

INTERIM CONDENSED CONSOLIDATED  
**REPORT OF CAPITAL GROUP CCC S.A.**  
FOR Q3 2020



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## ABOUT THE REPORT ON OPERATIONS OF THE CCC CAPITAL GROUP

The Interim Consolidated Report of the CCC Capital Group for Q3 2020 contains financial and non-financial data, presenting the results and the market position of the Group in Poland and Europe. The report is published in PDF format, available in Polish and English. The report includes the logo and photos of the registered private label products available in CCC stores. The report covers period from 1 January 2020 to 30 September 2020. In order to keep the information as accurate as possible, the report includes events after the balance sheet date up to the date of publication of the report.

## SELECTED FINANCIAL AND OPERATIONAL DATA OF CCC S.A. CAPITAL GROUP

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
CONTINUING OPERATIONS				
Selected data from the consolidated statement of comprehensive income	01.2020- 09.2020	01.2019- 09.2019	01.2020- 09.2020	01.2019- 09.2019
	UNAUDITED	UNAUDITED/ TRANSFORMED DATA	UNAUDITED	UNAUDITED/ TRANSFORMED DATA
<b>Sales revenue</b>	3 641,5	3 806,3	819,8	883,4
Poland	1 147,8	1 620,3	258,4	376,1
CEE	540,6	778,8	121,7	180,8
Western Europe	74,1	94,4	16,7	21,9
Other countries	76,1	107,8	17,1	25,0
<b>Retail activity</b>	1 838,6	2 601,3	413,9	603,7
E-commerce	1 612,1	982,0	362,9	227,9
Wholesale / service	81,1	165,7	18,3	38,5
Manufacturing	0,3	0,2	0,1	0,0
Sales revenue not allocated to the segment	109,4	57,1	24,6	13,3
<b>Gross profit (loss) on sales</b>	1 581,4	1 823,0	356,0	423,1
Gross profit margin on sales	43,4%	47,9%	43,4%	47,9%
<b>Results on segments</b>				-
Poland	(69,5)	196,6	(15,6)	45,6
CEE	(139,5)	15,2	(31,4)	3,5
Western Europe	(43,1)	(42,5)	(9,7)	(9,9)
Other countries	(17,3)	(11,4)	(3,9)	(2,6)
<b>Retail activity</b>	(269,4)	157,9	(60,6)	36,6
E-commerce	128,7	73,5	29,0	17,1
Wholesale / service	0,3	14,3	0,1	3,3
Manufacturing	(0,3)	(0,5)	(0,1)	(0,1)
<b>Profit (loss) on operating activity</b>	(495,2)	92,8	(111,5)	21,5
Profit (loss) before tax	(743,8)	(8,6)	(167,4)	(2,0)
<b>NET PROFIT (LOSS) ON CONTINUING OPERATIONS</b>	(708,2)	(25,4)	(159,4)	(5,9)
<b>NET PROFIT (LOSS) ON DISCONTINUED OPERATION</b>	(293,4)	(138,5)	(66,1)	(32,1)
<b>NET PROFIT (LOSS)</b>	(1 001,6)	(163,9)	(225,5)	(38,0)
Selected data from the consolidated statement of financial position	<b>30.09.2020</b>	<b>31.12.2020</b>	<b>30.09.2020</b>	<b>31.12.2020</b>
	UNAUDITED		UNAUDITED	
<b>Non-current assets</b>	3 521,6	4 210,5	777,9	988,7
<b>Current assets, including:</b>	3 007,7	2 933,2	664,4	688,8
Inventories	2 134,1	1 942,3	471,4	456,1
Cash and cash equivalents	422,3	542,6	93,3	127,4
<b>Assets classified as held for sale</b>	268,9	-	59,4	-
<b>TOTAL ASSETS</b>	6 798,2	7 143,7	1 501,8	1 677,5
<b>Non-current liabilities including:</b>	2 620,3	3 095,8	578,8	727,0
Debt liabilities	305,3	683,0	67,4	160,4
<b>Current liabilities including:</b>	3 300,9	2 958,3	729,2	694,7
Debt liabilities	1 251,6	830,4	276,5	195,0
<b>Liabilities directly associated with assets classified as held for sale</b>	278,3	-	61,5	-
<b>TOTAL LIABILITIES</b>	6 199,5	6 054,1	1 369,5	1 421,7
<b>EQUITY</b>	598,7	1 089,6	132,3	255,9

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS OF CAPITAL GROUP CCC S.A. FOR Q3 2020**

[in PLN million unless otherwise stated]

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
	01.2020- 09.2020	01.2019- 09.2019	01.2020- 09.2020	01.2019- 09.2019
<b>Selected data from the consolidated statement of cash flows</b>	UNAUDITED	UNAUDITED/ TRANSFORMED	UNAUDITED	UNAUDITED/ TRANSFORMED
Net cash flows from operating activities	(98,8)	565,7	(22,2)	131,3
Net cash flows from investing activities	(234,5)	(601,1)	(52,8)	(139,5)
Net cash flows from financing activities	212,1	127,5	47,7	29,6
<b>TOTAL CASH FLOWS</b>	(121,2)	92,1	(27,3)	21,4

OPERATIONAL DATA	30.09.2020	31.12.2020
Number of stores CCC	1 209	1 242
including discontinued operations	156	179
Floor space of stores (thousand m <sup>2</sup> )	762,0	760,0
including discontinued operations	74,1	81,3
Number of markets with online sales	16	15

	IN MLN PLN		IN MLN EUR	
	01.2020- 09.2020	01.2019- 09.2019	01.2020- 09.2020	01.2019- 09.2019
Capital expenditures (in mln)	UNAUDITED	UNAUDITED/ TRANSFORMED	UNAUDITED	UNAUDITED/ TRANSFORMED
	(202,0)	(369,8)	(45,5)	(85,8)

Selected data from the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the consolidated statement of financial position were calculated at the exchange rate effective on the last day of the reporting period:
  - exchange rate on 30.09.2020 amounted to 1 EUR – 4,5268 PLN;
  - exchange rate on 31.12.2019 amounted to 1 EUR – 4,2585 PLN;
  - exchange rate on 30.09.2019 amounted to 1 EUR – 4,3736 PLN.

Individual items of the consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:

- average exchange rate in the period 01.01.2020 – 30.09.2020 amounted to 1 EUR – 4,4420 PLN;
- average exchange rate in the period 01.01.2019 – 30.09.2019 amounted to 1 EUR – 4,3086 PLN.

The conversion was made in accordance with the previously indicated exchange rates by dividing the values expressed in millions of zlotys by the exchange rate.

## 1. GENERAL INFORMATION

### FUNCTIONAL CURRENCY AND CURRENCY OF FINANCIAL STATEMENTS

Items included in the interim condensed financial statements of the Group's individual entities are measured in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in the Polish zloty (PLN), which is the functional currency of the parent company and the presentation currency of the Group.

### ACCOUNTING PRINCIPLES APPLIED

The accounting principles applied by the Companies of the CCC S.A. Capital Group have not changed in relation to those applied in the financial statements for the financial year from 1 January to 31 December 2019, except for the application of new or amended standards and interpretations applicable to annual periods beginning on 1 January 2020 or later.



### INFORMATION ON THE APPLIED AVERAGE EXCHANGE RATES OF THE ZLOTY IN THE PERIOD COVERED BY THE FINANCIAL STATEMENTS AND COMPARABLE FINANCIAL DATA IN RELATION TO THE EURO AND THE DOLLAR, DETERMINED BY NBP

PERIOD (USD/PLN)	HIGHEST	LOWEST	END OF THE PERIOD	AVERAGE
01.2020-09.2020	4,2654	3,7861	3,8658	4,0085
01.2019-09.2019	4,0154	3,7243	4,0000	3,8426
01.2019-12.2019	4,0154	3,7243	3,7877	3,7618

PERIOD (EUR/PLN)	HIGHEST	LOWEST	END OF THE PERIOD	AVERAGE
01.2020-09.2020	4,6044	4,2279	4,5268	4,4413
01.2019-09.2019	4,3891	4,2406	4,3736	4,3086
01.2019-12.2019	4,3891	4,2279	4,2585	4,2999

## BASIS FOR PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" approved by the EU ("IAS 34"). The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2019 approved for publication on 6 March 2020.

The financial statements have been prepared in accordance with the historical cost principle and at fair value if the historical cost principle could not be applied (i.e. for investment properties, financial instruments measured at fair value).

Interim condensed consolidated financial statements of the Group cover the period of 9 months ended 30 September 2020 and contain comparative data for the period of 9 months ended 30 September 2019 and as at 31 December 2019. The statement of comprehensive income and notes to the statement of comprehensive income covering the period of 9 months ended 30 September 2020 and comparative data for the period of 9 months ended 30 September 2019, these data were not subject to review or audit by a statutory auditor.

## BASIS FOR CONSOLIDATION

The interim condensed consolidated financial statements include the report of the parent company CCC S.A. and the reports of the subsidiaries. The subsidiaries are subject to consolidation in the period from the date of obtaining control by the CCC Group to the date of cessation of control.

All entities comprising the Capital Group were controlled in the reporting period. All transactions, balances, revenues and costs between the related entities are subject to consolidation exclusions.

## GOING CONCERN

The consolidated financial statement has been prepared on the assumption that the Group and the companies comprising the Group remain a going concern in the foreseeable future, i.e. the period of at least 12 months from the balance sheet date.

As of 30 September 2020, the Group's consolidated statement of financial position shows current assets in the amount of PLN 3,167.1 million, which include, among others, inventories in the amount of PLN 2,293.4 million, cash in the amount of PLN 422.3 million, trade and other receivables in the amount of PLN 236.2 million, derivative financial instruments in the amount of PLN 7.3 million and short-term liabilities in the amount of PLN 3,311.5 million, which include, among others, credit debt in the amount of PLN 1,251.6 million, liabilities to suppliers and others in the amount of PLN 1,168.1 million and lease liabilities (IFRS 16) in the amount of PLN 419.5 million, which results in the surplus of short-term liabilities over current assets in the amount of PLN 144.4 million. This situation is to a large extent due to the fact that the right of use is presented in the long-term part of the assets, while the lease liabilities are presented in the short-term and long-term part, the financial debt is presented in the short-term part and the inventories are valued at purchase price, while the value of inventories at sales prices would be higher with current sales margins of approx. 40-50%.

At the end of 2019, the Company's Management Board prepared a financial forecast for 2020, which is part of the 3-year strategy (GO.22 - moving towards omnichannel) announced on 29 January 2020. The aforementioned financial forecast for 2020 was prepared for each segment of the CCC S.A. Capital Group. According to this plan, the Parent Company and the Capital Group should achieve positive cash flows in particular years of the projection, which was expected to lead to a lower level of indebtedness. During its preparation, the Management Board adopted a number of assumptions, the most important of which concerned:

1. increasing sales in digital channels by developing the existing and launching new ecommerce (including mobile),
2. increase in sales per m<sup>2</sup> in offline stores through the increase in conversion rate, the average number of items per receipt and the average receipt value, while a moderate decrease in the number of visits in stores (so-called traffic),
3. moderate expansion of the store chain (compared to previous years) through a selective approach to opening new stores on selected markets,

4. development of the product offer, including the implementation of attractive spring-summer and autumn-winter collections of own brands, as well as supplementation of the offer with selected foreign brands,
5. implementation of a new communication strategy and consequently, among others, broadening the range of the Group's clients,
6. improve product life cycle management, including maximizing sales of products at first prices,
7. implementation of advanced data analysis solutions in order to personalize communication to customers,
8. decrease in investment expenditure in relation to previous years,
9. improvement of working capital management and shortening the cash conversion period,
10. continuation of cooperation with the existing institutions financing the Group's activities by extending the financing of instruments due in 2020 at a similar level.

As a result of the COVID-19 pandemic and the temporary restriction of retail in the countries in which the Group operates, the implementation of the aforementioned strategy and financial plans has been significantly impaired

The most important events related to the development of the pandemic affecting the Company's and the Group's operations and the presented results, described in detail in the following paragraph "IMPACT OF COVID 19 EPIDEMIC ON THE GROUP'S ACTIVITIES", include the following:

- concluding agreements with banks financing the Group's operations ensuring a stable level of financing for the following months, i.e. until April 2021 and with bondholders ensuring financing until the end of June 2021,
- issue of shares and the Group's capital increase of about PLN 506 million,
- renegotiation of commercial space lease agreements,
- recognition of significant write-downs of assets and creation of additional provisions.

The Group's activities are to a large extent financed by financial instruments, mainly in the form of loans, bonds and reverse factoring.

As a result of the outbreak of the pandemic, as mentioned above, the Company's Management Board signed agreements with the banks financing the Group's operations, and the Meeting The Bondholders have made appropriate changes to the bond issue conditions to ensure a safe level of financing for the Group for the subsequent months, i.e. at least until April 2021 and until June 2021 in respect of bonds. The key conditions of the signed agreements were: recapitalization of the Group at the level of at least PLN 300 million, maintaining cash at the minimum level of PLN 40 million, preparation of financial projections for subsequent months and years, verified by an independent financial advisor and monitored on a monthly basis also by an independent financial advisor. As at the date of publication of these financial statements, the above conditions were met.

The financial projections mentioned above are based on a number of assumptions, the most important of which are related to:

- achieving the assumed sales levels and margins in the individual months of the pandemic recovery,
- signing contracts for new financing in the amount of about PLN 250 million guaranteed by BGK S A and for financing extending the financing period the Group's activities beyond the period covered by the current agreements, i.e. outside April 2021,
- the appropriate selection of the assortment in the context of changes in fashion trends and weather conditions,
- maintaining appropriate relations with suppliers, who have partially lost their insurance limits concerning the Group,
- no further significant negative factors resulting from the spread of the pandemic COVID 19

[in PLN million unless otherwise stated]

The implementation of the above forecasts involves various types of risk. The most important issues include those related to:

- potentially negative reaction of financial institutions to possible shifts in performance in particular periods of the year affecting the reported margin levels and indicators,
- failure to sign contracts to provide new financing as foreseen in the prepared projections or required due to potentially worse than expected results,
- actions taken by the Group's competitors,
- unplanned unforeseen changes in fashion trends and weather conditions,
- significant changes in behaviour of customers influenced by the COVID 19 pandemic,
- suspension of financing by the institutions financing the Group's activities in case of failure to implement the financial parameters adopted in the prepared projections, including the obligation to maintain cash at a specified minimum level,
- non-business factors, including the further spread of the COVID-19 pandemic, for which more information is provided in the paragraph "THE IMPACT OF THE COVID 19 EPIDEMY ON THE GROUP'S ACTIVITIES".

Considering the above, the Management Board of the parent company, when preparing this consolidated financial statement, identified a number of the above-mentioned risks and circumstances that could significantly affect the results and liquidity situation of the Company and the CCC Group and the risk of failure to meet the signed agreement with the institutions financing its activities, this would result in the financial institutions expecting to settle the obligations of the Company and the CCC Group and could result in the inability to provide further financing for its activities, which in turn could threaten the continuation of its operations.

Despite the above mentioned risks, the Management Board of the Company, based on the current financial results, consistent with or even in some areas better than planned, believes that appropriate measures have been taken and are being taken to ensure the implementation of the Group's plans and has therefore prepared the attached consolidated financial statements on a going concern basis.



## IMPACT OF THE COVID-19 EPIDEMIC ON THE GROUP'S ACTIVITIES

Since the fourth quarter of 2019, the COVID-19 virus (coronavirus) has been spreading worldwide.

In response to the pandemic, governments of individual countries took specific countermeasures in order to limit its negative effects.

During the first quarter of 2020 and in the period until the date of this report the COVID-19 pandemic had a very significant negative impact on the global economy and the economies of individual countries, including those related to the operations of the Group and the Company

The COVID-19 pandemic also had a negative impact on the supply chain. Many of the Group's major suppliers are located in Asia. In the first phase of the pandemic, the start of production of the autumn-winter 2020 collection in China was delayed. In the following weeks, the situation in China stabilized and manufacturers returned to work.

At the same time, production difficulties emerged in other countries, including India and Bangladesh, where the Group's suppliers are located. As a result of the actions taken, as of the day of preparing this report, the Group has a secured assortment of goods for sale in the autumn-winter 2020 season.

