article 382 § 3 of the Code of Commercial Companies and § 16 point 2 sub-point 2 of the Articles of Association of CCC S.A., the Supervisory Board assessed and reviewed the following documents:

1) the standalone financial statements of the Company CCC S.A. for the financial year beginning on 01.01.2020 and ending on 31.01.2021;
2) the consolidated financial statements of the CCC S.A. Capital Group for the financial year beginning on 01.01.2020 and ending on 31.01.2021;
3) the annual consolidated report of the Management Board on the activities of CCC S.A. Capital Group for the financial year commencing on 01.01.2020 and ending on 31.01.2021;
4) non-financial report of the CCC S.A. Capital Group for the period from 01.01.20210 to 31.01.2021;
5) the independent auditor's report on the audit of the annual financial statements;
6) the independent auditor's report on the audit of the annual consolidated financial statements;
7) the proposal of the Management Board concerning coverage of the loss for the financial year commencing 01.01.2020 and ending 31.01.2021.

The Supervisory Board presents the results of its assessment in this report and in the statement issued prior to the publication of the reports for the financial year ended 31 January 2021 , in which it stated that the report of the Management Board on the activities of the Group for the financial year ended 31 January 2021, in all material respects, complies with the requirements set out in Article 49 and Article 55, paragraph 2a of the Accounting Act and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent of the information required by the laws of non-member states, and the information contained therein is consistent with the information contained in the audited standalone financial statements of the Company and the consolidated financial statements of CCC Group S.A. for the financial year ended 31 January 2021. In addition, the Supervisory Board assessed that the standalone financial statements of CCC S.A. for the financial year starting on 01.01.2020 and ending on 31.01.2021 presented by the Management Board of the Company , the consolidated financial statements of the CCC S.A. Capital Group and the Management Board's report on the activity of the CCC S.A. Capital Group for the financial year beginning on 01.01.2020 ended on 31.01.2021, give a true and fair view of all the necessary and relevant information for the assessment of the property and financial position of the Company and the Capital Group as at and for the financial year ended on 31 January 2021, and are in accordance with the books, documents and facts.

The Supervisory Board made a positive assessment of the standalone financial statements of CCC S.A. for the financial year beginning on 01.01.2020 ended on 31.01.2021. , the consolidated financial statements of CCC S.A. Capital Group for the financial year commencing 01.01.2020 ended 31.01.2021 and the Management Board's report on the activity of CCC S.A. Capital Group for the financial year commencing 01.01.2020 ended 31.01.2021 on the basis of

- the content of the aforementioned reports submitted by the Company's Management Board;
- reports of the independent auditor, i.e. Ernst & Young Audyt Polska sp. z o.o. sp. k. with its registered office in Warsaw on the audit of the standalone financial statements of the Company and the consolidated financial statements of the CCC S.A. Capital Group as at 31.01.2021 , as well as the additional report for the Audit Committee prepared on the basis of Article 11 of the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on detailed requirements for statutory audits of public interest entities, repealing Commission Decision 2005/909

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and in accordance with the provisions of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision;
- meetings with representatives of the aforementioned audit firm, including the key statutory auditor;
- the Audit Committee's information on the conduct, results and significance of the audit for the integrity of financial reporting in the Company and the Committee's role in the audit process;
- the results of other checks carried out in selected financial and operational areas.

2. Evaluation of the standalone financial statements of CCC S.A. for the financial year commencing 01.01.2020 ended 31.01.2021, of the consolidated financial statements for the financial year commencing 01.01.2020 ended 31.01.2021, and of the report of the Management Board on the activities of the CCC S.A. Capital Group for the financial year commencing 01.01.2020 ended 31.01.2021.

The Supervisory Board has reviewed and analyzed the annual **financial statements of CCC S.A.** prepared in accordance with International Financial Reporting Standards for the financial year ended January 31st, 2021, as well as the independent auditor's report on the audit of the annual standalone financial statements and made an economic and financial analysis of the Company's operations. The statutory auditor acting on behalf of Ernst&Young Sp. z o.o. issued an audit report covering the statements of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and explanatory notes.

