CCC

CONSOLIDATED DIRECTORS' REPORT OF THE CCC GROUP

for the financial year from February 1st 2021 to January 31st 2022

Dear Shareholders,

I present to you the Directors' Report on the operations of the CCC Group in 2021, which provides a summary of key tasks we embarked on in the period.

We entered 2021 with high hopes for a quick end to the global coronavirus pandemic. Today, looking at the events across our eastern border, we are equally anxious for the quickest possible end to the devastating war in Ukraine. Every day we watch Ukrainian people heroically defending their homeland. We stand with them, and we support them. Many of us are personally affected by this tragedy: our employees, families and friends – we stand in solidarity with you.

2021 was another year our industry had to tackle the impacts of the global coronavirus pandemic. The first quarter saw another rapid spike in infections, which led to government restrictions on brick-and-mortar retail operations in many markets. A fast-moving coronavirus vaccination programme saved the industry from further lockdowns, but subsequent spikes in infection rates took their toll on customers' shopping behaviour, particularly affecting footfall.

Despite these headwinds our business model again proved resilient. On the back of investments made to roll out the omnichannel platform, the CCC Group delivered a record PLN 7.6bn in revenue for 2021, up 45% year on year and up almost 40% compared with the pre-pandemic 2019. The expansion of online sales channels combined with constant reinforcement of the efforts to drive digital transformation of the traditional channel allowed e-commerce to make a very strong contribution to the Group's sales. More than half of its revenue (53%) came from online sales, and its powerful e-commerce arm, built around over 90 online sales platforms, provided invaluable support during periods of restrictions imposed on brick-and-mortar operations.

2021 was a very eventful year for the CCC Group in terms of corporate actions. Modivo S.A. (formerly eobuwie.pl S.A.) secured three new, strong industry investors and capital to fund its further growth, which will be pursued under the leadership of a new management board headed by Damian Zapłata. The CCC Group caused a holding of shares in Modivo S.A. to be purchased from its founder, as a result of which the Group's ownership interest in the company remained unchanged. We successfully completed the process of refinancing the CCC Group's debt, providing stable, long-term funding for key strategic projects. The CCC Group made a general decision to discontinue its brick-and-mortar retail operations in Western Europe (the DACH region). As a result, we sold our stake in Switzerland's Karl Voegele and transferred the lease contracts for CCC Austria stores to a third party, sharpening our focus on the operations in the CEE region, our most promising core market.

A landmark project we completed in 2021 was to create a new retail concept for the CCC Group, namely HalfPrice, an off-price retail chain. As the business model has strong economic rationale, is gaining traction across North America and Western Europe and its market penetration is low in our key Central and Eastern European market, we became the off-price leader in the region within less than a year. Drawing on numerous synergies with the CCC Group, particularly access to retail space of the CCC chain that we keep optimising, we rolled out the format, which already comprises 61 stores in seven markets. We also launched HalfPrice e-commerce. Thanks to the Group's extensive track record of building online platforms, the e-commerce business made its debut just a few months after the first offline stores opened. We are delighted that HalfPrice has quickly caught on with bargain hunters looking for top brands at affordable prices and that our new concept has become an important point on the European retail map, winning the prestigious CEE Retailer Of The Year award.

As the CCC Group's business model evolved as a result of our growth and restructuring efforts, we introduced new segment reporting in our financial statements. We identified five independent, discrete business lines that are complementary to one another. These are CCC, eobuwie, Modivo, HalfPrice, and DeeZee.

CCC as the omnichannel footwear market leader in CEE. In 2021, we developed the 'house of brands' concept of building a product portfolio based on several powerful strategic private labels complemented by top third-party brands. Our product range is supported by a 360° marketing campaign that employs a broad spectrum of traditional and innovative tools, strongly engaging our Customers. We made progress in expanding our omnichannel model – our offline stores were equipped with digital sales tools (such as tablets and Internet kiosks) and became available online to ccc.eu customers following implementation of the Order Management System (OMS). The CCC mobile app has been downloaded by 7.5m Customers, becoming one of the most frequently used D2C apps in Poland. The app and the new digital CCC Club format are our key tools for communicating with Customers and managing customer lifetime value. Last year, we also invested in tools designed to make the shopping experience more comfortable and convenient. These included express deliveries and deferred payments at offline stores.

eobuwie as the online footwear sales leader in CEE. eobuwie continued its international expansion, gaining a foothold in two promising new markets, Latvia and Austria. Our innovative eobuwie hybrid stores equipped with disruptive 3D foot measurement technology, esize.me, have also gained international exposure. With the opening of an eobuwie store in Prague, customers living in the city have gained access to our express delivery service. This is a project we will certainly pursue, and more eobuwie hybrid stores will soon open in Romania, Slovakia and Hungary. The international expansion of eobuwie is also supported by development of e-commerce logistics. In 2021, we placed in service a new part of our warehouse in Zielona Góra and a logistics centre in Romania. The logistics centre in Bucharest will allow us to deliver orders to customers in Romania, Bulgaria and Greece in less time. There are also projects under way which, once completed, will increase our warehouse space by another 55,000 m^2 (+60%).

Modivo as the most inspiring online fashion platform in CEE and the fastest-growing segment of the CCC Group. Launched less than three years ago, Modivo has already become a leading online fashion player in Poland, with strong international exposure on 12 foreign markets. A significant extension of the product range, including launch of new, complementary categories such as beauty and home decor, will be fundamental to Modivo's further growth. Its rapid portfolio expansion will be supported by the marketplace project initiated in 2021. Although the project is still in the testing phase, we would already like to invite partners interested in selling their products on our platform. Modivo will also follow the path of eobuwie, making its debut on further foreign markets, with the new International Business Unit supporting the process.

HalfPrice as the off-price market leader in CEE and one of the main catalysts of the CCC Group's growth. Further growth of HalfPrice will primarily be driven by new store openings and entry into more markets. Our plans for 2022 are to double the existing sales network and gain a foothold in the highly promising Romanian market. The HalfPrice e-commerce, which has so far been present only in Poland, will gradually be rolled out across other markets where HalfPrice brick-and-mortar stores have already been opened.

DeeZee as a pan-European fashion brand name and social media leader. In 2021, DeeZee expanded its product range through consistent addition of new categories, especially clothing. It also increased its geographic exposure through own stores operating on six markets and by developing the B2B model, which makes DeeZee products available to customers in as many as 35 countries. DeeZee also implemented a number of growth-oriented projects, including the deployment of new IT systems and logistics expansion.