In response to the pandemic, the Group has prepared a comprehensive plan to stabilize operations, including operational, financial and strategic dimensions. Key actions included maintaining the Group's functioning processes in the environment of widely used remote work, strengthening e-commerce logistics processes, accelerating the launch of e-commerce platforms in the new markets, starting negotiations with landlords in terms of adjusting the lease conditions to the circumstances of the pandemic and the expected decrease in the number of people visiting the stores after their opening, applying for and receiving support from available public aid programs in terms of labor costs and others.

In financial terms, the Company began negotiations with bondholders, banks and financing institutions aimed at maintaining the stability of long-term financing, and announced the issue of new shares in order to raise additional capital to financially support the Group's operations, in particular orders for subsequent seasons.

The Group is also engaged in activities aimed at obtaining additional financing under the guarantee of the BGK Liquidity Guarantee Fund and the Polish Development Fund.

In the strategic dimension, the Company assumes restrictions and shifts of investment expenditures, while maintaining the assumptions of GO.22 strategy.

In the medium and long term, the Group expects: A significant drop in the value of the footwear market in 2020 and its reconstruction in 2021 (assuming no administrative store closing at the end of 2020 or in 2021), increase in the share of the e-commerce channel in revenues, the shift in consumer demand towards goods with the best price/quality ratio due to the reduction of their disposable income.

Further development of the pandemic after the balance sheet date, including the second wave, is described on page 26 of this document.



## BRIEF DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE ISSUER IN THE PERIOD 01-09.2020

Significant achievements of the CCC S.A. Capital Group in the period 01-09.2020.

### JANUARY

Adoption of the Group's **development strategy** for 2020-2022 **GO.22**.

### FEBRUARY

**Robotization of business processes** - a robot prepared in UiPath technology started working in the company's headquarters.

**1st anniversary of CCC application** - over 1.4 million downloads.

Launch of the advertising campaign under the slogan "Size is uneven" promoting the innovative service esize.me available in CCC stores and eobuwie.pl.

Launch of the spring advertising campaign under the slogan "CCC Fashion Trends".

### MARCH

Start of another advertising campaign under the slogan "My Discovery", promoting the Lasocki own brand. The brand's ambassador is the style icon Małgorzata Kożuchowska.

Launch of the Gino Rossi advertising campaign under the slogan "Beautiful Moments. Beautiful life", presenting the beauty of interpersonal relations.

**Launch of an e-commerce** channel in Romania via CCC.eu platform.

**Administrative restriction on sales in the offline channel** in response to the coronavirus epidemic. For over 3 months, the CCC Group's chain of stores in 23 countries did not operate full-scale.

Preparation of a plan to stabilize the functioning of the Group in response to the closure of stores. Beginning the discussion with banks, financing institutions and bondholders, preparing a plan to carry out a share issue and making efforts to benefit from the anti-crisis shield 1.0 and subsequent assistance programs in Poland and on foreign markets.

### APRIL

**Launch of the service of a virtual CCC advisor** supporting the Customer Service Department (on the Google Assistant platform and Facebook Messenger).

**Launch of the Home Development Academy** - a series of online trainings for sales department employees conducted during the freezing of economy.

Implementation of a technologically advanced financial and accounting system SAP S4/HANA delivered by SAP - as the first company in Poland.

**Launch of the Shared Services** Center in Polkowice - standardization, simplification of processes and increase of reporting efficiency.

**Launch of the ccc.eu e-commerce** channel in Hungary and Austria - accelerated in response to the coronavirus and lockdown pandemic.

**The Extraordinary General Meeting of Shareholders** of 17 April 2020 decides to issue up to 13,700,000 shares, from which the Company intends to raise approx. 400-500 million PLN for the next season and current operations. Start of the review of strategic options for the subsidiary Karl Voegel AG.

**Securing the Group's financing sources** as a result of discussions with banks, financing institutions and bondholders. The company receives government funding for employee costs in the total amount of PLN 26 million, reduces operating costs and negotiates lease agreements for premises. It also applies for financing from the BGK Liquidity Guarantee Fund.

Gradual return of sales in the offline channel since April 20 in connection with the start of the economy loosening.

## MAY

**The issue of 13.7 million shares at a price of PLN 37, as a result the Company raises PLN 506.9 million.**

Launch of the CCC mobile application in the Czech Republic and Slovakia.

Marketing campaign "We've missed you" - a campaign related to the return of customers to offline stores.

Opening of DeeZee online stores in four new markets: Hungary, Czech Republic, Slovakia and Romania.

Expansion of the offer with additional foreign brands (Bugatti, Tom Tailor, Mustang, Igor, Reli) and extended offer of accessories.

## JUNE

**CCC is the winner of the 13th edition** of the Issuer's Golden Website Competition organized by the Association of Stock Exchange Issuers.

**Launch of the CCC mobile application in Hungary.**

**Eobuwie.pl launches an online store in Croatia** - 15th foreign market where the company operates.

The number of esize.me scans has exceeded 1 million - the CCC Group has the largest database of this type in the world.

Publication of the sustainable development strategy which is one of the pillars of the Group's business strategy for 2020-2022 "GO.22".

1st anniversary of the CCC online store - has completed over 1.5 million orders, records 13.5 million customer visits per month and is available in five foreign markets.

Appointment of a new member of the Supervisory Board, Mr. Henry McGovern.

## JULY

Launch of the CCC mobile application in Austria.

**Opening** of the first offline **MODIVO** store in Warsaw's Galeria Młociny, similar in concept to eobuwie.pl stores.

Expansion of CCC's product offer with the **eco line**, created using technology or ecological materials, which will be labelled **"Go for Nature"**.

Launch of the CCC mobile application in Romania

Launch of the **"Weekend parcel"** service in cooperation with InPost, enabling customers to deliver to the parcel machine on Saturday and even on Sunday.

## AUGUST

Start of a trial **collection of used shoes** under the slogan "Give your shoes a second life". During the first three weeks of the action, carried out in 11 offline CCC stores in Poland, over 1 ton of shoes were collected.

eobuwie.pl develops the **Rage Age** premium clothing brand, acquired in 2019. The brand, so far known mainly for men's fashion, expands its offer with a comprehensive women's collection.

**Over 2 million downloads** of the CCC application in less than 1.5 years since its launch, the growth rate of 5-10 thousand users per day is recorded.

## SEPTEMBER

**Modivo** and **DeeZee** as partners and sponsors of the 9th edition of **Top Model**.

**Rating "A"** given to CCC by **MSCI ESG** - recognition for sustainable development activities.

Announcement of the first **DeeZee clothing collection** - available since November 2020.

Concluding a **Term Sheet financing for the amount of 250 million PLN** with the financing institutions of the CCC Group.

For more information about important events in the CCC Capital Group, see the website:

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

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



## GENERAL INFORMATION

### BUSINESS PROFILE

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

Geographical diversification enhanced by diversified sales channels in 29 countries

Loyal customer base supported by strong brand awareness and continuous product portfolio development

Traditional stores strengthened by e-commerce channels (online and mobile), accounting for about 46% of the CCC Group's revenues

Breakthrough 3D footprint scanner technology and revolutionary omnichannel stores developed and implemented

Acting responsibly, meeting the needs of stakeholders and supporting relevant local and global initiatives aimed at focusing the Group on the ESG



### TOP FIVE COUNTRIES BY SALES REVENUE



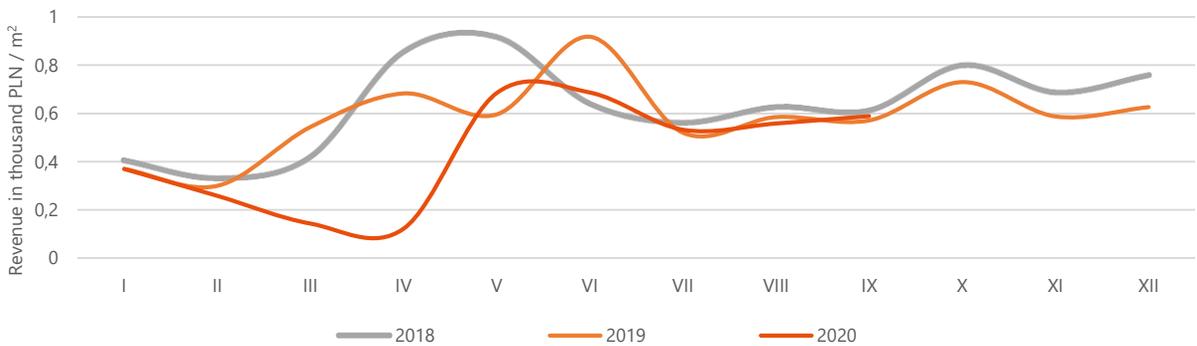
## SEASONALITY AND WEATHER

The proportion of sales during the financial year was significantly influenced by weather conditions and seasonality (the peak demand is in spring and autumn). Disturbance of weather conditions may result in postponing purchase decisions by customers or shortening the season of highest sales.

Seasonality in the first quarter of 2020 was disturbed by the effects of the global coronavirus pandemic, and in particular the administrative restriction of sales in the stationary channel for at least 5 weeks (depending on the market).



SEASONALITY OF REVENUES IN THE CCC CHAIN



## CAPITAL GROUP CCC S.A.

The CCC Capital Group S.A. („CG CCC”, „CCC Capital Group”, „Group”) is a Polish footwear retail market leader, one of the largest shoe manufacturers in Europe, and through its subsidiary eobuwie.pl SA, is also a leader in e-commerce in Central and Eastern Europe.

CCC S.A. is the parent company in the Group. The structure of the CCC S.A. Capital Group is presented on page 16.

The activity of the Capital Group is currently organized in two segments:

- Distribution activity
  - Retail
    - Poland
    - Central and Eastern Europe
    - Western Europe
    - Other countries
  - E-commerce
  - Wholesale/service
- Manufacturing activity

## COMPOSITION OF THE CCC S.A. CAPITAL GROUP

### ORGANIZATIONAL SCHEME OF CCC GROUP WITH CORPORATE AFFILIATION

The company CCC S.A. is the parent company in the CCC Capital Group. As at the balance sheet date, CCC S.A. held, directly and indirectly, 100% shares in capital 16 out of 20 subsidiaries located in Poland, Central and Eastern Europe, Western Europe and in other countries. The company holds 74.99% of shares in eobuwie.pl S.A., 75% in CCC Russia o.o and DeeZee Sp. z o.o. and 70% in Karl Voegele AG. The results of the above companies are consolidated 100%. The diagram below presents the organizational structure of the CCC Group together with capital links.

[1] CCC.eu sp. z o.o. is a subsidiary of CCC Shoes & Bags sp. z o.o. (99.75%) and a subsidiary of CCC S.A. (0,25%)

[2] According to the decision taken by the Management Board of CCC S.A. On 1 June 2020, the operations of Karl Voegele AG were reclassified to discontinued. 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 a subsidiary of NG2 Suisse s.a.r.l.(5%).

[5] C-AirOp Ltd. is a subsidiary of CCC S.A. (50%) The Management Board, having analysed the functions exercised by the shareholders of the company, believes that the Group still has control over the company in terms of the company's operations and in managing its business.



# CAPITAL GROUP CCC S.A.

## CCC S.A.

MANUFACTURING	CCC Factory sp. z o.o. 100% Poland	Gino Rossi S.A. 100% Poland	
	CCC Czech s.r.o. 100% Czech Republic	GARDA Sp. z o.o. 100% Poland	Gino Rossi s.r.o. 100% Czech Republic
DISTRIBUTION	CCC Austria Ges.m.b.H 100% Austria	CCC Shoes Bulgaria EOOD 100% Bulgaria	CCC Russia ooo 75% Russia
	CCC Shoes & Bags d.o.o. Beograd - Stari Grad 100% Serbia	CCC Obutev d.o.o. 100% Slovenia	Karl Voegele AG [2] 70% Switzerland
	CCC.eu sp. z o.o. [1] 100% Poland	CCC Slovakia s.r.o 100% Slovakia	Vögele Verwaltung G.m.b.H 70% Austria
	CCC Hrvatska d.o.o 100% Croatia	CCC Shoes Ayakkabıcılık 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
		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
	OTHER		
ASSOCIATED COMPANIES	HR Group Holding S.a.r.l. 30,55% Luxembourg	Pronos Sp. Z o.o. 10% Poland	

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS OF CAPITAL GROUP CCC S.A. FOR Q3 2020**

[in PLN million unless otherwise stated]

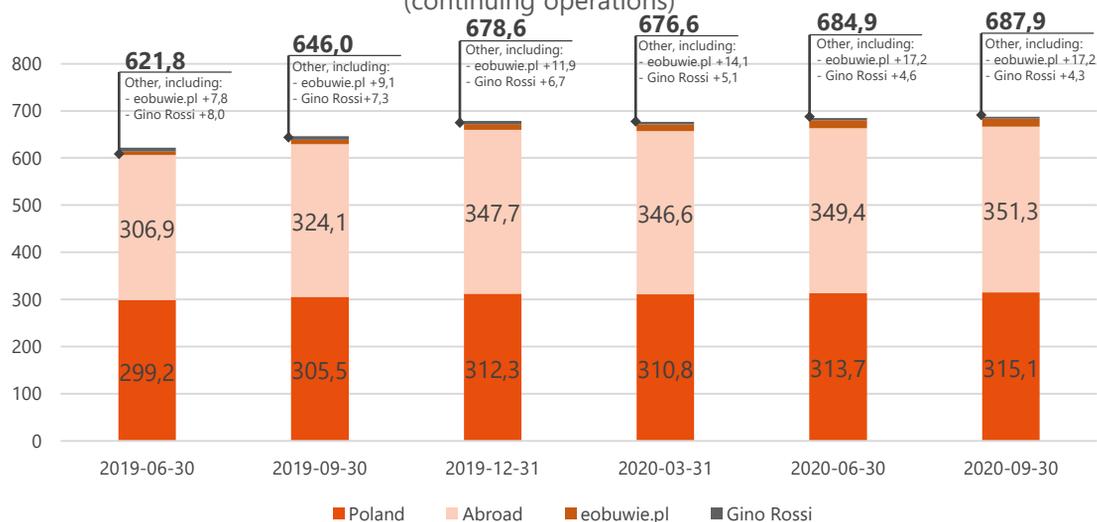
CHAIN	TYPE	2019-06-30		2019-09-30		2019-12-31		2020-03-31		2020-06-30		2020-09-30	
		m2	NUMBER	m2	NUMBER	m2	NUMBER	m2	NUMBER	m2	NUMBER	m2	NUMBER
CCC	Austria	30 368	48	31 510	49	32 410	50	32 014	49	32 014	49	33 108	52
	Bulgaria	9 210	14	10 110	15	11 651	17	11 651	17	11 651	17	11 651	17
	Croatia	17 884	27	18 667	28	19 811	29	19 811	29	20 602	30	21 115	32
	Czech Republic	53 215	93	53 937	93	56 721	96	55 512	93	54 665	91	54 165	90
	Poland	299 184	471	305 476	472	312 275	473	310 754	470	313 748	469	315 110	472
	Russia	31 683	38	32 663	39	34 212	41	34 550	42	34 372	42	32 296	41
	Romania	36 160	64	37 572	65	42 921	71	42 921	71	43 668	72	46 870	77
	Serbia	9 582	12	11 031	14	11 031	14	11 031	14	11 031	14	11 031	14
	Slovakia	33 702	53	33 702	53	33 702	53	33 373	52	34 148	53	34 148	53
	Slovenia	10 900	15	11 484	15	14 508	18	14 508	18	14 508	18	14 829	19
Hungary	52 080	75	52 898	75	57 198	80	56 896	79	56 473	78	56 726	78	
<b>TOTAL</b>		<b>583 968</b>	<b>910</b>	<b>599 050</b>	<b>918</b>	<b>626 440</b>	<b>942</b>	<b>623 021</b>	<b>934</b>	<b>626 880</b>	<b>933</b>	<b>631 049</b>	<b>945</b>
OTHER	eobuwie.pl	7 777	12	9 076	14	11 945	19	14 133	22	17 146	25	17 146	25
	Gino Rossi	6 911	59	6 372	54	5 912	50	4 845	41	4 376	37	4 162	35
<b>TOTAL OWN</b>		<b>598 656</b>	<b>981</b>	<b>614 498</b>	<b>986</b>	<b>644 297</b>	<b>1 011</b>	<b>641 999</b>	<b>997</b>	<b>648 402</b>	<b>995</b>	<b>652 357</b>	<b>1 005</b>
<b>DISCONTINUED OPERATION</b>													
	KVAG	80 071	187	78 759	182	81 315	179	77 309	167	75 630	162	74 097	156