At the same time, the statutory auditor stated in his report that the key statutory auditor and the audit firm, during the audit, remained independent of the Company in accordance with the provisions of the Act on Statutory Auditors and the principles of professional ethics, and did not provide non-audit services prohibited under Article 136 of the Act on Statutory Auditors. The appointment of the audit firm to audit the statements was made by resolution of the Supervisory Board on 28 February 2019. The auditor has audited the Company's financial statements continuously since the financial year ended 31 December 2017; that is, for a period of 4 consecutive financial years.

The auditor has included in his report the most important observations related to related to the most significant risks. The most significant risks of material misstatement (key audit matters) during the audit were identified as at 31.01.2021. :
- Investments in subsidiaries and associates: impairment and allowance for expected credit losses - as at the balance sheet date, the Company's Management Board assessed the impairment of loans granted and the credit risk of sureties and guarantees given, applying the requirements of IFRS 9. This resulted in impairment allowances for loans granted of PLN 252.0 million and provisions for sureties and guarantees given of approximately PLN 133.9 million. The Company's disclosures concerning impairment of investments in subsidiaries and associates, loans receivable and provisions for sureties and guarantees are included in Note 3.1 "Investments in subsidiaries and associates", Note 3.2 "Loans granted" and Note 2.3 "Other operating income and expenses, and financial income and expenses" of the notes to the financial statements;
- impairment of retail related assets - improvements to third party property, plant and equipment and the right of use associated with these retail outlets are material to the audit because of their value as reported in the statement of financial position, as well as the judgemental element associated with identifying indications of potential impairment and the assumptions used to estimate the recoverable amount of the assets associated with them. The Company's management assesses the existence of impairment indicators for the cash-generating units on an annual basis and, if any, assesses whether the individual assets associated with the cash-generating units are

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impaired. As at the balance sheet date, the total value of shop improvements after impairment losses is approximately PLN 289.8 million and the right of use is approximately PLN 595.0 million. The Company's disclosures on impairment of investments in individual retail outlets (shops), are included in Note 5.2 "Tangible fixed assets" of the notes to the financial statements;

- Inventories - as at 31 January 2021, the value of inventories disclosed in the separate statement of financial position amounted to approximately PLN 360.4 million, while the write-down of inventories at that date amounted to approximately PLN 3.2 million. Disclosures concerning inventories, including valuation of inventories at net realisable value, are provided in Note 5.4 "Inventories" of the notes to the financial statements;
- Renegotiations of lease agreements - in connection with the COVID-19 pandemic, negotiations were conducted on lease agreements for retail space with landlords. As at 31 January 2021, the value of the right to use was approximately PLN 595.0 million and the amount of lease liabilities disclosed in the statement of financial position was approximately PLN 872.3 million. Disclosures concerning the accounting policies applied in relation to the recognition of annexes to lease agreements as well as their impact on the financial statements are provided in Note 5.3 "Lease right and lease liabilities and receivables" of the notes to the financial statements.

In the opinion prepared, the statutory auditor stated that the report was prepared, in all material respects, in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission and the adopted accounting principles (policy). The financial statements comply in form and content with the applicable legal regulations and give a true and fair view of all material information, the entity's financial position and profit or loss, and are free from material misstatement, whether due to fraud or error. The financial statements have been prepared on the basis of properly maintained accounting records and their form and content comply with the applicable legal regulations and the Company's Articles of Association.

In the financial year from 1 January 2020 to 31 January 2021, the Company's sales revenue amounted to PLN 1,822.8 million, representing a decrease of PLN 569.1 million (-23.8%) from the previous financial year. During the reporting period, there was a 34% decrease in retail revenue compared to 2019 due to the closure of outlets between 15 March and 7 May 2020, 7 November and 28 November 2020 and 29 December 2020 and 17 January 2021 due to the spread of the COVID-19 pandemic. After the lockdown periods, a slow return of customers to shopping in offline shops, shifting of some customers to shopping through the e-commerce channel and the sale of goods after the peak season, which involved sales with discounts, was observed.

The decline in revenues from retail operations was offset by the dynamic growth in revenues from e-commerce. The Company recorded an increase in the share of revenue from the e-commerce channel (the e-commerce channel was launched in June 2019) to PLN 240.3 million, increasing by PLN 197.7 million (+464.1% compared to the previous period). In addition, their share in total revenue increased from 1.8% in the previous reporting period to 13.2% in the current period. The closure of offline outlets due to COVID-19 pandemic and shift of some customers to purchase through e-commerce channel instead of in-store purchases after opening contributed to the increase in revenue in this segment. Revenues from wholesale and services in the reporting period were lower by PLN 10.0 million and amounted to PLN 112.1 million.