Based on these five business lines, in 2021 we prepared an updated strategy for the CCC Group. Bearing in mind changes taking place not only within the Group, but also in its external environment, and especially the ever more pronounced trends in commerce and evolution of consumer behaviour, in November 2021 we published the *GO.25 Everything Fashion*. *Omnichannel Platform* strategy. GO.25 builds on and is a natural continuation of its predecessor, as we have managed to correctly define the development directions for our industry, given a further boost in 2020–2021 by the coronavirus pandemic. The new strategy defines individual targets for each business line, aggregated to several key strategic objectives to be delivered in 2025:

- To triple the Group's revenue relative to Q3 2021 LTM
- To achieve EBITDA margin (IFRS 16) >12%
- To increase the share of new product categories to one-third of total sales
- To achieve a 60% contribution of e-commerce to the Group's revenue
- To improve Net Promoter Score for each business line / brand name by 10 points (vs 2020)
- To achieve MSCI ESG rating of A+ and employee engagement +10pp vs industry average

The initiatives we have already delivered and the development plans outlined in our new strategy are making us optimistic about the future. We know that 2021 was a difficult year for the entire industry, but we are also aware that despite the numerous challenges we made the most of that time and progressed further in the right direction.

Dear Shareholders, on behalf of the Management Board I would like to thank you for being there for us last year. Thank you for the many inspiring discussions we had and for the support you offer in so many situations. I firmly believe that the best is yet to come.

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

ABOUT THIS REPORT

This Directors’ Report on the operations of the CCC Group in 2021 contains financial and non-financial information, showing the results and position of the CCC Group on the Polish and European markets. This Report also contains disclosures on the activities of the parent required to be disclosed in the Directors' Report. The Report is published in the PDF format, available in Polish and English. The Report contains logos and photographs of registered proprietary brands (private labels) available in CCC showrooms.

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

This Report covers one, 12 month-long financial year from February 1st 2021 to January 31st 2022 and comparative data for the periods from January 1st 2020 to January 31st 2021 and from February 1st 2020 to January 31st 2021. To keep the information as current as possible, the report includes a summary of events after the reporting date up to the date of issue of the report.

CCC IN NUMBERS

The data relate to changes in the period February 1st 2021–January 31st 2022 relative to the corresponding period of the previous year. Calculated based on a table representing revenue by operating segments for the period from February 1st 2021 to January 31st 2022.

45%			
CHANGE IN THE GROUP'S REVENUE			
52%	INCREASE IN **DIGITAL** REVENUE	**53%**	SHARE OF **DIGITAL** REVENUE
41%	INCREASE IN REVENUE OF **EOBUWIE**	**125%**	INCREASE IN REVENUE OF **MODIVO** (excluding eobuwie)
37%	INCREASE IN REVENUE OF **CCC**	**55%**	INCREASE IN REVENUE OF **DeeZee**
48%	SHARE OF REVENUE FROM **FOREIGN MARKETS**	**29** **MARKETS**	(22 offline) (20 online)

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BUSINESS OF THE CCC GROUP

The CCC Group (the "CCC Group") is the leader of the Polish and Central European retail footwear market and, through its subsidiary Modivo S.A., is also the leader of digital commerce in Central and Eastern Europe.

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

- Poland
- Central and Eastern Europe
- Western Europe

The segmentation by sales channel is as follows:

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

The CCC Group comprises a total of 981 offline chain stores located in modern shopping centres and malls, as well as a number of online sales platforms in Poland and 29 countries of Europe and the Middle East. CCC stores are renowned for their exciting, contemporary brands, many of which are achieving iconic status, including Lasocki, Gino Rossi, Jenny Fairy, Sprandi and DeeZee, as well as a wide range of licensed sports shoe and children's footwear brands. The CCC Group has a wide range of products, constantly expanded, picked and selected in response to the needs of consumer groups carefully targeted by particular brands. The CCC Group's portfolio is complemented by products offered by eobuwie, Modivo, and HalfPrice.

BUSINESS PROFILE

The CCC Group is the leader of the CEE footwear market, actively expanding its product portfolio to additionally include clothes and accessories.

The Group focuses on Customers, offering them high quality, fashionable products. In line with its mission, the CCC Group's main objective is 'To unlock fashion for everybody, everywhere'.

The Group's business model is based on an omnichannel platform of five complementary business lines: CCC, eobuwie, Modivo, HalfPrice, and DeeZee. The omnichannel model is based on the overlapping of online and offline sales channels and free migration of Customers between those channels. Expansion of the omnichannel platform is also supported by a number of facilities for customers, including express delivery, deferred payments, etc.

Products at brick-and-mortar stores are mainly sold under the CCC business line, which offers chiefly well-known private labels (Lasocki, Jenny Fairy, Gino Rossi and others) and under the new off-price concept called HalfPrice. In 2021, the Group's revenue generated through the offline channel accounted for 44% of the total.

The Group is ramping up sales in the fast-growing e-commerce channel. The Group's revenue from this channel, accounting for 53% of the total, is generated through the CCC and HalfPrice online stores, as well as through the Group's pure online platforms, i.e. eobuwie and Modivo (offering mainly third-party brands) and DeeZee.

In November 2021, the Company adopted a new business strategy called GO.25, under which the Group plans to triple its sales revenue (to approximately PLN 20bn) and deliver an EBITDA margin of 12% or more by 2025. This will be achieved by, among other things, increasing the share of new product categories (other than footwear) in the offering to one third, increasing the share of online sales in total revenue to 60%, as well as increasing customer satisfaction measured by NPS (Net Promoter Score) by 10 points for each of the Group's five business lines.