CHAIN	TYPE	2019-06-30		2019-09-30		2019-12-31		2020-03-31		2020-06-30		2020-09-30	
		m2	NUMBER										
CCC FRANCHISE	Saudi Arabia	-	-	1 050	1	1 050	1	1 050	1	1 876	2	1 876	2
	Bahrain	-	-	929	1	929	1	929	1	929	1	929	1
	Estonia	2 629	3	2 629	3	3 734	4	3 734	4	3 734	4	2 879	3
	Gino Rossi	1 061	13	976	12	801	9	256	3	256	3	166	2
	Qatar	1 002	1	1 002	1	1 002	1	1 002	1	1 002	1	1 002	1
	Kosovo	1 048	1	1 958	2	1 958	2	1 958	2	1 958	2	1 958	2
	Lithuania	2 657	4	2 657	4	2 657	4	2 657	4	2 657	4	2 657	4
	Latvia	4 409	7	4 409	7	4 409	7	4 409	7	4 409	7	4 409	7
	Moldova	740	1	740	1	740	1	740	1	740	1	740	1
	Oman	-	-	1 223	1	1 223	1	1 223	1	1 223	1	1 223	1
	Ukraine	8 088	12	10 590	15	11 753	17	11 754	17	12 848	19	12 848	19
	UAE	1 521	2	3 347	3	4 082	4	4 853	5	4 853	5	4 853	5
<b>TOTAL FRANCHISE</b>		<b>23 155</b>	<b>44</b>	<b>31 510</b>	<b>51</b>	<b>34 338</b>	<b>52</b>	<b>34 565</b>	<b>47</b>	<b>36 485</b>	<b>50</b>	<b>35 540</b>	<b>48</b>
<b>TOTAL CG CCC</b>		<b>621 811</b>	<b>1 025</b>	<b>646 008</b>	<b>1 037</b>	<b>678 635</b>	<b>1 063</b>	<b>676 564</b>	<b>1 044</b>	<b>684 887</b>	<b>1 045</b>	<b>687 897</b>	<b>1 053</b>

**CHANGES IN FLOOR SPACE OF CCC S.A. CAPITAL GROUP STORES  
in the period 30.06.2019 - 30.09.2020. [thousand m<sup>2</sup>]**

(continuing operations)



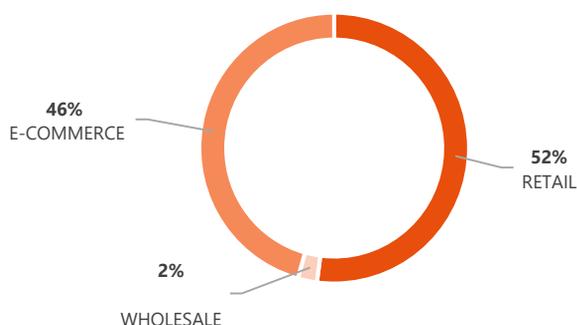
## ANALYSIS OF SELECTED FINANCIAL RESULTS OF CCC S.A. CAPITAL GROUP

CCC S.A. - dominant entity in the CCC Capital Group - focuses mainly on retail distribution of goods in Poland. Moreover, it also provides, among others, logistic services for CCC.eu. The distribution of goods in the retail channel outside Poland is carried out by subsidiaries, operating in the Czech Republic, Slovakia, Slovenia, Croatia, Austria, Serbia, Bulgaria, Russia, Romania and Hungary. In Germany, the sale is carried out through an affiliate of the HR Group, in which CCC S.A. holds 30.55% of shares. The production of footwear for the Group is carried out by CCC Factory and Gino Rossi. Sales of goods in the e-commerce channel is carried out by CCC S.A.\*, eobuwie.pl, Gino Rossi S.A., DeeZee sp. z o.o.

\* Online sales launched in June 2019.



CONSOLIDATED SALES REVENUES FOR THE PERIOD  
01-09.2020



### HOW WE DEFINE THE SPECIFIC ELEMENTS OF THE RESULT

Sales revenues include revenues from the sale of goods, products and services under a sublease obtained under normal business activity. Data concerning revenues by segments placed in the tables below present sales to external customers - intra-group sales were omitted and consolidation adjustments were taken into account so that the value of revenues is identical to the revenue item in the consolidated financial statement.

The Group recognizes as cost of goods sold, the value of sold packaging, the cost of provision for complaints, the value of sold finished products, the cost of sublease services, logistic and accounting services, inventory revaluation write-offs and write-offs for impairment of fixed assets and intangible assets used in the production of goods or provision of services (depreciation of production machines).

Gross profit on sales is calculated as the difference between sales revenue and cost of goods sold, and gross profit margin as the ratio of gross profit to sales revenue from external customers. Additionally, in the analysis we use the following values: revenue per m<sup>2</sup> of retail space and sales of Like-for-Like stores - the definitions of these measures are included in individual tables.

[in PLN million unless otherwise stated]

## SALES REVENUE

	SALES REVENUE		CHANGE %	REVENUE PER 1M2 OF FLOORSPACE (IN THOUSAND PLN)	
	01.2020-09.2020	01.2019-09.2019 UNAUDITED/ TRANSFORMED DATA		01.2020-09.2020	01.2019-09.2019 UNAUDITED/ TRANSFORMED DATA
Poland	1 147,8	1 620,3	-29,2%	3,44	5,25
CEE	540,6	778,8	-30,6%	2,29	3,71
Western Europe	74,1	94,4	-21,5%	2,31	3,07
Other countries	76,1	107,8	-29,4%	1,69	2,70
<b>Retail activities</b>	<b>1 838,6</b>	<b>2 601,3</b>	<b>-29,3%</b>	<b>2,84</b>	<b>4,41</b>
E-commerce	1 612,1	982,0	64,2%		
Wholesale / service	81,1	165,7	-51,1%		
Manufacturing	0,3	0,2	100%		
Sales revenue not allocated to the segment	109,4	57,1	91,6%		
<b>Total</b>	<b>3 641,5</b>	<b>3 806,3</b>	<b>-4,3%</b>		

- 1) Sales revenues relate exclusively to sales to external customers.
- 2) Revenue per 1m2 in area is calculated by dividing the value of revenue for the period of 9 months of a given year by the average number of m2 of floor space in the same period.

## GROSS PROFIT ON SALES

Sales revenues in the period from 01.01.2020 to 30.09.2020 amounted to PLN 3,641.5 million, which is a decrease by PLN 164.8 million (-4.3%) compared to the same period last year. The change results from a PLN 762.7 million (-29.3%) drop in revenues in the retail segment, caused in particular by administrative restrictions on sales in the offline channel.

An increase in e-commerce revenue of 630.1 million PLN (+64.2%) was recorded. The wholesale business segment recorded a decrease in revenues by PLN 84.6 million (-50.1%). This segment also includes sales to HRG's associated company.

Consolidated gross profit on sales in the period 01-09.2020 amounted to PLN 1,581.4 million and was 13.3% lower than in the comparable period of the previous year. The share of the retail segment in the gross profit on total sales in the period 01-09.2020 amounted to 55.1% (2019: 74.9%), with increasing share of e-commerce 44.1% (2019: 22.8%).

The consolidated gross margin on sales in the period 01-09.2020 amounted to 44.8% and was lower by 3.6 p.p. compared to the same period last year. The margin in the retail sales segment amounted 47.4% in 2020, down by 5.1 p.p. compared to 2019.

	GROSS PROFIT ON SALES		CHANGE %	GROSS PROFIT MARGIN ON SALES	
	01.2020-09.2020	01.2019-09.2019 UNAUDITED/ TRANSFORMED DATA		01.2020-09.2020	01.2019-09.2019 UNAUDITED/ TRANSFORMED DATA
Poland	527,1	804,4	-34,5%	45,9%	49,6%
CEE	272,5	445,4	-38,8%	50,4%	57,2%
Western Europe	39,8	58,1	-31,5%	53,7%	61,5%
Other countries	32,0	57,2	-44,1%	42,0%	53,1%
<b>Retail activity</b>	<b>871,4</b>	<b>1 365,1</b>	<b>-36,2%</b>	<b>47,4%</b>	<b>52,5%</b>
E-commerce	697,4	415,6	67,8%	43,3%	42,3%
Wholesale / service	12,9	32,7	-60,6%	15,9%	19,7%
Manufacturing	(0,3)	(0,5)	-40,0%	na	na
<b>Total</b>	<b>1 581,4</b>	<b>1 812,9</b>	<b>-12,8%</b>	<b>44,8%</b>	<b>48,4%</b>
Unallocated to segments	-	10,1			
<b>Total</b>	<b>1 581,4</b>	<b>1 823,0</b>	<b>-13,3%</b>	<b>44,8%</b>	<b>48,4%</b>

## **COSTS OF OPERATING STORES**

	<b>01.2020-09.2020</b>	<b>01.2019-09.2019</b>	<b>CHANGE %</b>
	UNAUDITED	UNAUDITED/ TRANSFORMED DATA	
Remuneration and employee benefits	(266,1)	(327,9)	-18,8%
Agency services	-	(4,7)	-100,0%
Other lease costs	(74,7)	(96,6)	-22,7%
Amortization and depreciation	(427,9)	(397,1)	7,8%
Taxes and fees	(2,9)	(7,2)	-59,7%
Consumption of materials and energy	(43,9)	(48,5)	-9,5%
Transportation services	(5,6)	(4,0)	40,0%
Other outsourcing services	(53,2)	(73,0)	-27,1%
Other flat costs	(4,3)	(7,1)	-39,4%
<b>Total</b>	<b>(878,6)</b>	<b>(966,1)</b>	<b>-9,1%</b>

In the period 01-09.2020, costs of operating stores amounted to 878.6 million PLN and were lower by 87.5 million PLN (-9.1%), with a decrease in retail space in the analyzed period by 5.9%. The most important groups of costs are amortization and depreciation, costs of remuneration and employee benefits and other lease costs, which constituted 48.7%, 30.3% and 8.5% of the total costs of operating stores respectively (similarly in 2019: 41.1%, 33.9%, 10.0%).

In order to analyze and compare the results of individual stores, the Group uses cost per square meter of retail space, taking into account the impact of IFRS 16. In the period 01-09.2020, costs per square meter for all companies changed slightly (-1.0% y/y) compared to the previous year and amounted to PLN 1.38 thousand per m<sup>2</sup>. The company acquired in 2019 (Gino Rossi) was not taken into account for the analysis.

## **OTHER COSTS OF SALE**

In the period 01-09.2020, other costs of sale amounted to PLN 843.5 million and were higher by PLN 241.8 million (+40.2%). The most significant cost groups were other external services, which accounted for 33.7% (2019: 29.7%), and transportation costs, which accounted for 21.8% (2019: 22.7%).

	<b>01.2020-09.2020</b>	<b>01.2019-09.2019</b>	<b>CHANGE %</b>
	UNAUDITED	UNAUDITED/ TRANSFORMED DATA	
Remuneration and employee benefits	(147,3)	(137,5)	7,1%
Other lease costs	(22,3)	(17,5)	27,4%
Amortization and depreciation	(30,3)	(28,8)	5,2%
Taxes and fees	(11,5)	(3,7)	>100%
Consumption of materials and energy	(41,5)	(21,8)	90,4%
Transportation services	(183,7)	(136,6)	34,5%
Other outsourcing services	(284,6)	(178,6)	59,4%
Other flat costs	(122,3)	(76,6)	59,7%
Change in products and production in progress	-	(0,6)	
<b>Total</b>	<b>(843,5)</b>	<b>(601,7)</b>	<b>40,2%</b>

[in PLN million unless otherwise stated]

## ADMINISTRATIVE EXPENSES

	01.2020-09.2020	01.2019-09.2019	CHANGE %
	UNAUDITED	UNAUDITED/TRANSFORMED DATA	
Remuneration and employee benefits	(52,1)	(47,2)	10,4%
Cost of incentive program	-	(17,0)	-100,0%
Agency services	-	(0,3)	-100,0%
Other lease costs	(10,8)	(6,4)	68,8%
Amortization and depreciation	(24,9)	(14,6)	70,5%
Taxes and fees	(6,1)	(29,5)	-79,3%
Consumption of materials and energy	(10,0)	(8,2)	22,0%
Transportation services	(1,4)	(0,2)	>100%
Other outsourcing services	(42,5)	(33,1)	28,4%
Other flat costs	(7,5)	(9,2)	-18,5%
<b>Total</b>	<b>(155,3)</b>	<b>(165,7)</b>	<b>-6,3%</b>

In the period 01-09.2020, administrative expenses amounted to PLN 155.3 million and were lower by PLN 10.4 million (-6.3% y/y). The most significant groups of costs were remuneration and employee benefits, accounting for 33.5% (2019: 28.5%), and other external services, accounting for 27.4% (2019: 20.0%).

### OPERATING INCOME AND COSTS AND WRITE-OFFS ON ACCOUNT OF EXPECTED CREDIT LOSSES

Other operating costs and income in the period 01-09.2020 amounted to PLN 159.6 million and PLN 23.7 million, respectively, which was PLN 135.9 million on the cost side, compared to PLN 3.7 million on the income side last year. The main reason for the change compared to the corresponding period of 2019 was the recognition of impairment losses on property, plant and equipment and rights of use in the amount of PLN 57.5 million and the recognition of provisions for costs related to store closures in the amount of PLN 46.1 million. Moreover, the Group created a write-down for expected credit losses (impairment of trade receivables) in the amount of PLN 63.3 million. The above mentioned write-offs and provisions were recognised in the first half of 2020

### PROFIT (LOSS) ON OPERATING ACTIVITIES

CCC Group achieved a loss on operating activities in the period 01-09.2020 amounting to 495.2 million PLN. Compared to the same period of 2019 (profit amounting to 92.8 million PLN), the result was lower by 588.0 million PLN.

## FINANCE INCOME AND COSTS

In the period 01-09.2020, finance income amounted to PLN 36.8 million and was higher by PLN 30.1 million compared to the previous year. The main factor contributing to the increase in income was the valuation of KVAG's call option for non-controlling interests of +22.8 million PLN (concerning put options related to the acquisition of minority interests).

Finance costs in the same period of 2020 amounted to PLN 145.3 million and were higher by PLN 64.1 million compared to the previous year. Finance costs in the reporting period consisted mainly of interest on loans, credits and bonds in the amount of PLN 21.7 million, lease interest in the amount of PLN 26.2 million, result on exchange rate differences in the amount of PLN 47.1 million, and among others, the valuation of non-controlling interests call option (PLN 19.0 million, 2019: PLN 14.3 million), valuation of HRG options (PLN 13.2 million, 2019: PLN 2.8 million).

## NET RESULT

Having included finance income and costs, share in the associate's loss and income tax, the net loss in the period 01-09.2020 amounted to PLN 708.2 million and was higher by PLN 682.8 million than in the corresponding period of 2019.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (REVIEW OF MAIN ITEMS)

	30.09.2020	2019-12-31	CHANGE %
	UNAUDITED		
<b>Non-current assets, including:</b>	3 521,6	4 210,5	-16,4%
Tangible fixed assets	1 294,9	1 380,0	-6,2%
Right of use assets	1 506,0	1 986,6	-24,2%
Deferred tax assets	169,7	110,3	53,9%
<b>Current assets, including:</b>	3 007,7	2 933,2	2,5%
Inventories	2 134,1	1 942,3	9,9%
Cash and cash equivalents	422,3	542,6	-22,2%
Assets classified as held for sale	268,9	-	-
<b>TOTAL ASSETS</b>	<b>6 798,2</b>	<b>7 143,7</b>	<b>-4,8%</b>
<b>Non-current liabilities, including:</b>	2 620,3	3 095,8	-15,4%
Debt liabilities	305,3	683,0	-55,3%
<b>Current liabilities, including:</b>	3 300,9	2 958,3	11,6%
Debt liabilities	1 251,6	830,4	50,7%
Trade liabilities and other liabilities	1 595,8	1 536,2	3,9%
Liabilities directly associated with assets classified as held for sale	278,3	-	-
<b>TOTAL LIABILITIES</b>	<b>6 199,5</b>	<b>6 054,1</b>	<b>2,4%</b>
<b>EQUITY</b>	<b>598,7</b>	<b>1 089,6</b>	<b>-45,1%</b>

Non-current assets decreased by 16.4% to PLN 3,521.6 million compared to 31 December 2019.