The change in relation to the previous year was influenced by a decline in sales in CCC like-for-like shops by PLN 629.5m (-35.7%) and in other shops by PLN 123.3m (-27.3% y/y). Similarly, for like-for-like shops - open outlets, the decrease in sales amounted to PLN 36.6 million (-3.1%), and in other shops - PLN 720.2 million (-60.0%). (-60,0%).

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Revenues from retail sales amounted to PLN 1,470.4 million in the period under review, compared to PLN 2,112.1 million in 2019. Cost of sales decreased by 30.6% year-on-year and by 33.2% year-on-year in 2019/20. The decrease was mainly due to the decrease in turnover as a result of the COVID-19 pandemic and forced shop closures.

Store operating costs decreased by 6.6% compared to 2019 (14.0% on a like-for-like basis in 2019/20). The decrease was mainly driven by:

- lower costs of salaries and employee benefits, resulting from shop closures in lockdown periods and government subsidies received to the cost of salaries and employee benefits in the amount of PLN 13.5 million,
- lower other rental costs (rents on turnover and variable costs: utilities, electricity, etc.) as a result of shop closures during lockdown periods and renegotiation of leases,
- lower amortisation costs of the right of use as a result of renegotiation of the leases.

In the financial year, the total value of public aid received to the costs of salaries and employee benefits amounted to PLN 18.4 million (of which PLN 13.5 million was recognised in the operating costs of shops, and the remaining value was allocated to other selling expenses and general administrative expenses).

The higher other cost of sales compared to 2019, as well as the corresponding period of 2019/20, was due to a significant increase in transport costs as a result of the growth of sales in the e-commerce channel. The increase in general and administrative expenses compared to 2019, as well as the 2019/20 period, was due to higher other external services costs as a result of higher costs related to outsourcing and consulting services.

Gross profit on sales increased by PLN 35.0 million and amounted to PLN 728.7 million in the reporting period, while operating profit of PLN 45.6 million was PLN 9.6 million lower than in the previous reporting period.

In the period under review, financial revenue amounted to PLN 39.5 million, up by PLN 4.1 million on the previous year.

Fixed assets as at 31 January 2021 consisted of tangible fixed assets (PLN 561.0 million), intangible assets (PLN 1.9 million), goodwill (PLN 48.8 million) investments in subsidiaries (PLN 377.4 million) and deferred tax assets (PLN 24.4 million). The value of fixed assets compared to 31 December 2019 decreased by 12.7% to PLN 1,675.9 million, the main reason being a decrease in long-term investments in subsidiaries (PLN -134.4 million) and a decrease in investments in tangible fixed assets and related right of use (PLN -91.9 million).

Current assets as at 31 January 2021 amounted to PLN 869.8 million and consisted of from inventories (PLN 360.4m), cash and cash equivalents (PLN 199.5m), loans granted (PLN 47.3m) and receivables from customers (PLN 230.1m) and other receivables (PLN 17.1m). The value of current assets compared to 31 December 2019 increased by 33.6% from PLN 650.8 million, mainly driven by an increase of PLN 225.2 million in receivables from customers.
In the reporting period, the company recognised a PLN 3.2m impairment charge on shop inventories, while a PLN 4.5m write-down was utilised.
The CCC Group's cash and cash equivalents at 31 December 2021 amounted to PLN 199.5 million, increasing by PLN 104.1 million compared to the end of 2019. At the end of January 2021. 2% of cash was in hand, 97.1% was held in a bank account and less than 1% was cash on hand.

As at 31 January 2021, CCC's equity compared to the end of 2019 decreased by PLN 153.2 million (-19.0%), mainly due to the current year loss.

Non-current liabilities as at 31 January 2021 amounted to PLN 939.9 million, up by PLN 193.6 million (+25.9%) compared to 31 December 2019. Total non-current liabilities at the end of January 2021 mainly consisted of debt liabilities of PLN 247.1 million, lease liabilities of PLN 674 million, provisions of PLN 4.8 million and grants received, which amounted to PLN 14.0 million.