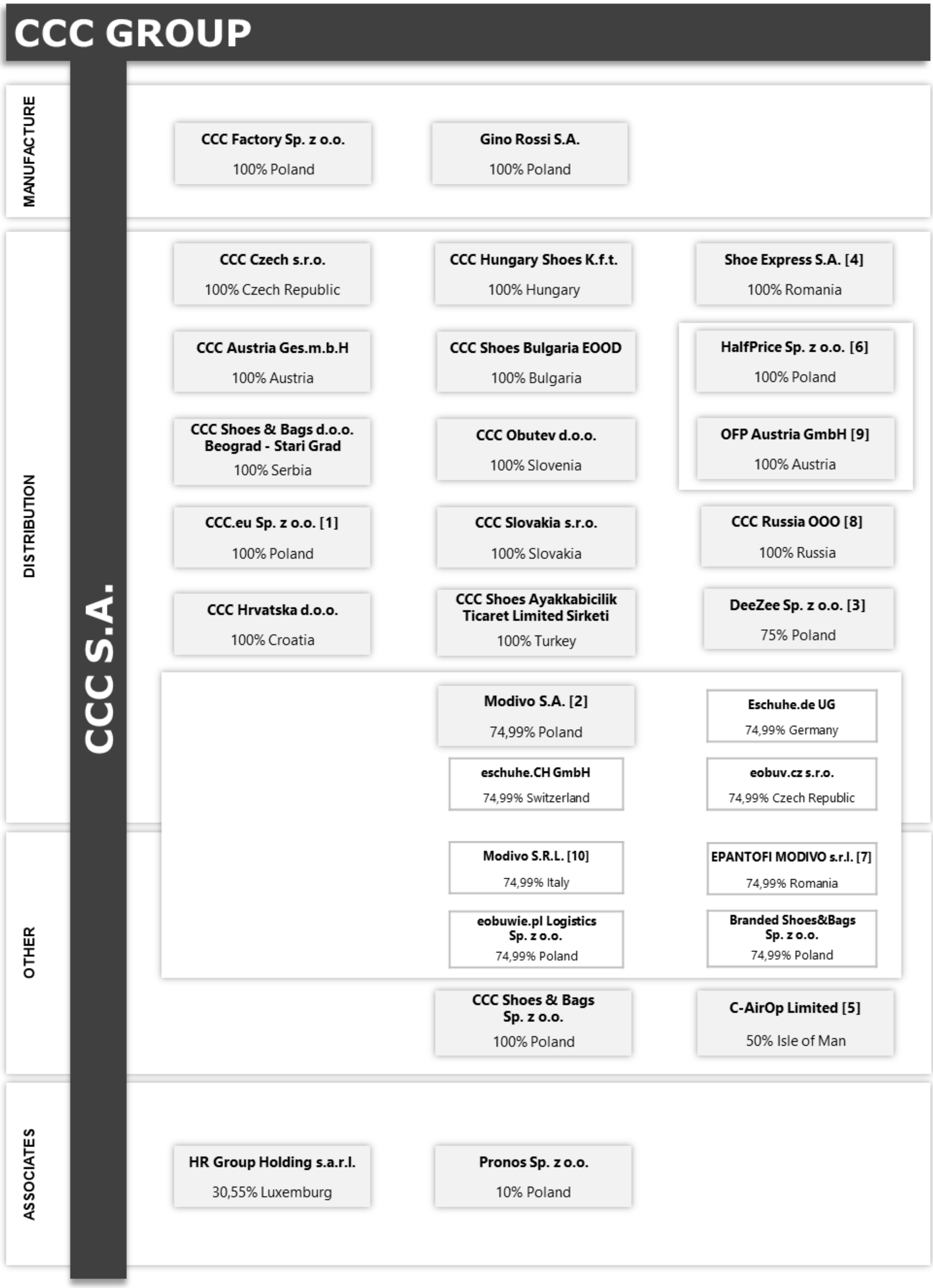
The main catalyst of the Group's revenue growth in the coming years will be dynamic expansion of the off-price segment (with 200 new HalfPrice stores planned to be opened by 2025) and further scaling up of the Modivo Group's business (including the launch of marketplace and increasing foreign markets' contribution to revenue).

The Group intends to grow its business in a responsible and sustainable manner by engaging in projects that promote a low-carbon circular economy, diversity and transparency.

Five countries in which the CCC Group earned the most revenue in February 1st 2021 to January 31st 2022 [PLNm]

STRUCTURE OF THE CCC GROUP AND ORGANISATIONAL LINKS

CCC S.A. is the parent of the CCC Group. As at the reporting date, CCC S.A. held directly and indirectly 100% of shares in the share capital of 17 out of 22 subsidiaries located in Poland, Central and Eastern Europe, and Western Europe. The diagram presents the organisational structure of the CCC Group, including the equity interests, as at the date of issue of this Report.


CCC GROUP
CCC S.A.
MANUFACTURE
CCC Factory Sp. z o.o.
100% Poland
Gino Rossi S.A.
100% Poland
DISTRIBUTION
CCC Czech s.r.o.
100% Czech Republic
CCC Hungary Shoes K.f.t.
100% Hungary
Shoe Express S.A. [4]
100% Romania
CCC Austria Ges.m.b.H
100% Austria
CCC Shoes Bulgaria EOOD
100% Bulgaria
HalfPrice Sp. z o.o. [6]
100% Poland
CCC Shoes & Bags d.o.o. Beograd - Stari Grad
100% Serbia
CCC Obutev d.o.o.
100% Slovenia
OFP Austria GmbH [9]
100% Austria
CCC.eu Sp. z o.o. [1]
100% Poland
CCC Slovakia s.r.o.
100% Slovakia
CCC Russia OOO [8]
100% Russia
CCC Hrvatska d.o.o.
100% Croatia
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi
100% Turkey
DeeZee Sp. z o.o. [3]
75% Poland
Modivo S.A. [2]
74,99% Poland
Eschuhe.de UG
74,99% Germany
eschuhe.CH GmbH
74,99% Switzerland
eobuv.cz s.r.o.
74,99% Czech Republic
Modivo S.R.L. [10]
74,99% Italy
EPANTOFI MODIVO s.r.l. [7]
74,99% Romania
eobuwie.pl Logistics Sp. z o.o.
74,99% Poland
Branded Shoes&Bags Sp. z o.o.
74,99% Poland
OTHER
CCC Shoes & Bags Sp. z o.o.
100% Poland
C-AirOp Limited [5]
50% Isle of Man
ASSOCIATES
HR Group Holding s.a.r.l.
30,55% Luxemburg
Pronos Sp. z o.o.
10% Poland

