

DEAR SHAREHOLDERS,

It's time to sum up 2017 – a year that changed the CCC Group forever. This time we not only abruptly increased floorspace and revenues and entered new markets – you could already get used to that. We also started rebuilding fundamental business processes in our company, targeting launch of new distribution channels, improvement of management and increasing cost efficiency.

Let's start traditionally with our sales network development – the CCC Group's floorspace grew last year by almost 80 thous. square meters. We opened new stores in all the countries we operate in, and added one new market – Moldova. It is worth noting here that last year we managed to more than double our floorspace in Russia and the market conditions there are so good right now that we don't plan to slow down the expansion for at least two more years. Total floorspace of our 925 stores in 17 countries reached 536 thous. square meters at the end of the year.

We are constantly working on adding new products to the collection and improving the shopping experience for our Customers. The effect of these efforts is our

new CCC store model introduced last year. It's much bigger and its layout is much more clear than before, which translates to much more comfortable shopping for our Customers. Apart from that, or what might be even more important from Shareholders' point of view, new format stores are much more cost effective, which should result in their higher profitability. At the end of 2017 there were already over 50 stores of this kind in the CCC Group, and their number will be growing rapidly in the coming years.

Yet another field that attracted a lot of our attention last year was the digital transformation of CCC Group. We have started processes of rebuilding the whole IT background of the company, which will bring a string of groundbreaking changes from point of view of both our Customers and Shareholders. In the coming months we will launch new omnichannel functionalities, and a year from now we will be running a modern online platform dedicated to CCC products, fully integrated with our physical store network in the whole region. Moreover, we will gain access to state of art IT tools improving key processes – purchasing, warehouse

management, store replenishment and pricing, among others. All that put together will allow us to manage the company much better and thus – improve the efficiency and profitability.

The financial backbone of the CCC Group is also evolving – 2017 brought big changes in this field. First of all, we managed to seriously reduce the indebtedness, and we're intending to keep working on reducing it even further in the coming years. The first step towards this goal was a successful offering of new shares, but apart from that we also started optimizing the working capital. Its effects will be visible this year.

A lot is also going on in the CCC Group's online channel – the revenues of Eobuwie group have been constantly growing, much faster than expected, and its share in consolidated sales has reached 15%. In 2017 Eobuwie Group strengthened its position of undisputed regional leader and launched platforms on two new markets – Greece and Sweden. It's worth noting that these are totally new territories for the CCC Group. In 2018, which has only just begun, Eobuwie has already managed to open local platform in Italy and launch a one of a

kind brick and mortar omnichannel store, which might totally redefine modern retail in the region.

Last but not least, I'd like to express my gratitude to everybody who participated in our Group's success, as Shareholders who trusted us during the last new share offering, as Employees, Business Partners and the most important of all – Customers. New challenges lie ahead of us, and more than sure – new milestones and records to beat.

YOURS FAITHFULLY,

PRESIDENT OF THE MANAGEMENT BOARD

DARIUSZ MIŁEK