Current liabilities as at 31 January 2021 amounted to PLN 800.0 million, decreasing by PLN 71.1 million (-8.9%) from PLN 871.1 million as at 31 December 2019. The total amount of current liabilities at the end of January 2021 consisted of debt liabilities of PLN 210.4 million; liabilities to suppliers, which amounted to PLN 16.8 million (a decrease of PLN 439.7 million from 31.12.2019); other liabilities of PLN 102.3 million (an increase of PLN 15.1 million from 31.12.2019); income tax liabilities, which amounted to PLN 2.3 million; provisions, which amounted to PLN 266.2 million and grants of PLN 3.7 million.

Net flows from operating activities in the reporting period amounted to PLN -316.3m, down by PLN 910.1m against 2019. The decrease was mainly due to the change in receivables (PLN -206.9m vs. PLN 6.0m in 2019) and the change in current liabilities excluding loans, borrowings and bonds (PLN -393.9m vs. PLN 289.0m).
Net flows from investing activities in the reporting period amounted to PLN -90.7 million compared to PLN -467.4 million in 2019. The change was due to, among other things, the repayment of loans granted and interest, a decrease in loans granted and a decrease in the acquisition of intangible assets and tangible fixed assets.
Net flows from financing activities for the financial year ended 31 January 2021 amounted to PLN 511.1 million. The main reason for the change from PLN -135.3 million in 2019 was proceeds from the issue of shares of PLN 506.9 million.
CCC ended the reporting period with a cash level of PLN 199.5 million, an increase of PLN 104.1 million (+109.1%) compared to 31.12.2019.

The Supervisory Board has reviewed and analysed the **annual consolidated financial statements of CCC Group S.A.** prepared in accordance with International Financial Reporting Standards for the financial year ended 31.01.2021 and the auditor's report on the audit of the annual consolidated financial statements including the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes. The auditor declared in his report that the key auditor and the audit firm remained independent of the Group entities during the audit in accordance with the provisions of the Act on Statutory Auditors and the rules of professional ethics, and that they did not provide non-audit services that are prohibited by Article 136 of the Act on Statutory Auditors.

The auditor identified significant risks of material misstatement (key audit matters) during the audit. The most significant risks of material misstatement (key audit matters) identified during the audit were: as at 31.01.2021:

- Impairment of assets related to retail - improvements to third party tangible fixed assets and right of use related to these retail outlets are material to the audit due to their value as reported in the consolidated statement of financial position, as well as the judgemental element involved in identifying indications of potential impairment and the assumptions used to estimate the recoverable amount of the related assets. At the balance sheet date, the total value of shop improvements, after impairment losses, amounted to approximately PLN 541.8 million and the rights of use to approximately PLN 1,455.5 million. Disclosures regarding impairment of investments in individual retail outlets (shops) in the consolidated financial statements are included in Note 5.3 "Tangible fixed assets" of the additional notes to the consolidated financial statements;
- Inventories - as at 31 January 2021, the value of inventories disclosed in the consolidated statement of financial position amounted to approximately PLN 2,192.6

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million, while the write-down of inventories at that date amounted to approximately PLN 37.1 million. Disclosures concerning inventories, including valuation of inventories at net realisable value, are provided in Note 5.5 "Inventories" of the notes to the consolidated financial statements;

- Renegotiations of lease agreements - in connection with the COVID-19 pandemic, negotiations were conducted on lease agreements for retail space with landlords. As at 31 January 2021, the value of the right to use was approximately PLN 1,455.5 million and the amount of lease liabilities disclosed in the statement of financial position was approximately PLN 1,865.9 million. Disclosures concerning the accounting policies applied in relation to the recognition of annexes to lease agreements as well as their impact on the consolidated financial statements are provided in Note 5.4 "Right-of-use assets and lease liabilities and receivables" of the notes to the consolidated financial statements;
- Valuation of the option concerning the acquisition of a non-controlling stake in eobuwie.pl S.A. - On 15 January 2016, CCC S.A. acquired 74.99% of the share capital of eobuwie.pl S.A. ("eobuwie.pl") and assumed control over eobuwie.pl S.A. and the capital group in which eobuwie.pl S.A. is the parent company. The agreement concluded provided for an option to purchase ("call option") the remaining 25.01% of shares in eobuwie.pl S.A. by CCC S.A. with a simultaneous option to sell the shares ("put option") by the remaining shareholders of eobuwie.pl S.A. As at 31 January 2021, a liability for the option of approximately PLN 743.7 million was recognised in the consolidated financial statements. Disclosures regarding the recognition and measurement of the financial liability arising from the acquisition of a non-controlling interest are included in Note 6.1 "Financial instruments and risk management" of the notes to the consolidated financial statements;
- Discontinued operations - during the financial year for the period 1 January 2020 - 31 January 2021, the Management Board of CCC S.A. took actions aimed at selling the companies NG2 Suisse s.a. r.l and Karl Vögele AG operating on the Swiss market. Disclosures regarding the settlement of the acquisition are included in Note 6.4 "Discontinued operations" of the additional notes to the consolidated financial statements.