[1] CCC.eu Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (99.75%) and CCC S.A. (0.25%).
[2] Modivo S.A. (formerly eobuwie.pl S.A.) is a subsidiary of CCC Shoes & Bags Sp. z o.o. (74.99%).
[3] DeeZee Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (75%).
[4] Shoe Express S.A. is a subsidiary of CCC Shoes & Bags sp. z o.o. (95%) and CCC.eu sp. z o.o. (5%).
[5] C-AirOp Ltd. is a subsidiary of CCC S.A. (50%). Having analysed the functions performed by the company's shareholders, the Management Board is of the opinion that the Group continues to control the operations and management of the company.
[6] HalfPrice Sp. z o.o.(formerly OFP Sp. z o.o. and until June 10th 2021 Garda Sp. z o.o., wholly-owned subsidiary of Gino Rossi S.A.). On May 31st 2021, it became a wholly-owned subsidiary of CCC S.A. On March 2nd 2022, the Extraordinary General Meeting of OFP passed a resolution to change the company's name to HalfPrice Sp. z o.o. The change had not been registered in the National Court Register by the issue date of this Report.
[7] (EPANTOFI MODIVO s.r.l. was established on July 9th 2021 and the share capital was fully paid up on September 6th 2021).
[8] CCC Russia OOO is a subsidiary of CCC Shoes & Bags Sp. z o.o. (75%) and CCC.eu Sp. z o.o. (25%). On October 14th 2021, CCC.eu Sp. z o.o. acquired the remaining 25% of shares in CCC Russia OOO. Following the transaction, the CCC Group became the sole owner of CCC Russia OOO.
[9] On August 19th 2021, the CCC Group established OFP Austria GmbH, making a capital contribution of EUR 2m. The company was registered with the court on October 13th 2021. The company is a subsidiary of HalfPrice Sp. z o.o.
[10] On February 1st 2022, the Modivo Group registered a new subsidiary Modivo S.R.L.
[11] Gino Rossi s.r.o., a company of the Gino Rossi Group, was liquidated on February 2nd 2021.

CHANGES IN THE ORGANISATION OF THE CCC GROUP IN THE PERIOD FROM FEBRUARY 1ST 2021 TO JANUARY 31ST 2022

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

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

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

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

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

On August 4th 2021, HalfPrice Sp. z o.o. had its share capital increased by PLN 0.3m through the issue of 6,000 new shares with a par value of PLN 50.00 per share. The new shares were paid for partly with a cash contribution of PLN 7.6m and partly with a non-cash contribution (in-kind contribution) of PLN 64.9m from CCC S.A. in the form of an organised part of business. The contributed assets comprised property, plant and equipment, cash and inventories of stores operating under the HalfPrice business line. Contracts for the lease of retail space for the stores were also transferred.

Following negotiations, on July 2nd 2021 CCC Shoes & Bags Sp. z o.o. entered into a Subscription and Investment Agreement with a Softbank Group company, which sets out the terms and conditions of the company investing PLN 500m in Modivo S.A. by subscribing for unsecured bonds convertible into Modivo S.A. shares.The issue date was October 5th 2021. The amount was transferred to Modivo S.A.'s account on September 1st 2021.

The bonds will mature on August 23rd 2024 unless the issuer exercises an early redemption option or unless the bonds are converted into Modivo S.A. shares. The bonds bear interest at a fixed rate of 6.99% per annum. Interest is compounded quarterly and will be settled on redemption of the bonds or their conversion into shares. For detailed information, see Notes 4.2 and 6.1 to the consolidated financial statements.

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

On September 22nd 2021, CCC Shoes & Bags Sp. z o.o. issued 360 Series A bonds with a nominal value of PLN 1.0m per bond and a total nominal value of PLN 360.0m. All the bonds were subscribed for by PFR Inwestycje Fundusz Inwestycyjny Zamknięty at an issue price equal to their nominal value. The bond redemption date is seven years from the issue date (September 22nd 2028). Interest on the bonds comprises semi-annual interest and deferred interest. The semi-annual interest is calculated for periods ending June 30th and December 31st of each year. The base rate of the semi-annual interest is 4.5% per annum. From January 1st 2022, the rate will be increased on the terms and conditions set out in the relevant agreement. The increased rate of the semi-annual interest will cease to apply from the first full interest period following the date of listing of Modivo S.A. shares. Deferred interest is calculated semi-annually and payable on the date on which a bond is redeemed, with the proviso that the issuer has a prepayment option. The deferred interest rate is WIBOR plus a margin. For detailed information, see Notes 4.2 and 6.1 to the consolidated financial statements.

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

In 2021, the Group was phasing out the manufacturing activities of its subsidiary CCC Factory Sp. z o.o. while developing value added services in the process of preparing products for sale to other Group companies.

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

After the reporting date, the parent registered new subsidiaries in Lithuania, Latvia and Estonia, each of them wholly owned by the parent. On March 29th 2022, a document was signed setting out general terms of the acquisition of assets from the Group's existing franchisees (i.e. Sabiedrība ar ierobežotu atbildību CCC Baltija of Latvia, OÜ CCC Baltija of Estonia and UAB CCC Baltija of Lithuania). Their assets would be acquired by the newly established local subsidiaries so as to enable the new CCC entities to continue to operate the existing stores at the same locations on a continuous basis. The transaction would involve a total of 12 stores and the business model of the new subsidiaries would be similar to that of the other trade companies of the CCC Group. The purpose of the transaction is to simplify the structure of the CCC Group's business in Lithuania, Latvia and Estonia. Assets to be acquired include primarily inventories, retail space lease contracts, contracts with employees and other assets necessary to conduct the business. The Group estimates the total net outflow on the transaction at approximately EUR 650 thousand (i.e. the acquisition price adjusted for set-offs, including repayment of each franchisee's debt towards the Group).

CHANGES IN MANAGEMENT PRINCIPLES / MANAGEMENT STRUCTURES OF THE CCC GROUP IN THE PERIOD FROM FEBRUARY 1ST 2021 TO JANUARY 31ST 2022

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

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

On January 11th 2022, Mariusz Gnych resigned as Vice President of the Company's Management Board, with effect from January 31st 2022. The reason for the resignation was his intention to stand for election to the Supervisory Board of CCC S.A. and to engage in the Group's affairs in a supervisory role. As at the date of issue of this Report, the change was not yet registered in the National Court Register.