Non-current assets as at 30 September 2020 consisted of, among others: rights of use in the amount of PLN 1,506.0 million (31.12.2019: PLN 1,986.6 million), property, plant and equipment in the amount of PLN 1,294.9 million (31.12.2019: PLN 1,380.0 million), intangible assets of PLN 311.9 million (31.12.2019: PLN 326.4 million), goodwill of PLN 217.1 million (31.12.2019: PLN 217.9 million).

The decrease in non-current assets resulted from a PLN 480.6 million decrease in the value of the right of use as of 30 September 2020, to PLN 1,506.0 million, long-term loans by PLN 78.0 million as compared to 31 December 2019, to PLN 0.0 million, and a decrease in investments in associates by PLN 29.2 million as a result of the loss incurred by HR Group in 2020. As a result, the value of this investment as of 30.09.2020 amounted to 0 PLN.

Current assets increased by 2.5% to PLN 3,007.7 million compared to 31 December 2019.

Current assets as of 30.09.2020 consisted of, among others: inventories in the amount of PLN 2,134.1 million (31.12.2019: PLN 1,942.3 million) and cash and cash equivalents in the amount of PLN 422.3 million (31.12.2019: PLN 542.6 million).

The increase in inventories was caused by purchase of the autumn-winter collection.

Long-term liabilities decreased by 15.4% to PLN 2,620.3 million as compared to 31 December 2019. The balance consisted of, among others: lease liabilities (30.09.2020: PLN 1,457.7 million; 31.12.2019: PLN 1,528.6 million), liabilities due to redemption of non-controlling interests (30.09.2020: PLN 790.7 million; 31.12.2019: PLN 801.1 million) and liabilities under loans and bonds (30.09.2020: PLN 305.3 million; 31.12.2019: PLN 683.0 million).

Current liabilities increased by 11.6% to PLN 3,300.9 million compared to 31.12.2019. The balance consisted of, among others: lease liabilities (30.09.2020: PLN 419.5 million; 31.12.2019: PLN 557.2 million), trade and other liabilities (30.09.2020: PLN 1,157.4 million; 31.12.2019: PLN 1,158.2 million) and liabilities under loans and bonds (30.09.2020: PLN 1,251.6 million; 31.12.2019: PLN 830.4 million).

[in PLN million unless otherwise stated]

## DEBT RATIO

The Management Board of the CCC Group uses the general debt ratio to analyze the debt level.

The general debt ratio is calculated as the ratio of net debt to total capital employed. Net debt is calculated as the sum of credits and loans (including current and non-current credits and issued bonds indicated in the consolidated statement of financial position) less cash and cash equivalents. The total value of capital employed is calculated as equity shown in the consolidated statement of financial position plus net debt.

The debt ratio increased by 18.5 p.p. compared to the end of the previous year, mainly due to a decrease in equity by PLN 490.9 million and increase in net debt by PLN 163.9 million. The calculation of the debt ratio is presented below:

## CURRENT LIQUIDITY RATIO

This ratio is calculated by dividing current assets by the value of current liabilities and current provisions. The calculation of the ratio is presented below:

The current liquidity ratio of the CCC Group as at 30 September 2020 amounted to 0.9, changing slightly compared to the end of 2019.

As at 30 September 2020, the balance sheet of the CCC Group presents current assets of PLN 3,007.7 million. The main items are: inventories PLN 2,134.1 million, cash and cash equivalents PLN 422.3 million, receivables PLN 444.1 million. On the liabilities side, in the short-term liabilities item, the balance sheet shows a value of PLN 3,300.9 million, which includes, among others: credit debt of PLN 1,251.6 million, trade and other liabilities and the other PLN 1,608.0 million and lease liabilities of PLN 419.5 million.

The surplus of short-term liabilities over current assets amounts to 293.2 million PLN.

	30.09.2020	2019-12-31
<b>Net debt</b>		
Loan liabilities	1 345,2	1 303,4
(+) Bonds liabilities	211,8	210,0
<b>= Debt liabilities</b>	<b>1 557,0</b>	<b>1 513,4</b>
(-) Cash and cash equivalents	422,3	542,6
<b>= Net debt</b>	<b>1 134,7</b>	<b>970,8</b>
<b>Debt ratio</b>		
Total equity	598,7	1 089,6
(+) Net debt	1 134,7	970,8
<b>= Capital employed</b>	<b>1 733,4</b>	<b>2 060,4</b>
<b>The debt ratio (net debt/capital employed)</b>	<b>65,5%</b>	<b>47,0%</b>
	<b>30.09.2020</b>	<b>2019-12-31</b>
	UNAUDITED	
Inventories	2 134,1	1 942,3
(+) Trade and other receivables	444,0	448,3
(+) Cash and cash equivalents	422,3	542,6
(+) Derivatives	7,3	-
<b>= Current assets</b>	<b>3 007,7</b>	<b>2 933,2</b>
Current debt liabilities	1 251,6	830,4
(+) Trade liabilities and other liabilities	1 608,0	1 549,0
(+) Provisions and subsidies	21,8	20,7
(+) Lease liabilities	419,5	557,2
(+) Derivatives	-	1,0
<b>= Current liabilities</b>	<b>3 300,9</b>	<b>2 958,3</b>
<b>Current liquidity ratio (current assets/current liabilities)</b>	<b>0,9</b>	<b>1,0</b>

The ratios were calculated excluding assets and liabilities attributable to KVAG.

## CONSOLIDATED STATEMENT OF TOTAL CASH FLOWS (REVIEW OF MAIN ITEMS)

	01.2020-09.2020	01.2019-09.2019	CHANGE %
	UNAUDITED	UNAUDITED/ TRANSFORMED DATA	
Gross profit before tax	(1 036,2)	(146,2)	>100%
Adjustments	1 108,0	696,0	59,2%
Income tax paid	(32,9)	(35,3)	-6,8%
<b>Cash flows before changes in working capital</b>	<b>38,9</b>	<b>514,5</b>	<b>-92,4%</b>
Changes in working capital	(137,7)	51,2	<-100%
<b>Cash flows from operating activities</b>	<b>(98,8)</b>	<b>565,7</b>	<b>&lt;-100%</b>
<b>Cash flows from investing activities</b>	<b>(234,5)</b>	<b>(601,1)</b>	<b>-61,0%</b>
<b>Cash flows from financing activities, including:</b>	<b>212,1</b>	<b>127,5</b>	<b>66,4%</b>
Proceeds from credits and loans contracted	59,3	633,2	-90,6%
<b>Total cash flows</b>	<b>(121,2)</b>	<b>92,1</b>	<b>&lt;-100%</b>

### NET CASH FLOWS FROM OPERATING ACTIVITIES

Consolidated net cash flows from operating activities in the period 01-09.2020 amounted to PLN -98.8 million and resulted from changes in working capital of PLN -137.7 million (including change in short-term liabilities of PLN +171.1 million and change in write-downs on inventories of PLN -351.0 million) adjusted by non-cash operating profit of PLN +38.9 million.

### NET CASH FLOWS FROM INVESTING ACTIVITIES

Consolidated net cash flows from investing activities in the period 01-09.2020 amounted to PLN 234.5 million. This value consisted primarily of expenses for tangible and intangible assets related to the implementation of the market expansion strategy - these expenses in 2020 amounted to PLN -202.0 million, as well as other expenses related to investments (PLN -34.8 million) and expenses for the acquisition of non-controlling interests worth PLN -7.0 million.

### NET CASH FLOWS FROM FINANCING ACTIVITIES

Consolidated net cash flows from financing activities in the period 01-09.2020 amounted to PLN +212.1 million. This value consisted primarily of cash inflows from the issue of shares of +506.9 million PLN, inflows from loans and borrowings of +59.3 million PLN and lease payments of -303.2 million PLN.

Taking into consideration the discussed cash flows, the CCC Group ended Q3 2020 with a cash balance of PLN 421.4 million, which represented a decrease of PLN 45.0 million in relation to the same period in 2019.



### **DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULAR OF AN UNUSUAL NATURE, HAVING A SIGNIFICANT IMPACT ON THE FINANCIAL RESULTS ACHIEVED**

According to the Issuer, an unusual factor influencing the achieved financial results is the COVID-19 pandemic. Along with the spread of coronavirus worldwide, the Issuer recorded excessive drops in customer visits in offline stores of the CCC Group, in all geographical areas of operation. Due to the fear of the infection and the disease caused by it, societies have avoided visiting people crowded places, including stores. Traffic in the Issuer's offline stores gradually decreased to a level of about -60% (year-on-year) on 13 March 2020, when many countries made administrative decisions to limit sales in this channel. On 14 March 2020, nearly half (out of over 1200) of the Issuer's stores were closed, and on the following days this number gradually decreased to only 6 stores opened in Latvia on the last day of March. However, the remaining open stores had a very low number of customer visits, which in the second half of March was about 90% lower year-on-year.

As a result, the sales of the CCC Group in the offline channel, which in 2019 accounted for 75% of the consolidated revenues, in February and March (the key month for the results of the quarter - the new collection) was very significantly reduced and did not allow to implement the assumptions of the GO.22 strategy. The consequence of the loss of the possibility to generate revenues in the stores was a number of actions taken by the Issuer to secure the liquidity of the Group, as mentioned on page 10 (The impact of the COVID-19 epidemic on the activities of the Group). Faced with the stores being closed, e-commerce became the main sales channel, which at the end of September 2020 accounted for 46% of the Group's revenues.

### **FACTORS WHICH, IN THE ISSUER'S OPINION, WILL AFFECT THE RESULTS ACHIEVED BY THE ISSUER IN THE PERSPECTIVE AT LEAST THE FOLLOWING QUARTER**

In the Issuer's opinion, the key factors that will affect the results achieved in the nearest future are

- 1) Coronavirus pandemic,
- 2) the volume of sales and margins achieved,
- 3) further development of the CCC sales network in Poland and abroad,
- 4) level of exchange rates,
- 5) prevailing weather conditions.

In the Issuer's opinion, in the short and medium term, the factor which has a significant impact on its results is the development of the coronavirus pandemic, in particular: the rate of COVID-19 spread, countermeasures taken by the state authorities to limit it, the possibility of effective antiviral prevention, including the invention of a cure for a viral disease. The Issuer notes that he has no influence on the above mentioned factors, which will determine the administrative resumption of sales in stores and consumers' behaviour. The above will have a significant impact on the recovery of demand in the traditional sales channel and, as a result, on the level of revenues and operating cash flow generated by the CCC Group. During the period of closure of the offline stores, the Issuer's main sales channel remains e-commerce, for which in the short term the efficiency of the distribution center's mail order and the development of sales platforms on new markets - accelerated in the face of the Coronavirus pandemic - will be important. The Issuer's results will also be affected by the change in purchasing habits and the further transfer of customers to online sales channels. The Issuer's results will also be affected by the actions taken by the Group in response to the coronavirus pandemic, as described on page 10 (Impact of the COVID-19 pandemic on the Group's operations).



**INFORMATION ON THE NATURE AND SCOPE OF ANY SIGNIFICANT RESTRICTIONS ON THE ABILITY OF SUBSIDIARIES TO TRANSFER FUNDS TO THE PARENT COMPANY IN THE FORM OF CASH DIVIDENDS OR TO REPAY CREDITS OR LOANS**

Pursuant to the negotiated agreement on specific terms of maintaining financing between CCC S.A. as the Company and its subsidiaries listed in Part I of Annex 1 to this Agreement as the Obligated Parties and BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Millennium S.A., Bank Polska Kasa Opieki S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A. Santander Bank Polska S.A., Santander Factoring Sp. z o.o., as Creditors and Powszechna Kasa Oszczędności Bank Polski S.A. as Coordinator, restrictions on dividend payment and advance payment of dividends were established.

**INFORMATION ON SIGNIFICANT TRANSACTIONS OF ACQUISITION AND SALE OF TANGIBLE FIXED ASSETS, SIGNIFICANT LIABILITIES ON ACCOUNT OF PURCHASE OF PROPERTY, PLANT AND EQUIPMENT, SIGNIFICANT SETTLEMENTS OF COURT CASES**

Not applicable.

**INFORMATION ON ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES**

On 22.04.2020, the terms and conditions of the issue of bonds registered in the Register were changed, with the possibility of transferring them to the depository of KDPW, which was announced in current report no. 22/2020-correction. In particular, the terms and conditions were changed:

- change of the definition of a Case of Infringement, so that they refer to events after 22 April 2020, while indicating that a Case of Infringement are not events described in current reports of CCC S.A. no. 11/2020 (suspension of payments for financial liabilities to factoring service providers) and no. 14/2020 (suspension of payments for financial debt to the company's Creditors until 30 June 2020),
- change in the definition of the Infringement Case, introducing a new covenant to keep the cash balance in the CCC Capital Group at a level not lower than PLN 40,000,000.00

- change in the definition of the Infringement Event, in a way that limits the possibility to declare and pay dividends or advances on dividends before the Redemption Date,
- change of the definition of the Infringement Case in such a way that exceeding the value of 3.5 of the Netto/EBITDA Financial Liabilities Index as of the last day of the financial year 2020 does not constitute the Infringement Case, if before 31 December 2020 the recapitalization of CCC S.A. with the value not lower than PLN 250.000.000,00 will take place,
- change of the definition of a Case of Infringement in such a way that the lower value of the Interest Handling Rate on the last day of the financial year 2020 than 5.0 does not constitute a Case of Infringement if before 31 December 2020 the recapitalization of CCC S.A. with the value not lower than PLN 250.000.000,00 will take place.

**INFORMATION ON DIVIDEND PAID (OR DECLARED) IN TOTAL PER ONE SHARE**

Not applicable.

**INDICATION OF EVENTS WHICH OCCURRED AFTER THE DAY ON WHICH THE FINANCIAL STATEMENT WAS PREPARED, NOT INCLUDED IN THE STATEMENT, BUT WHICH MAY SIGNIFICANTLY AFFECT THE ISSUER'S FUTURE FINANCIAL RESULTS**

After the balance sheet date, further annexes concerning lease agreements were signed, which are events after the end of the reporting period not requiring any adjustments.

Further development of the COVID-19 pandemic:

- affects the traffic in shopping malls,
- may result in an administrative restriction of sales in the offline channel in countries where the CCC S.A. Capital Group operates,
- results in an increase in the share of sales in the e-commerce channel compared to sales in the retail segment.

According to the Group's analyses, the lower traffic is compensated by higher conversion.

**INFORMATION CONCERNING CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS THAT HAVE OCCURRED SINCE THE END OF THE LAST FINANCIAL YEAR**

	2020-09-30	2019-12-31	2019-09-30
Guarantees and sureties received	-	20,0	47,5
<b>Total contingent assets</b>	-	20,0	47,5
Customs guarantees	-	-	17,0
Other guarantees	151,6	194,7	151,5
<b>Total contingent liabilities</b>	151,6	194,7	168,5

Other guarantees constitute a collateral for the lease agreements concluded, and their maturity date falls before 21.11.2022. The granted collaterals are related to the liability surety agreement, and their maturity date is indefinite.

**DESCRIPTION OF CHANGES IN THE STRUCTURE OF THE CAPITAL GROUP, INCLUDING THOSE RESULTING FROM MERGING ENTITIES, OBTAINING OR LOSING CONTROL OVER SUBSIDIARIES AND LONG-TERM INVESTMENTS, AS WELL AS THE DIVISION, RESTRUCTURING AND DISCONTINUED OPERATIONS**

Not applicable.

**PUBLICATION OF FINANCIAL FORECASTS**

No forecasts for 2020 were published.

**INFORMATION ON CHANGES IN THE ECONOMIC SITUATION AND OPERATING CONDITIONS THAT HAVE A SIGNIFICANT IMPACT ON THE FAIR VALUE OF THE ENTITY'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

As a result of the coronavirus pandemic, the governments in the countries where the Group operates decided, among other things, to close down shopping malls. As a result, the CCC Group recorded lower than planned financial results, which may have a direct impact on the fair value of the Group's financial assets and liabilities. More information on the impact of the coronavirus pandemic is available on page 10.

**INFORMATION ON FAILURE TO PAY CREDIT AND LOAN OR BREACH OF MATERIAL PROVISIONS OF THE CONCLUDED CREDIT AND LOAN AGREEMENT IN RESPECT OF WHICH NO ACTION HAS BEEN TAKEN TO IMPROVE THE SITUATION BY THE END OF THE REPORTING PERIOD**

Not applicable.