The availability of suitable financing instruments for the Group's operations and verification of the Group's ability to continue to meet the contractual terms of the financing were relevant to the audit due to their impact on the assessment of the Group's going concern assumption.

In the opinion prepared, the statutory auditor stated that the report presents a fair a true and fair view of the Group's economic and financial position and its financial result for the financial year ended 31 January 2021 , in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission and the adopted accounting principles (policy). The statements comply in form and content with the applicable legal regulations and the Articles of Association of the Group.
In addition, the auditor has stated that the report on the Group's activities has been prepared in accordance with the applicable accounting and other applicable laws and is consistent with the information contained in the consolidated financial statements. The statutory auditor also stated that, to the best of his knowledge of the Group and its environment obtained during the audit of the consolidated financial statements, he did not identify any material misstatements in the consolidated management report.

With regard to the corporate governance statement included in the report, the statutory auditor concluded in his opinion that the information contained therein is consistent with the applicable regulations and the information contained in the consolidated financial statements.

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The auditor's report includes information that the Company has included in the report on the Group's activities, information on the preparation of a separate report on non-financial information, as referred to in Article 49b par. 9 of the Act on Accounting.

Revenues from sales in the reporting period amounted to PLN 5,638.6 million, a decrease of PLN 141.6 million (-2.4%) compared with the previous year. In the reporting period, sales revenues in the retail segment decreased by PLN 1,310.3 million (-33.4%), related to the closure of outlets in 2020 and early 2021 due to the COVID-19 pandemic. In contrast, there was a significant increase in e-commerce sales in the reporting period.

Overall, retail sales revenue in the reporting period accounted for 46.4% (2019: 67.9%) of total sales from external customers, with a significantly increasing share of e-commerce of 47.8% (2019: 27.3%) and a 2.7% share of wholesale and manufacturing sales combined (2019: 3.6%). In addition, there were sales not allocated to the segment related to discontinued operations in the reporting period, representing 3.1% (2019: 1.1%). Revenues from retail sales in the reporting period amounted to PLN 2,616.0 million, a decrease of PLN 1,310.3 million (-33.4%) compared to the previous reporting period.

Sales revenue for the financial year ended 31 January 2021 in the rapidly growing e-commerce segment amounted to PLN 2,696.3 million, an increase of PLN 1,115.6 million (+70.6%) compared to the previous year. The closure of offline outlets due to the impact of the COVID-19 pandemic and the shift of some customers to purchase through the e-commerce channel, even after the opening of offline stores, contributed to the growth in this segment.

Consolidated gross profit on sales amounted to in the financial year ended 31 January 2021. PLN 2,456.5 million and was 10.9% lower than in the comparable period of the previous year. The share of the retail segment in gross profit was 51.3% with an increasing share of e-commerce (47.5%).

The consolidated gross margin on sales was 45.0%, down 3.2 p.p. on the comparable period. The margin in the retail segment was 48.2%, down 3.6 p.p., while in e-commerce it increased by 1.1 p.p. to 43.3%.

Store operating costs are the largest cost group, accounting for over 50% of total costs in past years. In the financial year ended 31 January 2021, due to the rapidly growing e-commerce channel, the share decreased to 44% from 50% in the previous year. This item ranked second after other selling expenses. During the financial year, store operating costs amounted to PLN 1,268.2 million and were PLN 161.6 million (-11.3%) lower than in the same period of the previous year. The most significant items in store operating expenses were rental costs, depreciation and wages, which accounted for 13.9%, 43.3% and 31.1% respectively.