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

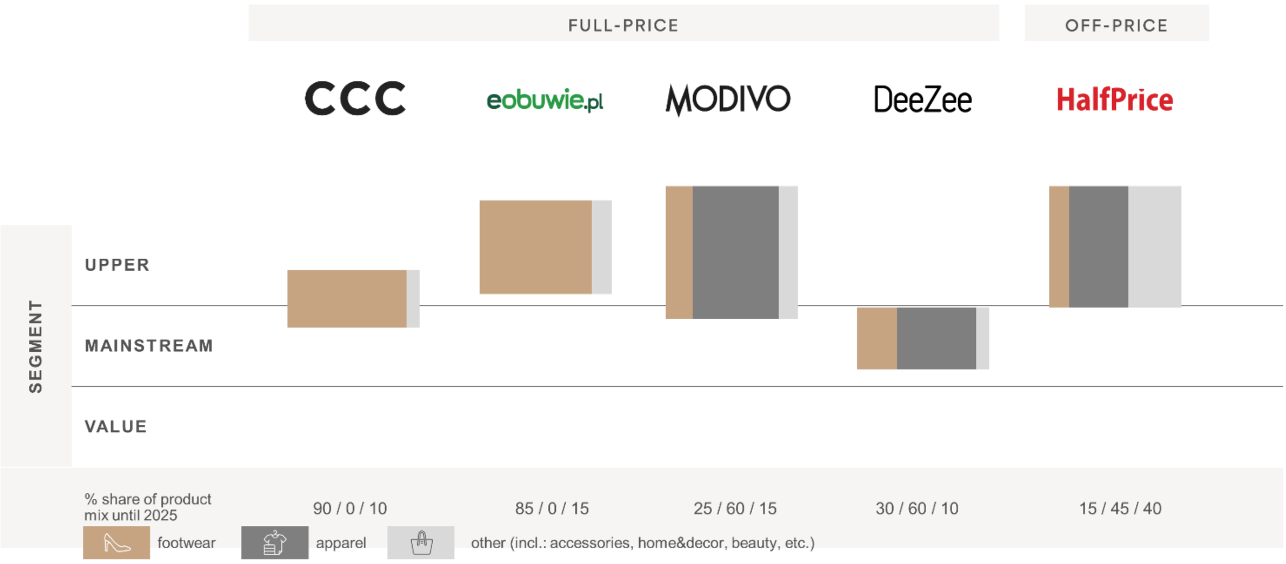
For a detailed description of the changes, see the section on corporate governance.

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

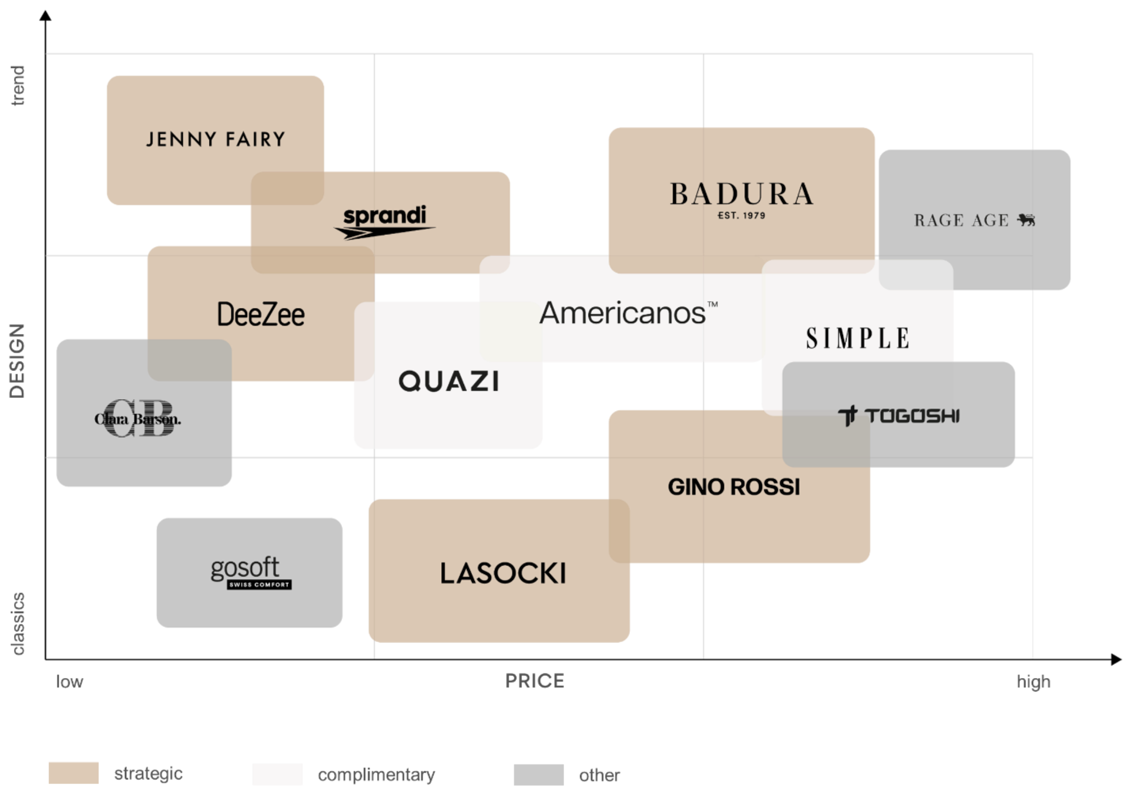
No such changes occurred after the reporting date.

CCC GROUP'S PORTFOLIO

Our business lines address the needs of various customer segments



Our private label portfolio covers a wide range of customer needs



The CCC chain's product portfolio includes both popular private label brands and recognised third-party brand names. In 2021, approximately 90% of total sales were generated by the leading private labels (including Lasocki, Jenny Fairy, Sprandi, Gino Rossi, and DeeZee).

The CCC offering is comprised of several main blocks, reflecting the private labels or product segments. The portfolio has been designed so that its elements address demand from various groups of customers, depending on their fashion preferences, age, or disposable income. Thus, the CCC and ccc.eu stores offer footwear for children and youth, casual and formal footwear for men and women, sports footwear, sneakers as well as a broad range of accessories, including bags, purses, wallets, suitcases, sunglasses, and small apparel items. In addition, the online store sells sports brands clothing. The prices range from PLN 59.99 to PLN 599.99.

Provided below is a detailed description of the main private labels of CCC.

JENNY FAIRY

Jenny Fairy is a real crown jewel in CCC's portfolio dedicated to young women who love the hottest trends in fashion. It brings together the latest trends in fashion aesthetic with functionality and an eye-catching design. Jenny Fairy perfectly fits into the fashion freedom space where every woman can develop her own unique style.

sprandi

Sprandi is a sports lifestyle brand for anyone who mainly goes for comfort in everyday life. Its minimalistic branding, comfortable materials, trendy colours, and prime quality are the pillars of Sprandi. The collections feature sneakers, t-shirts, tracksuits and accessories for women, men and children.