**DISPUTES**

The companies of the CCC S.A. Capital Group are not a party to the court proceedings, the value of which exceeds 10% of the Company's equity.

**INFORMATION ON GRANTING BY THE ISSUER OR ITS SUBSIDIARY OF CREDIT OR LOAN SURETIES OR GUARANTEES JOINTLY TO ONE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS EQUIVALENT TO AT LEAST 10% OF THE ISSUER'S EQUITY.**

Not applicable.



[in PLN million unless otherwise stated]

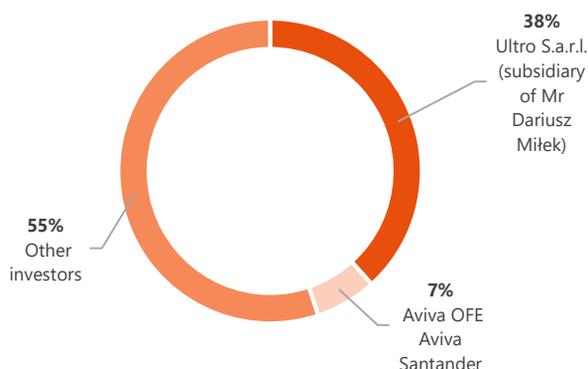
## SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5% OF TOTAL NUMBER OF VOTES AT THE GENERAL MEETING

According to information available by the Company, the shareholders holding at least 5% of the total number of votes at the General Meeting of CCC S.A. on 30 September 2020 were:

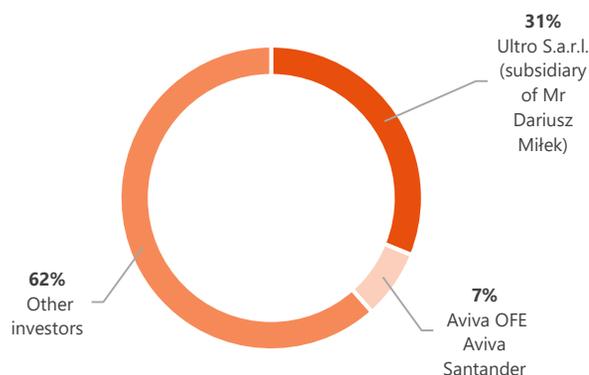
- ULTRO S.a r.l., a subsidiary of Mr. Dariusz Miłek, who held 17,077,465 shares of the Company, representing 31.12% of share capital of the Company and giving right to 38.32% of votes at the General Meeting of the Company
- Aviva OFE Aviva Santander, which held 4,022,697 shares in the Company, representing 7.33% of share capital of the Company and giving right to 6.54% of votes at the General Meeting of the Company.



SHAREHOLDING STRUCTURE BY NUMBER OF VOTES AS AT 30.09.2020



SHAREHOLDING STRUCTURE BY NUMBER OF SHARES AS AT 30.09.2020



SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
Ultro S.a.r.l. (subsidiary of Mr Dariusz Miłek)	17 077 465	31,12%	23 577 465	38,32%
Aviva OFE Aviva Santander	4 022 697	7,33%	4 022 697	6,54%
Other investors	33 767 838	61,55%	33 917 838	55,14%
<b>TOTAL</b>	<b>54 868 000</b>	<b>100,00%</b>	<b>61 518 000</b>	<b>100,00%</b>

\* the figures from the annual information on the structure of the Funds' assets as of 31.12.2019.

\*\* Investors holding less than 5% of votes at the General Meeting of Shareholders

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

SHAREHOLDER	NUMBER OF SHARES AT THE SUBMISSION DATE OF THE REPORT [PCS]	THE NOMINAL VALUE OF THE SHARES AT THE SUBMISSION DATE OF THE REPORT [PLN]
<b>Supervisory Board</b>		
Ultron S.a.r.l. (subsidiary of Mr Dariusz Milek)	17 077 465	1 707 747
<b>Management Board</b>		
President Marcin Czyczerski	5 100	510
Vice-President Mariusz Gnych	207 112	20 711
Vice-President Karol Półtorak	5 500	550

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

## SYSTEM OF CONTROLL OF EMPLOYEE INCENTIVE SCHEME

The incentive program for 2017-2019 ended in 2019. In the period 01-09.2020 there were no changes in the share-based payment program. Detailed information was included in the consolidated report for the year and the period ended 31 December 2019.

**INFORMATION ON CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED PARTIES, IF THEY ARE INDIVIDUALLY OR JOINTLY SIGNIFICANT AND WERE CONCLUDED ON NON-MARKET CONDITIONS**

Not applicable.

**INFORMATION ON A CHANGE IN THE METHOD OF VALUATION OF FINANCIAL INSTRUMENTS (CURRENTLY VALUED AT FAIR VALUE)**

Not applicable.

**INFORMATION CONCERNING A CHANGE IN THE CLASSIFICATION OF FINANCIAL ASSETS AS A RESULT OF A CHANGE OF PURPOSE OR USE OF THOSE ASSETS**

Not applicable.

**INFORMATION WHICH, IN THE ISSUER'S OPINION, IS SIGNIFICANT FOR THE ASSESSMENT OF THE PERSONNEL, PROPERTY, FINANCIAL SITUATION, FINANCIAL RESULT AND THEIR CHANGES, AND INFORMATION, WHICH ARE IMPORTANT FOR ASSESSING THE ISSUER'S ABILITY TO FULFIL ITS LIABILITIES**

Not applicable.





**INTERIM CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR Q3 2020**

[in PLN million unless otherwise stated]

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.2020-9.2020	7.2020- 9.2020	01.2019-9.2019 RESTATED FIGURES	7.2019-9.2019 RESTATED FIGURES
	unaudited	unaudited/unrevised	unaudited	unaudited/unrevised
			RESTATED FIGURES	RESTATED FIGURES
<b>CONTINUING OPERATIONS</b>				
Sales revenue	3 641,5	1 455,4	3 806,3	1 348,5
Cost of goods sold	(2 060,1)	(824,5)	(1 983,3)	(726,4)
<b>Gross profit on sales</b>	<b>1 581,4</b>	<b>630,9</b>	<b>1 823,0</b>	<b>622,1</b>
Costs of operating stores	(878,6)	(308,6)	(966,1)	(337,7)
Other costs of sale	(843,5)	(271,2)	(601,7)	(185,7)
Administrative expenses	(155,3)	(60,6)	(165,7)	(50,2)
Other operating income	23,7	1,3	18,7	5,5
Other operating costs	(159,6)	9,5	(15,4)	(8,1)
Write-off on expected credit losses (write-off on trade receivables)	(63,3)	(0,1)	-	-
<b>Profit (loss) on operating activity</b>	<b>(495,2)</b>	<b>1,2</b>	<b>92,8</b>	<b>45,9</b>
Finance income	36,8	(1,7)	6,7	(9,1)
Write-off on expected credit losses	(114,7)	1,3	-	-
Finance costs	(145,3)	(48,4)	(81,2)	(7,5)
Share of net profit (loss) of associates accounted for using the equity method	(25,4)	2,9	(26,9)	(23,0)
<b>Profit (loss) before tax</b>	<b>(743,8)</b>	<b>(44,7)</b>	<b>(8,6)</b>	<b>6,3</b>
Income tax	35,6	2,3	(16,8)	(18,8)
<b>NET PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>(708,2)</b>	<b>(42,4)</b>	<b>(25,4)</b>	<b>(12,5)</b>
<b>DISCONTINUED OPERATION</b>				
<b>NET PROFIT (LOSS) FROM DISCONTINUED OPERATION</b>	(293,4)	(18,0)	(138,5)	(30,9)
<b>NET PROFIT (LOSS)</b>	(1 001,6)	(60,4)	(163,9)	(43,4)
Attributable to shareholders of the parent company	(991,8)	(63,8)	(148,3)	(32,7)
Attributable to non-controlling interests	(9,8)	3,4	(15,6)	(10,7)
<b>Other comprehensive income from continuing operations</b>	-	-	-	-
Attributable to be reclassified to profit - exchange rate differences upon conversion of reports of foreign entities	5,1	2,6	4,3	7,4
<b>Non-attributable to be reclassified to result - other:</b>	-	-	-	-
Actuarial profit (losses) related to employee benefits	-	-	-	-
<b>Other comprehensive income from discontinued operation</b>	-	-	-	-
Attributable to be reclassified to profit - exchange rate differences upon conversion of reports of foreign entities	(1,1)	(0,5)	(0,3)	(1,6)
<b>Non-attributable to be reclassified to result - other:</b>	-	-	-	-
Actuarial profit (losses) related to employee benefits	-	-	-	-
<b>Total net comprehensive income</b>	<b>4,0</b>	<b>2,1</b>	<b>4,0</b>	<b>5,8</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(997,6)</b>	<b>(58,3)</b>	<b>(159,9)</b>	<b>(37,6)</b>
Total comprehensive income attributable to:	-	-	-	-
Shareholders of the parent company from:	(987,8)	(61,7)	(144,3)	(26,9)
- continuing operations	(693,3)	(43,2)	(5,5)	5,6
- discontinued operation	(294,5)	(18,5)	(138,8)	(32,5)
Non-controlling interests	(9,8)	3,4	(15,6)	(10,7)
<b>Weighted average number of ordinary shares (mln pcs)</b>	<b>47,8</b>	<b>3,8</b>	<b>41,2</b>	<b>-</b>
<b>Basic earnings (loss) per share from continuing operations (in PLN)</b>	<b>(14,82)</b>	<b>0,32</b>	<b>(0,62)</b>	<b>(0,30)</b>
<b>Diluted earnings (loss) per share from continuing operations (in PLN)</b>	<b>(14,82)</b>	<b>0,32</b>	<b>(0,62)</b>	<b>(0,30)</b>
<b>Basic earnings (loss) per share from discontinued operation (in PLN)</b>	<b>(6,14)</b>	<b>0,12</b>	<b>(3,36)</b>	<b>(0,75)</b>
<b>Diluted earnings (loss) per share from discontinued operation (in PLN)</b>	<b>(6,14)</b>	<b>0,12</b>	<b>(3,36)</b>	<b>(0,75)</b>
<b>Basic earnings per share from profit for the period attributable to shareholders of the parent company</b>	<b>(20,67)</b>	<b>0,38</b>	<b>(3,50)</b>	<b>(0,65)</b>
<b>Basic earnings per share from continuing operations profit for the period attributable to shareholders of the parent company</b>	<b>(14,50)</b>	<b>0,27</b>	<b>(0,13)</b>	<b>0,14</b>
<b>Diluted earnings per share from profit for the period attributable to shareholders of the parent company</b>	<b>(20,67)</b>	<b>0,38</b>	<b>(3,50)</b>	<b>(0,65)</b>
<b>Diluted earnings per share from continuing operations profit for the period attributable to shareholders of the parent company</b>	<b>(14,50)</b>	<b>0,27</b>	<b>(0,13)</b>	<b>0,14</b>

[in PLN million unless otherwise stated]

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2020-09-30	31.12.2019
	<b>unaudited</b>	
Intangible assets	311,9	326,4
Goodwill	217,1	217,9
Tangible fixed assets - investments in stores	591,8	655,9
Tangible fixed assets - factory and distribution	602,3	615,8
Tangible fixed assets - other	100,8	108,3
Right to use	1 506,0	1 986,6
Deferred tax assets	169,7	110,3
Loans granted	-	78,0
Other financial assets	15,0	23,5
Investments accounted for using the equity method	0,6	29,8
Investment property	5,3	5,3
Trade receivables	-	37,2
Long-term receivables	1,1	15,5
<b>Total non-current assets</b>	<b>3 521,6</b>	<b>4 210,5</b>
Inventories	2 134,1	1 942,3
Trade receivables	236,1	209,3
Income tax receivables	9,0	1,4
Loans granted	-	4,6
Other receivables	198,9	233,0
Cash and cash equivalents	422,3	542,6
Derivative financial instruments	7,3	-
<b>Total current assets</b>	<b>3 007,7</b>	<b>2 933,2</b>
<b>Assets classified as held for sale</b>	<b>268,9</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>6 798,2</b>	<b>7 143,7</b>
Debt liabilities	305,3	683,0
Deferred tax liabilities	37,4	37,4
Liabilities to employees	-	12,7
Provisions	14,0	14,0
Grants received	15,2	19,0
Obligation to repurchase non-controlling interests	790,7	801,1
Lease liabilities	1 457,7	1 528,6
<b>Total non-current liabilities</b>	<b>2 620,3</b>	<b>3 095,8</b>
Debt liabilities	1 251,6	830,4
Trade and other liabilities	1 157,4	1 158,2
Other liabilities	438,4	378,0
Income tax liabilities	12,2	12,8
Provisions	18,1	18,3
Grants received	3,7	2,4
Lease liabilities	419,5	557,2
Derivative financial instruments	-	1,0
<b>Total current liabilities</b>	<b>3 300,9</b>	<b>2 958,3</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>278,3</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>6 199,5</b>	<b>6 054,1</b>
<b>NET ASSETS</b>	<b>598,7</b>	<b>1 089,6</b>
<b>Equity</b>		
Share capital	5,5	4,1
Share premium	1 148,0	645,1
Exchange rate differences from the translations	5,3	0,2
Actuarial valuation of employee benefits	1,4	1,4
Retained earnings (losses)	(674,0)	312,8
<b>Equity attributable to the shareholders of the parent entity</b>	<b>486,2</b>	<b>963,6</b>
Non-controlling interests	112,5	126,0
<b>TOTAL EQUITY</b>	<b>598,7</b>	<b>1 089,6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6 798,2</b>	<b>7 143,7</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.2020-09.2020	01.2019-09.2019
<b>Profit/ (loss) before tax</b>	(1 036,2)	(146,2)
Amortization and depreciation	532,4	526,5
Impairment on fixed assets, RoU, intangible assets and impact of valuation to fair value of the group for sale	292,6	2,2
Loss on investment activity	(3,3)	2,7
Share of net profit (loss) of associates accounted for using the equity method	29,0	26,9
Cost of borrowings	61,8	56,4
Other adjustments to profit before tax	195,5	81,3
Income tax paid	(32,9)	(35,3)
<b>Cash flows before changes in working capital</b>	<b>38,9</b>	<b>514,5</b>
<b>Changes in working capital</b>		
Change in inventory and inventory write-downs	(351,0)	(304,0)
Change in the balance of receivables and revaluation allowances for receivables, i. e. for expected credit losses	42,2	(35,0)
Change in current liabilities, excluding borrowings	171,1	390,2
<b>Net cash flows from operating activities</b>	<b>(98,8)</b>	<b>565,7</b>
Proceeds from the sale of tangible fixed assets	9,3	19,3
Other inflows from investing activities	-	11,9
Acquisition of intangible and tangible fixed assets	(202,0)	(369,8)
Loans granted	-	(112,7)
Acquisition of investment in subsidiaries	-	(16,5)
Payment related to investment in HR Group associate	-	(118,4)
Expenditures for the acquisition of non-controlling interests	(7,0)	(9,4)
Other outflows from investing activities	(34,8)	(5,5)
<b>Net cash flows from investing activities</b>	<b>(234,5)</b>	<b>(601,1)</b>
Proceeds from borrowings	59,3	633,2
Dividends and other payments to owners	-	(4,2)
Repayment of borrowings	-	(75,0)
Redemption of bonds	-	(6,9)
Lease payments	(303,2)	(364,7)
Interest paid	(48,3)	(54,9)
Proceeds from the issue of shares	506,9	-
Other outflows from financing activities	(2,6)	-
<b>Net cash flows from financing activities</b>	<b>212,1</b>	<b>127,5</b>
<b>TOTAL CASH FLOWS</b>	<b>(121,2)</b>	<b>92,1</b>
Net increase/decrease of cash and cash equivalents	(120,3)	91,4
Exchange rate changes on cash and cash equivalents	0,9	(0,7)
<b>Cash and cash equivalents at the beginning of period</b>	<b>542,6</b>	<b>374,3</b>
<b>Cash and cash equivalents at the end of period</b>	<b>421,4</b>	<b>466,4</b>

[in PLN million unless otherwise stated]