In the reporting period, financial income amounted to PLN 97.7 million and was PLN 49.7 million lower than in the previous period. The main factors causing this decrease were the valuation of the option to buy back non-controlling interests to PLN 61.8 million and the change in foreign exchange earnings.

Financial expenses in the same period amounted to PLN 278.4 million and were down by PLN 37.0 million compared to the previous year.

For the financial year ended 31 January 2021, income tax amounted to PLN 20.6 million (2019/2020 - PLN 7.2 million). Current tax amounted to PLN 61.4 million and the deferred portion to PLN -41.2 million.

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After taking into account financial income and expenses, share of associate's loss and income tax, the net result from continuing operations in the reporting period amounted to PLN -988.9 million and was PLN 1,008.7 million lower than in the corresponding period of the previous year and PLN 1,084.5 million lower than in 2019.

Fixed assets as at 31 January 2021 consisted of, among others, tangible fixed assets (PLN 1,237.9 million), intangible assets (PLN 308.3 million), goodwill (PLN 197.9 million) and deferred tax assets (PLN 152.1 million).
The value of fixed assets decreased by PLN 835.4 million (19.9%) to PLN 3,375.1 million compared to 31 December 2019, due to, among other things, a decrease in the value of the right of use and the value of loans granted.
Tangible fixed assets as at 31 January 2021 amounted to PLN 1,237.9 million and decreased by PLN 142.1 million (10.3%) compared to 2019, which was mainly due to a decrease in investment in shops.
The deferred tax assets recognised as at 31 January 2021 mainly related to the recognition of deferred tax assets in connection with the valuation of leasing agreements and on account of the zone allowance and amounted to PLN 152.1 million as at the balance sheet date.

Current assets as at 31 January 2021 amounted to PLN 3,061.4 million and consisted of inventories (PLN 2,192.6 million), cash and cash equivalents (PLN 458.7 million), receivables from customers and other receivables (PLN 406.4 million), income tax receivables (PLN 1.7 million) and derivative financial instruments (PLN 1.7 million). The value of current assets compared to 31 December 2019 increased by 4.4% from PLN 2,933.2 million.
The main reason for the increase in the value of current assets was the increase in the value of inventories (an increase of PLN 250.3 million, i.e. 12.8%), which at the end of the reporting period amounted to PLN 2,192.6 million.

Non-current liabilities as at 31 January 2021 amounted to PLN 2,785.4 million, down by PLN 310.4 million (-10.0%) from PLN 3,095.8 million as at 31 December 2019. The total non-current liabilities at the end of January 2021 consisted of non-current debt liabilities of PLN 472.7 million, liabilities under the obligation to buy out minority interests of PLN 828.6 million, lease liabilities of PLN 1,415.5 million, liabilities to employees of PLN 0.4 million, provisions of PLN 16.3 million, deferred tax liabilities of PLN 38.0 million and grants received of PLN 14.0 million.

Current liabilities as at 31 January 2021 amounted to PLN 3,346.5 million, increasing by PLN 388.2 million (13.1%) from PLN 2,958.3 million as at 31 December 2019. The total amount of current liabilities at the end of January 2021 mainly consisted of debt liabilities (PLN 1,196.9 million); liabilities to suppliers, which amounted to PLN 1,269.3 million (up 9.6% on 31.12.2019); lease liabilities of PLN 450.5 million; other liabilities, which amounted to PLN 386.2 million (up 2.2% on 31.12.2019); income tax liabilities of PLN 18.7 million; provisions, which amounted to PLN 21.2 million and grants of PLN 3.7 million.

Consolidated net cash flows from operating activities during the reporting period. amounted to 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 non-cash adjusted operating profit of PLN 112.6m.

Consolidated net flows from investing activities in the reporting period amounted to PLN -261.8 million compared to PLN -713.6 million in 2019. The change was mainly due to a decrease in expenses for tangible fixed assets and intangible assets related to pandemic COVID-19, as well as expenses related to the investment in the associate HR Group (PLN 44.0 million) and no loans granted.

Consolidated net cash flows from financing activities during the reporting period amounted to PLN 240.0 million. This figure consisted primarily of cash inflows from borrowings of PLN 252.1 million, repayments of borrowings with interest in the amount of PLN -155.8 million, lease payments of PLN -360.5 million and net proceeds from the issue of shares of PLN 506.9 million.