GINO ROSSI

Timeless classics with a modern twist. Minimalist designs for true fashion aficionados and connoisseurs of minimalist aesthetics. Gino Rossi is a noble brand focused on simplicity and prime quality of materials. Its sophisticated style delivers timeless functional elegance.

LASOCKI

Lasocki for the family, or top quality traditional craftsmanship enclosed in a trusted brand. Classic, elegant, timeless, and inherently close to nature. Natural leather, fine materials, versatile and timeless designs that easily become casual collectible companions in the most enjoyable family moments.

DeeZee

Latest trends, original combinations, bold looks and colours, and lots of fun – here comes the DeeZee girl! It is fashion made unique, plus exciting designs, patterns, shapes, and prints. DeeZee is the perfect way to define and express your personal style.

Furthermore, CCC offers other iconic sports brands, such as Adidas, Champion, Reebok, Puma, New Balance, Converse, Skechers and Vans, and includes children's footwear featuring some of the beloved Disney characters.

The CCC Group's portfolio is complemented by HalfPrice, a modern store concept in the off-price segment, offering a wide variety of popular brands at attractive prices. Products sold at HalfPrice brick-and-mortar outlets and the halfprice.eu online store are tailored to the needs of customers, who buy wisely, choosing quality and looking for branded products sold at reduced prices. Several times a week, new products are added to the existing range, allowing consumers to find real bargains. The product portfolio comprises clothing, footwear, accessories, cosmetics, toys, and homewares.

The CCC Group's portfolio is also complemented by products offered by eobuwie and Modivo. Revenue generated by the two channels is mostly derived from sales of third-party brands, i.e. brands supplied by footwear and clothing manufacturers widely recognised by consumers. Modivo's portfolio also includes private label brands, their share in total sales constantly on the rise. The key private labels of Modivo are Togoshi, Americanos, Simple, Rage Age and Quazi. Below is their brief description.

TOGOSHI

Togoshi is a futuristic streetwear brand. It is inspired by modern technology, the Korean comic strip art and the music of Black Pink and BTS. Targeted at those who follow trends and influencers. Although Togoshi has its source in streetwear, it goes beyond the boundaries of this single convention. Its soft knitwear baggy sweatshirts, joggers and t-shirts have prints with Korean popculture motifs. They are juxtaposed with body-con dresses and leggings to wear as a second skin.

Americanos™

Americanos is a casual brand. Its customers love garments composed of prime quality, simple and informal basics. An expert in denim, Americanos makes sure to offer its customers timeless and universal jeans styles. The brand also has unisex shirts and T-shirts, designed for comfort and durability.

SIMPLE

Simple is a fashion brand championing contemporary minimalism. Its casual clothes and night out outfits are kept in simple, minimalist, designer styles. Simple is a women's brand whose key values are functionality and modernity. It features timeless and effortlessly feminine garments in a range of carefully selected colours and on-trend styles. All this comes with accessories that never go out of style.

RAGE AGE

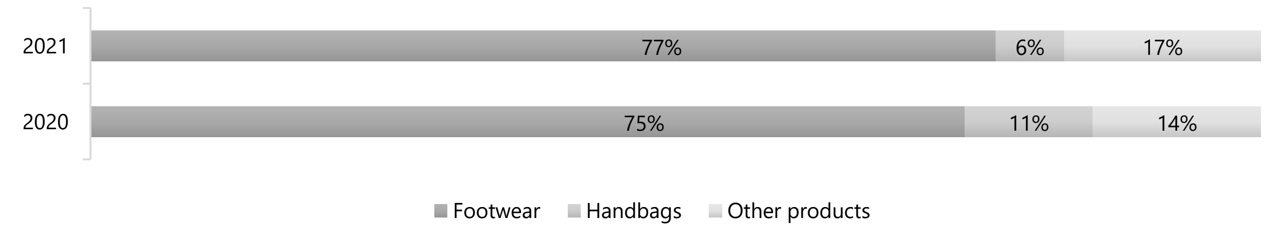
Rage Age is a brand of clothes for those who know what they want and are not afraid to live their life to the full. The women's collection features dresses with unique prints, laces, creases and cutouts, tops emphasising body shapes, and tracksuits in resplendent colours with a shiny logo. The core of the men's collection are perfectly cut denim, cotton, patterned, plain, colour and white shirts. There are also men's tracksuits made of soft cotton. All Range Age clothes carry a visible logo of the brand.

QUAZI

Quazi is an Italian footwear brand with an established presence in Poland. It focuses on excellent workmanship, which is considered to be key in delivering shoes that are comfortable to use. The most popular models of women's footwear are ankle boots resembling bovver boots and worker boots, as well as low-heel sandals. Men prefer classic loafers and sneakers.

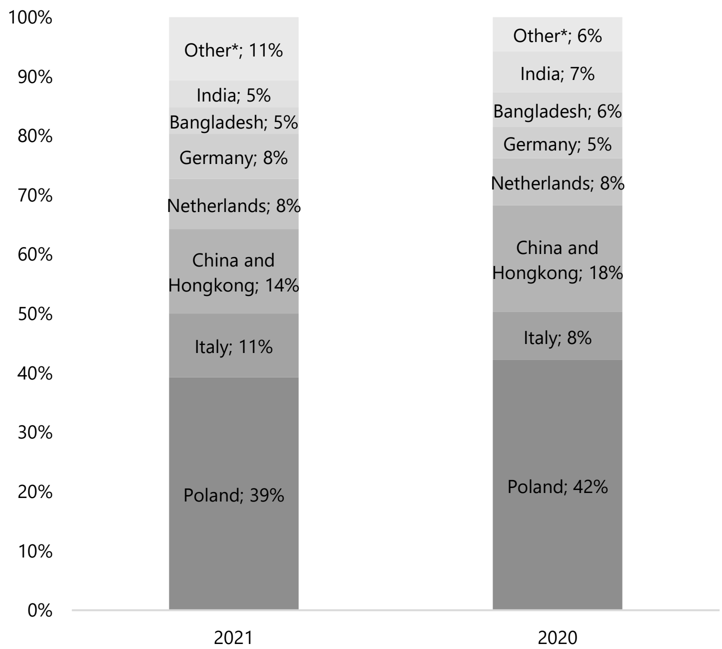
SALES MIX

The CCC Group's sales mix changed in the financial year 2021 in step with the development of the digital business and HalfPrice. A notable trend was the growth of the 'Other' category in total sales (17%). The category includes all sorts of accessories, such as belts, wallets, in-soles, socks and shoe care products, and since 2021 also clothing and homewares. Footwear accounted for 77% of total sales.