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	EXCHANGE RATE DIFFERENCES UPON CONVERSION OF FOREIGN ENTITIES	ACTUARIAL VALUATION OF EMPLOYEE BENEFITS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY						
<b>As of 31.12.2019 (01.01.2020)</b>	<b>4,1</b>	<b>645,1</b>	<b>312,8</b>	<b>0,2</b>	<b>1,4</b>	<b>126,0</b>	<b>1 089,6</b>
Net profit (loss) for the period	-	-	(1 001,5)	-	-	-	(1 001,5)
Net profit (loss) attributable to non-controlling interests	-	-	9,8	-	-	(9,8)	-
Exchange rate differences from the translations	-	-	-	5,1	-	1,2	6,3
<b>Total comprehensive income</b>	-	-	<b>(991,7)</b>	<b>5,1</b>	-	<b>(8,6)</b>	<b>(995,2)</b>
Dividend resolution	-	-	-	-	-	-	-
Valuation of employee option scheme	-	-	-	-	-	-	-
Issue of shares	1,4	502,9	-	-	-	-	504,3
Purchase of shares	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>1,4</b>	<b>502,9</b>	-	-	-	-	<b>504,3</b>
Acquisition of non-controlling interests	-	-	4,9	-	-	(4,9)	-
<b>As at 30.09.2020 (01.10.2020) - unaudited</b>	<b>5,5</b>	<b>1 148,0</b>	<b>(674,0)</b>	<b>5,3</b>	<b>1,4</b>	<b>112,5</b>	<b>598,7</b>
<b>As of 01.01.2019</b>	<b>4,1</b>	<b>645,1</b>	<b>369,1</b>	<b>2,9</b>	<b>(0,3)</b>	<b>126,9</b>	<b>1 147,8</b>
Net profit (loss) for the period	-	-	(163,9)	-	-	-	(163,9)
Net profit (loss) attributable to non-controlling interests	-	-	15,6	-	-	(15,6)	-
Exchange rate differences from the translations	-	-	-	1,1	-	2,9	4,0
<b>Total comprehensive income</b>	-	-	<b>(148,3)</b>	<b>1,1</b>	-	<b>(12,7)</b>	<b>(159,9)</b>
Dividend resolution	-	-	(23,9)	-	-	-	(23,9)
Valuation of employee option scheme	-	-	17,4	-	-	-	17,4
Purchase of shares	-	-	-	-	-	8,8	8,8
<b>Total transactions with owners</b>	-	-	<b>(6,5)</b>	-	-	<b>8,8</b>	<b>2,3</b>
Acquisition of non-controlling interests	-	-	7,2	-	-	(16,6)	(9,4)
<b>As at 30.09.2019 (01.10.2019) - unaudited</b>	<b>4,1</b>	<b>645,1</b>	<b>221,5</b>	<b>4,0</b>	<b>(0,3)</b>	<b>106,4</b>	<b>980,8</b>
<b>As of 01.01.2019</b>	<b>4,1</b>	<b>645,1</b>	<b>369,1</b>	<b>2,9</b>	<b>(0,3)</b>	<b>126,9</b>	<b>1 147,8</b>
Net profit (loss) for the period	-	-	(27,5)	-	-	-	(27,5)
Net profit (loss) attributable to non-controlling interests	-	-	0,1	-	-	(0,1)	-
Exchange rate differences from the translations	-	-	-	(2,7)	-	1,4	(1,3)
Actuarial valuation of employee benefits	-	-	-	-	1,7	-	1,7
<b>Total comprehensive income</b>	-	-	<b>(27,4)</b>	<b>(2,7)</b>	<b>1,7</b>	<b>1,3</b>	<b>(27,1)</b>
Dividend payment	-	-	(23,9)	-	-	-	(23,9)
Valuation of employee option scheme	-	-	(12,2)	-	-	-	(12,2)
Purchase of shares	-	-	-	-	-	14,4	14,4
<b>Total transactions with owners</b>	-	-	<b>(36,1)</b>	-	-	<b>14,4</b>	<b>(21,7)</b>
Acquisition of non-controlling interests	-	-	7,2	-	-	(16,6)	(9,4)
<b>As at 31.12.2019 (01.01.2020)</b>	<b>4,1</b>	<b>645,1</b>	<b>312,8</b>	<b>0,2</b>	<b>1,4</b>	<b>126,0</b>	<b>1 089,6</b>

## 2. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



## COSTS BY NATURE

Consolidated data

01.2020-9.2020	COST OF GOODS SOLD	COSTS OF OPERATING STORES	OTHER COSTS OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase and manufacturing of goods sold	(1 874,7)	-	-	-	<b>(1 874,7)</b>
<i>including discontinued operation:</i>	(9,0)	-	-	-	(9,0)
Consumption of materials and energy	(121,8)	(44,0)	(42,2)	(10,2)	<b>(218,2)</b>
<i>including discontinued operation:</i>	-	(0,1)	(0,7)	(0,2)	(1,0)
Write-down on inventories	(10,9)	-	-	-	<b>(10,9)</b>
<i>including discontinued operation:</i>	-	-	-	-	-
Remuneration and employee benefits	(55,5)	(338,2)	(160,5)	(56,1)	<b>(610,3)</b>
<i>including discontinued operation:</i>	-	(72,1)	(13,2)	(4,0)	(89,3)
Transportation services	(0,8)	(5,6)	(186,4)	(1,4)	<b>(194,2)</b>
<i>including discontinued operation:</i>	-	-	(2,7)	-	(2,7)
Other lease costs - utilities and other variable costs	(0,2)	(84,5)	(28,4)	(12,3)	<b>(125,4)</b>
<i>including discontinued operation:</i>	-	(9,8)	(6,1)	(1,5)	(17,4)
Other outsourcing services	(2,9)	(56,1)	(285,7)	(47,9)	<b>(392,6)</b>
<i>including discontinued operation:</i>	-	(2,9)	(1,1)	(5,4)	(9,4)
Amortization and depreciation	(3,8)	(470,8)	(30,7)	(27,1)	<b>(532,4)</b>
<i>including discontinued operation:</i>	-	(42,9)	(0,4)	(2,2)	(45,5)
Taxes and charges	(0,8)	(3,0)	(11,6)	(6,2)	<b>(21,6)</b>
<i>including discontinued operation:</i>	-	(0,1)	(0,1)	(0,1)	(0,3)
Other flat costs	(0,5)	(4,7)	(128,8)	(8,2)	<b>(142,2)</b>
<i>including discontinued operation:</i>	-	(0,4)	(6,5)	(0,7)	(7,6)
Change in products and production in progress	2,8	-	-	-	<b>2,8</b>
<b>Total</b>	(2 069,1)	(1 006,9)	(874,3)	(169,4)	(4 119,7)
Including continuing operations	(2 060,1)	(878,6)	(843,5)	(155,3)	(3 937,5)
including discontinued operation:	(9,0)	(128,3)	(30,8)	(14,1)	(182,2)

01.2019 - 09.2019 RESTATED FIGURES	COST OF GOODS SOLD	COSTS OF OPERATING STORES	OTHER COSTS OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase and manufacturing of goods sold	(1 921,5)	-	-	-	<b>(1 921,5)</b>
<i>including discontinued operation:</i>	(125,2)	-	-	-	(125,2)
Consumption of materials and energy	(120,5)	(50,0)	(24,1)	(11,1)	<b>(205,7)</b>
<i>including discontinued operation:</i>	-	(1,5)	(2,3)	(2,9)	(6,7)
Write-down on inventories	(19,6)	-	-	-	<b>(19,6)</b>
<i>including discontinued operation:</i>	(12,6)	-	-	-	(12,6)
Remuneration and employee benefits	(48,2)	(425,2)	(169,7)	(57,3)	<b>(700,4)</b>
<i>including discontinued operation:</i>	-	(97,3)	(32,2)	(10,1)	(139,6)
Costs of the incentive program	-	-	-	(17,0)	<b>(17,0)</b>
Agency services	-	(4,7)	-	(0,3)	<b>(5,0)</b>
Transportation services	(1,3)	(4,1)	(141,7)	(0,2)	<b>(147,3)</b>
<i>including discontinued operation:</i>	-	(0,1)	(5,1)	-	(5,2)
Other lease costs - utilities and other variable costs	(0,3)	(121,5)	(24,3)	(9,0)	<b>(155,1)</b>
<i>including discontinued operation:</i>	-	(24,9)	(6,8)	(2,6)	(34,3)
Other outsourcing services	(9,7)	(86,8)	(184,8)	(38,2)	<b>(319,5)</b>
<i>including discontinued operation:</i>	-	(13,8)	(6,2)	(5,1)	(25,1)
Amortization and depreciation	(3,5)	(471,6)	(30,1)	(21,3)	<b>(526,5)</b>
<i>including discontinued operation:</i>	-	(74,5)	(1,3)	(6,7)	(82,5)
Taxes and charges	(0,9)	(7,3)	(4,1)	(29,6)	<b>(41,9)</b>
<i>including discontinued operation:</i>	-	(0,1)	(0,4)	(0,1)	(0,6)
Other flat costs	(1,1)	(10,0)	(86,5)	(10,5)	<b>(108,1)</b>
<i>including discontinued operation:</i>	-	(2,9)	(9,9)	(1,3)	(14,1)
Change in products and production in progress	5,5	-	(0,6)	-	<b>4,9</b>
<b>Total</b>	<b>(2 121,1)</b>	<b>(1 181,2)</b>	<b>(665,9)</b>	<b>(194,5)</b>	<b>(4 162,7)</b>
<i>including discontinued operation:</i>	(137,8)	(215,1)	(64,2)	(28,8)	(445,9)



**INTERIM CONDENSED CONSOLIDATED  
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[in PLN million unless otherwise stated]

	01.2020-9.2020	01.2019-9.2019 RESTATED FIGURES
<b>Finance costs</b>		
Interest on borrowings and bonds	(22,4)	(27,3)
<i>including discontinued operation:</i>	(0,7)	(6,2)
Interest on leasing	(32,2)	(26,7)
<i>including discontinued operation:</i>	(6,0)	(0,2)
Result on exchange rates	(47,7)	(7,6)
<i>including discontinued operation:</i>	(0,6)	(2,8)
Commissions	(4,1)	(2,3)
Valuation of the option to redeem non-controlling interests	(19,0)	(21,6)
Valuation of options to acquire shares in HR Group	(13,2)	(2,8)
Other	(13,3)	(2,1)
<i>including discontinued operation:</i>	0,7	-
<b>Total finance costs</b>	<b>(151,9)</b>	<b>(90,4)</b>
<i>including continuing operations:</i>	(145,3)	(81,2)
<i>including discontinued operation:</i>	(6,6)	(9,2)

	1.2020-9.2020	01.2019-9.2019 RESTATED FIGURES
<b>Finance income</b>		
Interest from current account and other	9,1	4,6
<i>including discontinued operation:</i>	0,3	0,4
Result on exchange rates	-	4,3
<i>including discontinued operation:</i>	7,5	3,9
Profit from modification of credit agreements	5,6	-
Other	7,1	2,1
Valuation of the option to redeem non-controlling interests	22,8	-
<b>Total finance income</b>	<b>44,6</b>	<b>11,0</b>
<i>including continuing operations:</i>	36,8	6,7
<i>including discontinued operation:</i>	7,8	4,3

	01.2020-9.2020	01.2019-9.2019 RESTATED FIGURES
Write-off on expected credit losses	(114,7)	-
<b>Total write-off on expected credit losses</b>	<b>(114,7)</b>	<b>-</b>

<b>Loans Granted</b>	<b>Gross value</b>	<b>Net Value</b>
HR Group Holding s.a.r.l.	114,7	-
<b>Total</b>	<b>114,7</b>	<b>-</b>

## PROVISIONS

### Consolidated data

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
<b>As at 31.12.2019</b>	15,5	14,5	1,8	0,5	32,3
Current	2,0	14,5	1,8	-	18,3
Non-current	13,5	-	-	0,5	14,0
<b>As at 01.01.2020</b>	15,5	14,5	1,8	0,5	32,3
Establishment	0,3	1,1	0,3	5,8	7,5
Utilisation	(0,4)	(3,0)	(1,9)	-	(5,3)
Release	0,4	1,3	-	(0,4)	1,3
Exchange rate differences	0,1	-	(0,2)	-	(0,1)
Reclassification to discontinued operations	-	-	-	(3,6)	(3,6)
<b>As at 30.09.2020</b>	15,9	13,9	0,0	2,3	32,1
Current	2,0	13,9	-	2,2	18,1
Non-current	13,9	-	-	0,1	14,0

## DEFERRED TAX ASSETS AND LIABILITIES

### Consolidated data

	30.09.2020	CREDITING TO / (CHARGING) FINANCIAL RESULT	31.12.2019	CREDITING TO / (CHARGING) FINANCIAL RESULT	01.01.2019
<b>Assets</b>					
Trademarks	16,5	(4,0)	20,5	(3,1)	23,6
Inventories - adjustment of margin on intragroup sale	14,1	3,3	10,8	2,3	8,5
Impairment of inventories and receivables	10,4	6,6	3,8	0,1	3,7
Impairment of tangible fixed assets (investments in stores) and right of use	12,1	12,1	-	-	-
Provisions for liabilities	32,3	5,7	26,6	14,2	12,4
Special economical zone relief	35,9	(3,2)	39,1	36,5	2,6
Others	9,1	4,1	5,0	(0,8)	5,8
Tax losses	17,9	-	17,9	(10,3)	28,2
<i>including discontinued operation:</i>	17,9	-	17,9	-	-
Leasing valuation	47,4	37,0	10,4	7,1	3,3
<b>Total before offsetting</b>	195,7	61,6	134,1	46,0	88,1
<b>Liabilities</b>					
Accelerated tax depreciation of tangible fixed assets	13,2	(0,4)	13,6	4,0	9,6
<i>including discontinued operation:</i>	12,7	-	12,7		
Others	10,6	2,7	7,9	3,3	4,6
<i>including discontinued operation:</i>	5,2	-	5,2		
Purchase of intangible assets revealed during aquisition of subsidiaries	39,7	-	39,7	6,4	33,3
<b>Total before offsetting</b>	63,5	2,3	61,2	13,7	47,5
Offsetting	26,1	2,3	23,8	10,5	13,3
<i>including discontinued operation:</i>	17,9	-	17,9		
<b>Balance of deferred tax in the balance sheet:</b>					
Assets	169,7	50,6	110,3	35,5	74,8
Liabilities	37,4	-	37,4	3,2	34,2

## CHANGE IN WRITE-DOWNS OF SHORT-TERM RECEIVABLES, INVENTORIES AND IMPAIRMENT OF FIXED ASSETS

Consolidated data

Write-down (in mln PLN)	FIXED ASSETS	IFRS 16	INTANGIBLE ASSETS	LOANS	INVENTORIES	RECEIVABLES
<b>As of 01.01.2020</b>	1,8	-	-	-	21,1	2,3
<b>Change of presentation</b>	11,2	-	-	-	-	-
Increase:	23,0	53,0	11,3	114,7	25,3	63,8
Decrease:	-	-	-	-	(4,5)	(0,6)
Reclassification to discontinued operations	(15,8)	(8,1)	(11,3)	-	(9,5)	(0,5)
Exchange rate differences:	-	-	-	-	0,5	-
<b>As of 30.09.2020</b>	20,2	44,9	-	114,7	32,9	65,0

Write-down (in mln PLN)	FIXED ASSETS	IFRS 16	INTANGIBLE ASSETS	LOANS	INVENTORIES	RECEIVABLES
<b>As at 01.01.2019</b>	63,7	-	-	-	41,5	1,4
Increase:	2,2	-	-	-	2,4	-
Decrease:	(57,0)	-	-	-	-	-
Exchange rate differences	0,3	-	-	-	-	-
<b>As of 30.09.2019</b>	9,2	-	-	-	43,9	1,4
Increase: [1]	-	-	-	-	4,9	0,9
Decrease:	(9,2)	-	-	-	(28,2)	-
Exchange rate differences:	-	-	-	-	0,5	-
<b>As of 31.12.2019</b>	-	-	-	-	21,1	2,3

[1] includes the amount of the increase resulting from the acquisition of the subsidiary

## PROFIT (LOSS) PER SHARE

In the reporting period, basic loss per share amounted to PLN 14.82.





### 3. REPORTING SEGMENTS

Financial data prepared for the management reporting needs are based on the same accounting principles as those used in the preparation of consolidated financial statements.

Operating segments and revenues from operations are presented in a manner consistent with internal reporting provided to the key operational decision-maker, on the basis of which he assesses results and decides on the allocation of resources. The Parent's Management Board is the main operational decision maker.