Taking into account the above cash flows, the CCC Capital Group ended the reporting period with a cash balance of PLN 458.7 million, which meant an increase of PLN 166.3 million compared to 31.01.2020.

The Report of the Management Board on the activities of CCC S.A. Capital Group for the financial year ended 31.01.2021 should be considered complete. This report includes information on the economic and financial situation of the Group and describes the major events having a significant impact on its activities during the reporting period. The report has been prepared in accordance with the Company's books and documents and the facts and contains the necessary synthetic information on the operation of the Group. Furthermore, the statutory auditor stated that the report on operations was prepared in accordance with the regulations applicable to the Company and is consistent with the information contained in the financial statements. The statutory auditor also stated that to the best of his knowledge of the Company and its environment obtained during the audit of the financial statements, he found no material misstatements in the management report. As regards the statement on corporate governance included in the report, the auditor stated in his opinion that the information contained therein is consistent with the applicable regulations and the information contained in the financial statements. The auditor's report included information that the Company included in the Directors' Report information on the preparation of a separate report on non-financial information referred to in Article 49b(9) of the Accounting Act.

The Management Board has stated in the financial statements and the consolidated financial statements that the statements and the comparative data have been prepared in accordance with the applicable accounting principles and reflect the Group's assets, financial position and result in a true, fair and clear manner. The Directors' Report gives a true picture of the development, achievements and position of the Group, including a description of the principal risks and threats.
The Board considers the reports described as correctly reflecting the actual state of affairs and presenting the situation of the Group during the reporting period.

3. Conclusions of the analysis of the reports and recommendations for the General Meeting

Summarizing the financial year ended January 31, 2021. The Supervisory Board concluded that the activities carried out by CCC S.A. produced good economic results, taking into account the extremely unfavourable external conditions, and the continuation of the activities carried out in the implementation of the GO.22 strategy and the restructuring of offline activities, especially in Western Europe, will lead to the strengthening of the Group's position in the market.

The strategy of CCC Capital Group S.A. assuming the development of e-commerce and sales network and opening new shops, both at home and abroad, carefully selected in terms of expected profitability and rate of return, is undergoing a natural evolution, adapting it to the external environment changed by the COVID-19 pandemic.

With a view to ensuring further stable development of the Company, the Supervisory Board concludes that the adopted directions of development are properly and successively implemented by the Management Board. The economic and financial results

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achieved, as presented in the reports and their analysis by the Supervisory Board, allow a positive assessment of the Company's operation in the financial year ended 31 January 2021 and a high assessment of the work of its Management Board.
The Supervisory Board, having analysed the submitted reports and results of CCC S.A. and CCC S.A. Capital Group in the financial year ended on 31 January 2021, acting in accordance with the principles of the Best Practices of WSE Listed Companies, positively evaluates the activity and financial position of the Company in the period from 1 January 2020 to 31 January 2021.

In the opinion of the Supervisory Board, there are no threats to the continuation of the activities of CCC S.A. and the Capital Group, and the actions taken are a guarantee of further development of the Company and the Group in the future.

In view of the above, the Supervisory Board, after evaluation, decides to propose the following resolutions to the Annual General Meeting of Shareholders:
1. to approve the standalone financial statements of the Company CCC S.A. for the financial year beginning on 01.01.2020 and ending on 31.01.2021;
2. to approve the consolidated financial statement of CCC S.A. Capital Group and the annual consolidated management report on the activity of CCC S.A. Capital Group for the financial year beginning on 01.01.2020 and ending on 31.01.2021;
3. to cover the loss for the financial year commencing 01.01.2020 and ending 31.01.2021;
4. to grant the Company's Management Board a discharge in respect of the performance of its duties in the financial year beginning on 01.01.2020 and ending on 31.01.2021.

Polkowice, 24 May 2021

Chairman of the Supervisory Board - Dariusz Miłek ……………………………………………………

Vice Chairman of the Supervisory Board - Wiesław Oleś
…………………………………………..…………

Member of the Supervisory Board - Waldemar Jurkiewicz..

Member of the Supervisory Board - Zofia Dzik ……………………………. ………………………..

Member of the Supervisory Board - Filip Gorczyca …………………………..…………………………

Member of the Supervisory Board - Henry McGovern
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