BUSINESS MODEL

SUPPLIERS



CCC.eu Sp. z o.o. is the supplier of goods for the CCC, HalfPrice and DeeZee chains. The company procures goods from domestic and foreign suppliers.

The Modivo Group purchases merchandise for the eobuwie and Modivo online platforms and offline stores of the same names through its parent Modivo S.A. In 2021, purchases made by Modivo already accounted for over 50% of the CCC Group's total purchases of merchandise. A considerable part of Modivo's suppliers have presence in Poland (in 2021, the share of Polish suppliers in total purchases of the Modivo Group only was 52%). The purchasing structure of the CCC Group, including purchases by the Modivo Group, is presented on the left.

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

*In the 'Other' category, purchases in any single country did not exceed 5% of the CCC Group's total purchases.

LOGISTICS

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

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

Offline: storage space of 132,600 m², which can accommodate 32.6 million pairs of footwear, shipping capacity of 728,000 pairs per day

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

The most important facility of the Logistics Centre is a fully automated high-bay mini-load warehouse, with a total area of 23 thousand m², which can hold up to 5 million pairs of shoes, i.e. over 500 thousand cardboard boxes of various sizes. It is the largest facility of its kind in Central Europe. Forty percent of the capital expenditure was financed from EU funds through the Innovative Economy programme.

The new Distribution Centre, combined with the existing sorting facility, can handle over 100,000 cardboard boxes (or ca. 1 million pairs of shoes) in two working shifts. The mechanisation process provides support for future growth and a platform for further expansion of the logistics processes. Moreover, the current storage space at the facility, of approximately 110,000 m², can be further optimised.

In the six months ended July 31st 2021, a project was completed to adapt one of the warehouses in Polkowice to the processes employed by the new HalfPrice concept. The 20,000 m² facility was modernised in terms of its technical infrastructure and equipment. New rack systems were installed, increasing the capacity of the goods storage area to approximately 6 million SKUs, and the customised storage processes and goods handling areas will allow the distribution efficiency to be increased to 1.5 million pcs per month.

On October 4th 2021, following upgrade works of only two months, a modern e-commerce Fulfilment Centre for HalfPrice was opened in the former CCC footwear factory. A current stocks warehouse was arranged over an area of 5,000 m² on two storeys. It can store 220,000 pieces of footwear, clothing, homewares and beauty goods for the needs of the HalfPrice ongoing e-commerce campaigns. On the ground floor, there is a goods receipt zone, stations equipped with modern infrastructure for the picking up of orders to be shipped to end customers, and a courier delivery zone. Hidden launch of the Centre took place on October 26th 2021, but the Centre reached its full operational capability and went live on December 9th 2021.

The HalfPrice e-commerce Centre can now handle 1,500 multi-position orders per day, each to be delivered to the customer the next day. The Centre staff are mainly employees of the former footwear factory.

E-Commerce Logistics Centre in Zielona Góra

Online: storage space of 16,000 m^2, which can accommodate 2.1 million pairs of footwear / units; shipping capacity of 28,200 orders per day

The new Logistics Centre of Modivo S.A. at the Lubuski Industrial Park in Zielona Góra is an investment strengthening the Group's presence on its existing European markets. It has improved logistics support for the CCC Group companies, including digital sales of CCC and other business lines comprising the CCC Group.

December 2019 saw the completion of the Logistics Centre with an area of approximately 40,000 m^2, in which the receipt of goods and implementation of automated systems commenced in the same year, and was followed by the start of shipment processing in the first quarter of 2020.

In the first half of FY 2020, work on a 15,000 m^2 extension of the Logistics Centre began. Once the occupancy permit was received in January 2021, it was possible to launch business operations in the new building and fully utilise the new warehouse space before the spring sales peak.

Following the extension of Modivo S.A.'s own warehouse, the company decided to terminate the lease of warehouse space from Panattoni. The lease was terminated in August 2021, which helped optimise logistics costs and significantly improve the timeliness of supplies.

The Management Board of Modivo S.A. also decided to extend the K3 warehouse building by a further 22,000 m^2 of floor space. The construction works are scheduled for completion in the fourth quarter of 2022. Work is also under way to further expand the advanced warehouse automation system, to increase the capacity of the distribution centre in Zielona Góra and prepare it for the peak sales during Black Week 2022. It will also translate into faster handling of orders and processing of returns. At the same time, projects are being implemented to ensure that customers receive their deliveries on the next business day (NBD concept).

In December 2020, Modivo S.A. signed a contract for a six-year lease, with an extension option, of a 15,000 m^2 warehouse building in Bucharest, Romania. The plan is to mainly serve customers in the Romanian, Bulgarian and Greek markets from this location. In the fourth quarter of 2021, the facility was put into service and in January 2022 operating activities commenced. Because the markets south of Poland are growing strongly, the warehouse is already planned to be expanded by another 30,000 m^2, to be gradually put into service from the first quarter of 2023 to the second quarter of 2024. The main reason behind locating the Fulfilment Centre in Bucharest is to reduce the order execution time and, consequently, to further increase sales in Romania, Bulgaria and Greece.

DISTRIBUTION

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

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

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

- CCC Omnichannel
- eobuwie Omnichannel
- Modivo Omnichannel
- HalfPrice Omnichannel
- DeeZee Digital
- Other*

* The segment includes wholesale, franchise, manufacturing and other activities.

MARKET ENVIRONMENT AND COMPETITION IN OUR KEY REGIONS

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

GEOGRAPHICAL COVERAGE OF CCC GROUP SALES CHANNELS

The global clothing and footwear market is projected to grow at a CAGR of around 5% in 2020–2025. The CCC Group’s main sales market is the clothing and footwear market of Central and Eastern Europe (CEE). In 2021, the Group’s share in the footwear retail market in the CEE region (comprising Poland, the Czech Republic, Hungary, Romania, Slovakia, Croatia, Slovenia, Bulgaria and Serbia) was close to 20%.

The CCC Group’s slice of the domestic footwear market is growing every year. In 2021, the Group’s share in the fragmented footwear retail market in Poland was estimated at close to 30%.