The Management Board analyzes the Group's operations from a geographical and product perspective:

- from a geographical perspective, the Management Board analyses the Group's operations in Poland, Central and Eastern Europe, Western Europe and other countries;
- from a product perspective, the Management Board analyses retail, e-commerce and wholesale operations in the above-mentioned geographical areas.

The Group identifies the following operating and reporting segments, presented on the following page:

Reporting segment	Description of the reporting segment's operations and the applied measures of result	Premises for aggregation of operating segments into reporting segments, including economic circumstances taken into account in assessing the similarity of the economic characteristics of the operating segments
Distribution activities – retail in Poland. Stores operate in CCC, eObuwie and Gino Rossi chains.	Each individual own store operating in these countries is an operating segment.	
Distribution activities – retail in EU – Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Croatia, Slovenia, Bulgaria, Romania). Stores operate only in the CCC chain.	The stores sell shoes, handbags, shoe care accessories, small clothing accessories in their own stores, within the chains: CCC, Eobuwie.pl, Gino Rossi	Financial information was aggregated for the CCC chain according to geographical markets because of: <ul style="list-style-type: none"> <li>• Similarity of long-term average gross margins,</li> <li>• Similar character of goods (e.g. shoes, handbags, shoe care accessories, small clothing accessories),</li> <li>• A similar way of distributing goods,</li> <li>• Similar categories of customers (sales carried out in own units and Directed towards retail customers).</li> </ul>
Distribution activities – retail in EU Western Europe (Austria) Stores operate only in the CCC chain.	The result's measures are gross profit on sales calculated in relation to external sales and the segment's operating result constituting the difference between sales, cost of goods sold, direct costs of sales related to the functioning of the retail chain (costs of operating stores) and costs of organizational units supporting sales.	
Distribution activities – retail in other countries (Russia, Serbia). Stores operate in the CCC chain.		
Distribution activities – e-commerce	The activity is carried out by eobuwie.pl S.A., DeeZee Sp. z o.o., Gino Rossi S.A., CCC Czech s.r.o., CCC Slovakia s.r.o., Shoe Express S.A. and CCC S.A. distributing goods via the Internet.	
	The Group sells footwear, handbags, shoe care accessories, small clothing accessories etc. to domestic and foreign retail customers.	
	The measures of the result are the gross profit on sales calculated in relation to external sales and the operating result of the segment constituting the difference between sales, cost of goods sold and direct sales costs related to the functioning of the sales channel (including logistics costs).	
Distribution activities – wholesale	The whole activity is performed by CCC.eu, which distributes goods to the companies within the Group.	
	The company sells footwear, handbags, shoe care accessories, small clothing accessories to foreign franchisees and other wholesale customers.	
	The result's measures are gross profit on sales calculated in relation to external sales and the segment's operating result constituting the difference between sales, cost of goods sold, direct costs of sales related to the functioning of the distribution chain (i.e. logistics costs)	
Manufacturing activities	Manufacturing of women's leather shoes is carried out in Poland. The result's measure is segment's operating result constituting the difference between sales, cost of goods sold, direct costs of sales. Eobuwie.pl company is also a producer of premium clothing brand Rage Age. The company does not have its own production department - it uses the services of external sewing factories, to which it supplies raw materials and materials.	
Discontinued operations	CCC stores in Germany and Simple stores sold before the balance sheet date. Stores of the CCC and Voegele chains in Switzerland intended for sale.	

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FINANCIAL STATEMENTS OF CAPITAL GROUP CCC S.A. FOR Q3 2020**

[in PLN million unless otherwise stated]

01.2020-9.2020	DISTRIBUTION ACTIVITY							TOTAL	DISCONTINUED OPERATION
	RETAIL				E-COMMERCE	WHOLESALE	MANUFACTURING ACTIVITY		
	POLAND	UE - CEE	UE - WESTERN EUROPE	OTHER COUNTRIES					
Total sales revenue	1 147,8	540,6	74,1	76,1	1 612,1	1 359,9	112,8	4 923,4	226,4
Revenue from sales to other segments	-	-	-	-	-	(1 278,8)	(112,5)	(1 391,3)	-
<b>Revenue from sales from external customers</b>	<b>1 147,8</b>	<b>540,6</b>	<b>74,1</b>	<b>76,1</b>	<b>1 612,1</b>	<b>81,1</b>	<b>0,3</b>	<b>3 532,1</b>	<b>226,4</b>
<b>Gross profit on sale</b>	<b>527,1</b>	<b>272,5</b>	<b>39,8</b>	<b>32,0</b>	<b>697,4</b>	<b>12,9</b>	<b>(0,3)</b>	<b>1 581,4</b>	<b>107,9</b>
<i>Gross profit margin on sales (gross profit on sales / Revenue from sales from external customers)</i>	<i>45,9%</i>	<i>50,4%</i>	<i>53,7%</i>	<i>42,0%</i>	<i>43,3%</i>	<i>15,9%</i>	<i>-</i>	<i>44,8%</i>	<i>47,7%</i>
<b>PROFIT OF SEGMENT</b>	<b>(69,5)</b>	<b>(139,5)</b>	<b>(43,1)</b>	<b>(17,3)</b>	<b>128,7</b>	<b>0,3</b>	<b>(0,3)</b>	<b>(140,7)</b>	<b>(51,2)</b>
<b>Assets of segments</b>	-	-	-	-	-	-	-	-	-
Fixed assets except other financial assets and deferred tax assets and granted loans	1 420,1	806,6	150,9	179,5	574,1	138,6	67,1	3 336,9	108,2
Deferred tax assets	28,0	0,9	-	2,5	45,8	16,2	2,0	95,2	-
Inventories	397,1	318,9	39,3	63,1	668,7	656,8	53,1	2 197,0	159,3
Outlays on tangible fixed assets and intangibles	651,5	255,6	17,3	35,7	448,9	130,7	67,1	1 606,8	13,0
<b>Other revenue/costs:</b>	-	-	-	-	-	-	-	-	-
Amortization and depreciation	(215,0)	(153,0)	(32,9)	(24,0)	(15,7)	(3,3)	-	(443,9)	(45,5)
Impairment loss of tangible fixed assets and intangibles	(15,7)	(8,8)	(29,0)	(4,0)	-	-	-	(57,5)	(30,5)
<b>01.2019-9.2019 RESTATED FIGURES</b>									
Total sales revenue	1 620,3	778,8	94,4	107,8	982,0	1 980,0	119,9	5 683,2	386,2
Revenue from sales to other segments	-	-	-	-	-	(1 814,3)	(119,7)	(1 934,0)	-
<b>Revenue from sales from external customers</b>	<b>1 620,3</b>	<b>778,8</b>	<b>94,4</b>	<b>107,8</b>	<b>982,0</b>	<b>165,7</b>	<b>0,2</b>	<b>3 749,2</b>	<b>386,2</b>
<b>Gross profit on sale</b>	<b>804,4</b>	<b>445,4</b>	<b>58,1</b>	<b>57,2</b>	<b>415,6</b>	<b>32,7</b>	<b>(0,5)</b>	<b>1 812,9</b>	<b>198,8</b>
<i>Gross profit margin on sales (gross profit on sales / Revenue from sales from external customers)</i>	<i>49,6%</i>	<i>57,2%</i>	<i>61,5%</i>	<i>53,1%</i>	<i>42,3%</i>	<i>19,7%</i>	<i>0,0%</i>	<i>48,4%</i>	<i>51,5%</i>
<b>PROFIT OF SEGMENT</b>	<b>196,6</b>	<b>15,2</b>	<b>(42,5)</b>	<b>(11,4)</b>	<b>73,5</b>	<b>14,3</b>	<b>(0,5)</b>	<b>245,1</b>	<b>(80,5)</b>
<b>31.12.2019</b>									
<b>Assets of segments</b>	-	-	-	-	-	-	-	-	-
Fixed assets except other financial assets and deferred tax assets and granted loans	1 462,8	914,2	533,1	237,0	551,8	308,9	68,9	4 076,7	-
Deferred tax assets	9,9	0,8	-	-	44,9	8,3	3,5	67,4	-
Inventories	352,8	248,6	195,9	63,0	487,5	565,1	86,7	1 999,6	-
Outlays on tangible fixed assets and intangibles	647,0	276,7	94,0	49,7	429,0	141,1	68,9	1 706,4	-
<b>Other revenue/costs:</b>	-	-	-	-	-	-	-	-	-
Amortization and depreciation	(130,1)	(94,3)	(22,1)	(17,3)	(4,3)	(0,5)	-	(268,6)	(49,8)
Impairment loss of tangible fixed assets and intangibles	-	(2,2)	-	-	-	-	-	-	-

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS OF CAPITAL GROUP CCC S.A. FOR Q3 2020**  
[in PLN million unless otherwise stated]

	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT
Total sales revenue	4 923,4	(1 391,3)	3 532,1	5 683,2	(1 934,0)	3 749,2
Sales revenue not allocated to segments (discontinued operations)	-	109,4	109,4	-	57,1	57,1
Sales revenue in the financial statement	-	-	3 641,5	-	-	3 806,3
Cost of goods sold in the financial statement	-	-	(1 950,7)	-	-	(1 936,3)
Cost of goods sold not allocated to segments (discontinued operations)	-	(109,4)	(109,4)	-	(57,1)	(57,1)
<b>Gross profit on sale</b>	<b>1 581,4</b>	-	<b>1 581,4</b>	<b>1 812,9</b>	-	<b>1 812,9</b>
Gross profit on sale not allocated to segments	-	-	-	10,1	-	10,1
Gross profit on sale in the financial statement	1 581,4	-	1 581,4	1 823,0	-	1 823,0
Costs of sales related to segment operations	(1 722,1)	-	(1 722,1)	(1 567,8)	-	(1 567,8)
<b>Result on segment</b>	<b>(140,7)</b>	-	<b>(140,7)</b>	<b>255,2</b>	-	<b>255,2</b>
Not allocated costs of sale	-	-	-	-	-	-
Administrative expenses	-	-	(155,3)	-	-	(165,7)
Other operating income	-	-	23,7	-	-	18,7
Other operating costs	-	-	(159,6)	-	-	(15,4)
Write-off for expected credit losses (write-off of trade receivables)	-	-	(63,3)	-	-	-
Finance income	-	-	36,8	-	-	6,7
Write-off for expected credit losses	-	-	(114,7)	-	-	-
Finance costs	-	-	(145,3)	-	-	(81,2)
Share of net profit (loss) of associates accounted for using the equity method	-	-	(25,4)	-	-	(26,9)
<b>Profit (loss) before tax</b>	-	-	<b>(743,8)</b>	-	-	<b>(8,6)</b>
		<b>30.09.2020</b>			<b>31.12.2019</b>	
<b>Assets of segments</b>						
Fixed assets (excluding deferred tax assets and other financial assets)	3 336,9	-	3 336,9	4 076,7	-	4 076,7
Deferred tax assets	95,2	74,5	169,7	67,4	42,9	110,3
Inventories	2 197,0	(62,9)	2 134,1	1 999,6	(57,3)	1 942,3
Outlays on tangible and intangible assets	1 606,8	-	1 606,8	1 706,4	-	1 706,4
<b>Other revenue/costs:</b>	-	-	-	-	-	-
Amortization and depreciation	(443,9)	(43,0)	(486,9)	(268,6)	(26,9)	(295,5)
Impairment loss of tangible fixed assets and intangibles	(57,5)	-	(57,5)	(2,2)	-	(2,2)
<b>Discontinued operations</b>						
Total sales revenue	226,4	(109,4)	117,0	386,2	(57,1)	329,1
Cost of goods sold	(118,5)	109,4	(9,1)	(187,4)	57,1	(130,3)
<b>Gross profit on sale</b>	<b>107,9</b>	-	<b>107,9</b>	<b>198,8</b>	-	<b>198,8</b>

INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS OF CAPITAL GROUP CCC S.A. FOR Q3 2020

[in PLN million unless otherwise stated]

	SALES REVENUES					
	1-9.2020			1-9.2019		
	offline	e-commerce	total	offline	e-commerce	total
Poland	1 147,7	689,6	1 837,3	1 620,3	397,3	2 017,6
Czech Republic	147,0	117,7	264,7	211,7	82,6	294,3
Hungary	113,1	118,6	231,7	164,4	95,7	260,1
Romania	99,5	187,9	287,4	163,1	122,7	285,8
Slovakia	88,7	81,6	170,3	124,3	47,4	171,7
Austria	74,1	1,1	75,2	94,4	-	94,4
Russia	56,5	-	56,5	87,5	-	87,5
Croatia	43,0	6,0	49,0	55,8	-	55,8
Slovenia	28,7	-	28,7	34,8	-	34,8
Serbia	19,7	-	19,7	20,3	-	20,3
Bulgaria	20,5	78,1	98,6	24,7	53,5	78,2
Greece	-	88,1	88,1	-	46,1	46,1
Germany	-	84,9	84,9	-	39,4	39,4
Italy	-	49,6	49,6	-	17,7	17,7
Lithuania	-	45,7	45,7	-	29,7	29,7
Switzerland	-	18,5	18,5	-	0,2	0,2
Ukraine	-	13,9	13,9	-	16,7	16,7
France	-	13,7	13,7	-	15,5	15,5
Spain	-	8,9	8,9	-	12,5	12,5
Other	81,5	8,2	89,7	173,4	5,0	178,4
<b>Total</b>	<b>1 838,5</b>	<b>1 612,1</b>	<b>3 450,5</b>	<b>2 774,7</b>	<b>982,0</b>	<b>3 756,7</b>
Deffered tax	-	-	-	-	-	-
Financial instruments	-	-	-	-	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 920,0</b>	<b>1 612,1</b>	<b>3 532,1</b>	<b>2 774,7</b>	<b>982,0</b>	<b>3 756,7</b>
Switzerland	226,4	-	226,4	357,8	13,3	371,1
Germany	-	-	-	11,6	-	11,6
Poland	-	-	-	3,5	-	3,5
<b>Total</b>	<b>226,4</b>	<b>-</b>	<b>226,4</b>	<b>372,9</b>	<b>13,3</b>	<b>386,2</b>

FIXED ASSETS (EXCEPT  
FINANCIAL INSTRUMENTS AND  
DEFERRED TAX)

	30.09.2020	31.12.2019
Poland	1 625,9	1 840,7
Switzerland	-	323,0
Czech Republic	177,4	199,5
Hungary	165,5	196,1
Romania	190,6	213,7
Slovakia	90,5	107,5
Austria	150,9	210,1
Russia	109,7	169,3
Croatia	65,0	73,5
Slovenia	59,0	64,7
Serbia	69,8	67,6
Bulgaria	58,6	59,2
Greece	-	-
Germany	-	-
Other	-	-
e - commerce	574,0	551,8
<b>Total</b>	<b>3 336,9</b>	<b>4 076,7</b>
Deffered tax	169,7	110,3
Financial instruments	15,0	23,5
<b>Total assets</b>	<b>3 521,6</b>	<b>4 210,5</b>

## **EVENTS AFTER BALANCE SHEET DATE**

After the balance sheet date, further annexes concerning lease agreements were signed, which are events after the end of the reporting period not requiring any adjustments.



INTERIM CONDENSED  
**SEPARATE**  
FINANCIAL STATEMENTS  
FOR Q3 2020

[in PLN million unless otherwise stated]

## SELECTED FINANCIAL AND OPERATIONAL DATA OF CCC S.A.

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
<b>Selected data from the standalone statement of comprehensive income</b>	01.2020-09.2020	01.2019-09.2019	01.2020-09.2020	01.2019-09.2019
Sales revenue	1 190,9	1 613,7	268,1	374,5
Gross profit (loss) on sales	478,9	571,2	107,8	132,6
Profit (loss) on operating activity	35,4	87,6	8,0	20,3
Profit before tax	(411,0)	69,2	(92,5)	16,1
<b>NET PROFIT</b>	<b>(394,9)</b>	<b>58,2</b>	<b>(88,9)</b>	<b>13,5</b>
<b>Selected data from the standalone statement of financial position</b>	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Fixed assets	1 837,1	1 925,6	405,8	452,2
Current assets, including:	757,5	650,8	167,3	152,8
Inventories	397,1	345,5	87,7	81,1
Cash and cash equivalents	172,3	95,4	38,1	22,4
<b>TOTAL ASSETS</b>	<b>2 594,6</b>	<b>2 576,4</b>	<b>573,2</b>	<b>605,0</b>
Non-current liabilities including:	732,5	746,3	161,8	175,2
Debt liabilities	-	210,0	-	49,3
Current liabilities including:	793,8	871,1	175,4	204,6
Debt liabilities	211,6	111,4	46,7	26,2
<b>TOTAL LIABILITIES</b>	<b>1 526,3</b>	<b>1 617,4</b>	<b>337,2</b>	<b>379,8</b>
<b>EQUITY</b>	<b>1 068,3</b>	<b>959,0</b>	<b>236,0</b>	<b>225,2</b>

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
<b>Selected data from the standalone statement of cash flows</b>	01.2020-09.2020	01.2019-09.2019	01.2020-09.2020	01.2019-09.2019
Net cash flows from operating activities	(161,8)	442,3	(36,4)	102,7
Net cash flows from investing activities	(57,6)	(359,9)	(13,0)	(83,5)
Net cash flows from financing activities	296,3	(280,0)	66,7	(65,0)
<b>TOTAL CASH FLOWS</b>	<b>76,9</b>	<b>(197,6)</b>	<b>17,2</b>	<b>(45,9)</b>

OPERATIONAL DATA	30.09.2020	31.12.2019
Number of stores CCC	472	473
Floor space of stores (thousand m2)	315,1	312,3

	IN MLN PLN			
	01.2020-09.2020	01.2019-09.2019	01.2020-09.2020	01.2019-09.2019
Capital expenditures (in mln)	(35,1)	(209,3)	(7,9)	(48,6)
Average revenue per m2 of floor space2	3,9	5,2	0,9	1,3



## INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	01.2020-09.2020	07.2020 - 09.2020	01.2019-09.2019	04.2019 - 06.2019
	unaudited	unaudited	unaudited	unaudited
Sales revenue	1 190,9	484,2	1 613,7	554,4
Cost of goods sold	(712,0)	(305,3)	(1 042,5)	(340,7)
<b>Gross profit on sales</b>	<b>478,9</b>	<b>178,9</b>	<b>571,2</b>	<b>213,7</b>
Costs of operating stores	(369,8)	(137,2)	(422,7)	(140,0)
Other costs of sale	(30,4)	(10,0)	(25,2)	(10,5)
Administrative expenses	(29,8)	(11,2)	(35,7)	(7,8)
Other operating income	16,5	3,1	2,0	-
Other operating costs	(30,0)	(5,9)	(11,0)	-
<b>Operating profit (loss)</b>	<b>35,4</b>	<b>17,7</b>	<b>76,6</b>	<b>71,5</b>
Finance income	25,7	8,9	21,4	2,1
Write-offs on account of expected credit losses	(339,7)	0,9	-	-
Write-offs for impairment of shares	(45,5)	-	-	-
Other finance costs	(86,9)	(24,0)	(29,3)	4,8
Share of net profit (loss) of associates accounted for using the equity method	-	-	-	(10,7)
<b>Profit (loss) before tax</b>	<b>(411,0)</b>	<b>3,5</b>	<b>68,7</b>	<b>67,7</b>
Income tax	16,1	11,6	(11,0)	(5,2)
<b>NET PROFIT (LOSS)</b>	<b>(394,9)</b>	<b>15,1</b>	<b>57,7</b>	<b>62,5</b>
<b>Other comprehensive income</b>				
Other comprehensive income	-	-	-	-
<b>Total net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(394,9)</b>	<b>15,1</b>	<b>58,2</b>	<b>62,5</b>
Weighted average number of ordinary shares (mln pcs)	47,80	54,80	41,1	41,1
Basic earnings per share (in PLN)	(8,26)	0,28	1,40	1,52
Diluted earnings per share (in PLN)	(8,26)	0,28	1,40	1,52



[in PLN million unless otherwise stated]

## INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	30.09.2020	31.12.2019
	unaudited	
Intangible assets	0,9	1,4
Goodwill	46,3	48,8
Tangible fixed assets - investments in stores	305,8	279,9
Tangible fixed assets - factory and distribution	227,1	238,3
Tangible fixed assets - other	48,8	57,6
Right to use	650,4	686,9
Deferred tax assets	28,0	9,6
Loans granted	-	78,0
Long-term investments	466,3	511,8
Other financial assets	-	13,3
Lease receivables	63,5	-
<b>Total non-current assets</b>	<b>1 837,1</b>	<b>1 925,6</b>
Inventories	397,1	345,5
Trade receivables	44,3	4,9
Loans granted	82,8	172,6
Other receivables	41,7	32,4
Income tax receivables	6,3	-
Cash and cash equivalents	172,3	95,4
Lease receivables	13,0	-
<b>Total current assets</b>	<b>757,5</b>	<b>650,8</b>
<b>TOTAL ASSETS</b>	<b>2 594,6</b>	<b>2 576,4</b>
Debt liabilities	-	210,0
Provisions	2,8	2,8
Grants received	15,2	19,0
Employees liabilities	-	5,5
Lease liabilities	714,5	509,0
<b>Total non-current liabilities</b>	<b>732,5</b>	<b>746,3</b>
Debt liabilities	211,6	111,4
Trade liabilities	157,7	456,5
Other liabilities	93,6	89,0
Income tax liabilities	-	9,2
Provisions	144,5	1,2
Grants received	3,7	2,4
Lease liabilities	182,7	201,4
<b>Total current liabilities</b>	<b>793,8</b>	<b>871,1</b>
<b>TOTAL LIABILITIES</b>	<b>1 526,3</b>	<b>1 617,4</b>
<b>NET ASSETS</b>	<b>1 068,3</b>	<b>959,0</b>
<b>Equity</b>		
Share capital	5,5	4,1
Share premium	1 148,0	645,1
Retained earnings	(85,2)	309,8
<b>TOTAL EQUITY</b>	<b>1 068,3</b>	<b>959,0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2 594,6</b>	<b>2 576,4</b>

## INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	01.2020-09.2020	01.2019-09.2019
<b>Profit (loss) before tax</b>	(411,0)	68,7
Amortization and depreciation	174,1	197,6
Profit (loss) on investment activity	0,7	(8,1)
Cost of borrowings	15,3	13,3
Other adjustments to profit before tax	424,1	27,0
Income tax paid	(17,7)	(8,8)
<b>Cash flow before changes in working capital</b>	185,5	289,7
<b>Changes in working capital</b>		
Change in inventory and inventory write-downs	(51,7)	(139,9)
Change in receivables	(36,2)	10,7
Change in current liabilities, excluding borrowings and bonds	(259,4)	443,1
<b>Net cash flows from operating activities</b>	(161,8)	603,6
Proceeds from the sale of tangible fixed assets	1,7	17,8
Repayment of loans granted and interest	10,0	22,6
Purchase of intangible and tangible fixed assets	(35,1)	(96,9)
Loans granted	(0,9)	(270,2)
Other outflows from investing activity	(34,8)	-
Payment related to acquisition of Adler enterprise	-	(16,5)
Expenditures for the acquisition of non-controlling interests	-	(9,4)
Purchase of investment in associates	-	(118,4)
Other inflows from investing activities	1,5	9,4
<b>Net cash flows from investing activities</b>	(57,6)	(466,9)
Proceeds from borrowings	-	111,7
Issue of bonds	506,9	-
Other financial proceeds	1,5	-
Repayment of bonds	-	(6,9)
Lease payments	(82,0)	(144,4)
Interest paid	(15,7)	(10,6)
Net increase of equity	(111,7)	-
Other financial expenses	(2,7)	0,1
<b>Net cash flows from financing activities</b>	296,3	(50,3)
<b>TOTAL CASH FLOWS</b>	76,9	86,4
Net increase/decrease of cash and cash equivalents	76,9	86,4
Exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at the beginning of period</b>	95,4	104,3
<b>Cash and cash equivalents at the end of period</b>	172,3	190,7

## INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	RETAINED EARNINGS	SHARE PREMIUM	TOTAL EQUITY
<b>As of 31.12.2019 (01.01.2020)</b>	4,1	309,7	645,1	<b>959,0</b>
Net profit (loss) for the period	-	(394,9)	-	<b>(394,9)</b>
<b>Total comprehensive income</b>	-	<b>(394,9)</b>	-	<b>(394,9)</b>
Issue of shares	1,4	-	502,9	504,3
<b>Total transactions with owners</b>	<b>1,4</b>	-	<b>502,9</b>	<b>504,3</b>
<b>As of 30.09.2020 (01.10.2020)</b>	5,5	(85,2)	1 148,0	<b>1 068,3</b>
<b>As of 01.01.2019</b>	4,1	392,7	645,1	<b>1 041,9</b>
Net profit (loss) for the period	-	(51,0)	-	<b>(51,0)</b>
<b>Total comprehensive income</b>	-	<b>(51,0)</b>	-	<b>(51,0)</b>
Dividend payment	-	(19,7)	-	<b>(19,7)</b>
Valuation of employee option scheme	-	(12,2)	-	<b>(12,2)</b>
<b>Total transactions with owners</b>	-	<b>(31,9)</b>	-	<b>(31,9)</b>
<b>As of 31.12.2019 (01.01.2020)</b>	4,1	309,8	645,1	<b>959,0</b>

## 5. EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AND INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME



[in PLN million unless otherwise stated]

## 5.1. COSTS BY NATURE

Separate data

01.2020-09.2020	COST OF GOODS SOLD	COSTS OF OPERATING STORES	OTHER COSTS OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase and manufacturing of goods sold	(698,4)	-	-	-	(698,4)
Consumption of materials and energy	-	(11,7)	(0,5)	(2,5)	(14,7)
Write-down on inventories	-	-	-	-	-
Remuneration and employees benefits	(13,6)	(110,2)	(9,4)	(8,2)	(141,3)
Cost of incentive program	-	-	-	-	-
Transportation services	-	(0,3)	(10,4)	(0,1)	(10,8)
Lease costs - utilities and other variable costs	-	(57,7)	(0,8)	(2,2)	(60,7)
Other outsourcing services	-	(19,7)	(1,4)	(12,9)	(34,0)
Amortization and depreciation	-	(169,6)	(5,4)	(1,8)	(176,8)
Taxes and charges	-	-	(2,2)	(0,6)	(2,8)
Other flat costs	-	(0,6)	(0,4)	(1,5)	(2,5)
<b>Total</b>	<b>(712,0)</b>	<b>(369,8)</b>	<b>(30,5)</b>	<b>(29,8)</b>	<b>(1 142,0)</b>

01.2019-09.2019	COST OF GOODS SOLD	COSTS OF OPERATING STORES	OTHER COSTS OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(1 041,5)	-	-	-	(1 041,5)
Consumption of materials and energy	-	(10,8)	(3,1)	(1,0)	(14,9)
Provision for inventories	(1,0)	-	-	-	(1,0)
Remuneration and employees benefits	-	(146,5)	(12,4)	(11,3)	(170,2)
Cost of incentive program	-	-	-	(7,8)	(7,8)
Agent services	-	-	-	-	-
Transportation services	-	-	(0,6)	(0,1)	(0,7)
Lease costs - utilities and other variable costs	-	(67,2)	(1,2)	(2,2)	(70,6)
Other outsourcing services	-	(19,6)	(1,6)	(7,4)	(28,6)
Amortization and depreciation	-	(178,6)	(5,8)	(1,2)	(185,6)
Taxes and charges	-	-	-	(3,2)	(3,2)
Other flat costs	-	-	(0,5)	(1,5)	(2,0)
<b>Total</b>	<b>(1 042,5)</b>	<b>(422,7)</b>	<b>(25,2)</b>	<b>(35,7)</b>	<b>(1 526,1)</b>

## 5.2 OTHER OPERATING AND FINANCIAL INCOME AND COSTS

### Separate data

	01.2020-09.2020	01.2019-09.2019
<b>Total other operating costs</b>		
Loss on disposal of tangible fixed assets	-	-
Stocktaking net losses	-	(1,2)
Provision establishment	-	(22,0)
Other operating cost	(30,0)	(4,2)
<b>Total other operating costs</b>	<b>(30,0)</b>	<b>(27,4)</b>
<b>Total other operating income</b>		
Profit on disposal of tangible fixed assets	2,2	8,0
Profit from exchange rate differences on items other than debt	-	0,7
Compensations	0,4	0,6
Subsidy of SFRDP remuneration	2,0	2,4
Release of provisions	4,7	-
Other operating income	7,2	4,7
<b>Total other operating income</b>	<b>16,5</b>	<b>16,4</b>
<b>Total other operating costs and income</b>	<b>(13,5)</b>	<b>(11,0)</b>
	01.2020-09.2020	01.2019-09.2019
<b>Total finance costs</b>		
Interest on borrowings (recognised in costs)	(14,6)	(23,8)
Result on exchange rates	(50,7)	-
Commissions	(1,7)	-
Write-down of loans granted	(199,4)	-
Provision for bank guarantees	(140,3)	-
Write-down of shares	(45,5)	-
Valuation of HRG call option	(13,2)	(2,8)
Other finance costs	(6,7)	(1,6)
Guaranties received	-	(1,1)
<b>Total finance costs</b>	<b>(472,1)</b>	<b>(29,3)</b>
<b>Total finance income</b>		
Interest from current account and other	13,5	7,8
Result on exchange rates	-	5,8
Other finance income	2,7	2,4
Guaranties granted	9,5	5,4
<b>Total finance income</b>	<b>25,7</b>	<b>21,4</b>

[in PLN million unless otherwise stated]

## PROVISIONS

Separate data

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	OTHER PROVISIONS	PROVISION FOR EXPECTED CREDIT LOSSES	TOTAL
<b>As of 01.01.2019</b>	3,1	76,4	-	79,5
Establishment	0,9	22,0	-	22,9
Utilisation	-	(98,4)	-	(98,4)
<b>As of 31.12.2019</b>	4,0	-	-	4,0
Current	1,2	-	-	1,2
Non-current	2,8	-	-	2,8
<b>As of 01.01.2020</b>	4,0	-	-	4,0
Establishment	-	3,0	140,3	143,3
Utilisation	-	-	-	-
Release	-	-	-	-
Exchange rate differences	-	-	-	-
<b>As of 30.09.2020</b>	4,0	3,0	140,3	147,3
Current	1,2	3,0	140,3	144,5
Non-current	2,8	-	-	2,8

## DEFERRED TAX ASSETS AND LIABILITIES

Separate data

	30.09.2020	CREDITING TO / (CHARGING) FINANCIAL RESULT	31.12.2019	CREDITING TO / (CHARGING) FINANCIAL RESULT	01.01.2019
<b>Assets</b>					
Impairment of assets	0,5	(0,4)	0,9	-	0,9
Provisions for liabilities	7,0	1,7	5,3	0,4	4,9
Others	0,9	0,2	0,7	(0,7)	1,4
Valuation of leasing contracts	21,6	17,1	4,5	2,6	1,9
<b>Total before offsetting</b>	30,0	18,6	11,4	2,3	9,1
<b>Liabilities</b>					
Accelerated tax depreciation of tangible fixed assets	-	(0,5)	0,5	(0,1)	0,6
Others	2,1	0,8	1,3	1,2	0,1
<b>Total before offsetting</b>	2,1	0,3	1,8	1,1	0,7
<b>Offsetting</b>	(2,1)	(0,3)	(1,8)	(1,1)	(0,7)
<b>Balance of deferred tax in the balance sheet:</b>	28,0	18,4	9,6	1,2	8,4
Assets	28,0	18,4	9,6	1,2	8,4
Liabilities	-	-	-	-	-

## 5.5 CHANGE IN WRITE-DOWNS OF SHORT-TERM RECEIVABLES, INVENTORIES AND IMPAIRMENT OF FIXED ASSETS

Separate data

Write-down (in mln PLN)	Fixed assets	Inventories	Receivables	Pożyczki udzielone
<b>As of 01.01.2020</b>	-	4,5	1,8	-
Increase:	-	-	0,6	199,4
Decrease:	-	(2,1)	-	-
<b>As of 30.09.2020</b>	-	2,4	2,4	199,4

Write-down (in mln PLN)	Fixed assets	Inventories	Receivables
<b>As of 01.01.2019</b>	-	3,3	0,9
Increase:	-	1,0	-
Decrease:	-	(4,3)	-
<b>As of 30.09.2019</b>	-	-	1,8

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS

Edyta Banaś

CHIEF ACCOUNTANT

SIGNATURES OF ALL MANAGEMENT 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

Polkowice, 27 October 2020