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

CHAIN	COUNTRY	January 31st 2022		January 31st 2021	
		m2	NUMBER	m2	NUMBER
CCC	Poland	278,752	432	309,493	462
	Hungary	54,035	79	57,297	79
	Czech Republic	53,264	86	53,988	90
	Romania	49,898	80	47,696	78
	Slovakia	34,896	53	35,628	56
	Russia	26,880	40	31,878	41
	Croatia	21,015	29	20,800	31
	Slovenia	13,830	17	17,013	20
	Bulgaria	11,651	17	12,048	18
	Serbia	11,056	14	11,031	14
	Austria	-	-	33,373	51
TOTAL		**555,277**	**847**	**630,245**	**940**
OTHER	HalfPrice	84,810	61	-	-
	Modivo	20,715	28	17,146	25
	Gino Rossi	-	-	1,723	14
TOTAL OWN STORES		**660,802**	**936**	**649,114**	**979**

CHAIN	COUNTRY	January 31st 2022		January 31st 2021	
		m2	NUMBER	m2	NUMBER
CCC FRANCHISE	Ukraine	11,613	17	12,336	18
	UAE	5,302	6	4,853	5
	Latvia	4,559	7	4,559	7
	Estonia	2,879	3	2,879	3
	Saudi Arabia	2,420	3	1,876	2
	Lithuania	2,020	3	2,020	3
	Kosovo	1,958	2	1,958	2
	Oman	1,223	1	1,223	1
	Qatar	1,002	1	1,002	1
	Bahrain	929	1	929	1
	Moldova	740	1	740	1
	Gino Rossi	-	-	166	2
TOTAL FRANCHISE		**34,645**	**45**	**34,541**	**46**
TOTAL CCC GROUP		**695,447**	**981**	**683,655**	**1,025**

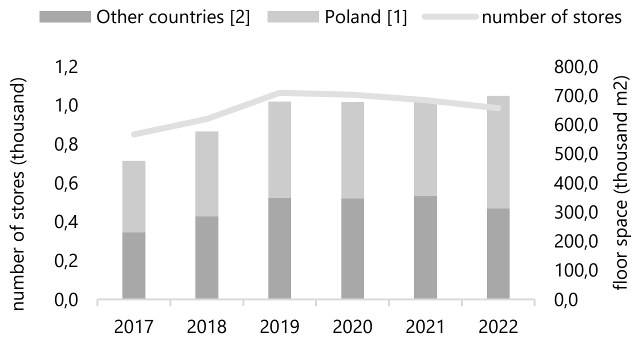
[1] Poland includes offline stores of the CCC, Gino Rossi, Modivo and HalfPrice chains.

[2] Other countries include offline stores outside Poland.

The retail space in own stores as at the reporting date was 660,800 m^2, having gone up by 11,700 m^2 compared with January 31st 2021 despite a decrease in the floor space of CCC own stores (down 75,000 m^2), on the back of HalfPrice's and Modivo's growth.

The retail space in franchise stores was 34,600 m^2 as at the reporting date, having gone up by 100 m^2 compared with January 31st 2021.

CHANGE IN FLOOR SPACE AND NUMBER OF STORES



Omnichannel sales

Omnichannel sales in the CCC Group's offline segment are made through the CCC, eobuwie, Modivo, HalfPrice and Gino Rossi own stores (as at the reporting date, all Gino Rossi stores were closed). In the reporting period, own stores operated in Poland, Hungary, the Czech Republic, Romania, Slovakia, Russia, Croatia, Slovenia, Bulgaria, Serbia and Austria. As at the reporting date, the total number of these stores was 940 (including 61 HalfPrice stores and 28 eobuwie stores).

The digital segment of omnichannel sales is represented by CCC, Modivo, and HalfPrice.

As at reporting date, CCC's digital business was carried out in Poland, the Czech Republic, Slovakia, Romania, Hungary, Austria, Slovenia, Bulgaria, Ukraine, Croatia, Greece, and Russia. The dedicated sales app was available in Poland, the Czech Republic, Slovakia, Romania, Hungary, Bulgaria, Greece, and Austria. The number of mobile app downloads is close to 7m (as at January 31st 2022). In 2021, the app accounted for 25% of CCC's total income.

The segment is additionally by the Reserve & Collect service, i.e. customers can order goods online and then collect them at a store of their choice. In 2020, the Group expanded its services supporting online shopping with CCC Express (which stands for deliveries even within 90 minutes, available in 37 Polish cities as at the reporting date), deliveries over the weekend via InPost, and deferred PayPo payments. What is more, 2021 saw the implementation of OMS, which transformed CCC stores into mini-hubs that can ship e-commerce orders, offering customers better access to more products.

As at the reporting date, eobuwie operated (under local domain names) in Poland, the Czech Republic, Slovakia, Slovenia, Romania, Hungary, Bulgaria, Croatia, Switzerland, Ukraine, Greece, Italy, Lithuania, Germany, Sweden, Spain and France. The eobuwie app (operating under local names) was available on all of those markets. The Modivo platform is also available in these countries (except for Switzerland, Sweden and Spain). In addition, the innovative esize.me function was launched in the eobuwie app in the Czech Republic, Hungary, Bulgaria and Greece in August 2021.

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

The network was launched in Poland in May 2021, and as at the reporting date operated on five European markets. In just eight months since its launch, HalfPrice opened a total of 43 stores across the country, plus three outlets in Austria, two in Hungary, and one in each of Croatia and the Czech Republic.

Revenue from omnichannel sales increased in the reporting period by PLN 2,351.5m (+48.1%) year on year, to PLN 7,239.5m, and accounted for 95.4% of total sales.

Digital sales

As at the reporting date, DeeZee operated exclusively in the digital segment. Digital sales revenue increased in the reporting period by PLN 38.2m (up 54.7%) year on year, to PLN 108.0m, accounting for 1.4% of total sales.

Wholesale and other sales

In the reporting period, wholesale customers were franchisees operating in Ukraine, Latvia, Lithuania, Estonia, the United Arab Emirates, Kosovo, Saudi Arabia, Bahrain, Qatar, Moldova and Oman. As at reporting date, there were 45 franchise stores in total. The average area of these stores rose by 19.0 m^2 to 769.9 m^2 relative to January 31st 2021, mainly as a result of the closure of the last two Gino Rossi franchise stores, which had considerably smaller space than CCC stores.

The wholesale segment also sells to HRG, an associate and also one of the key customers, and KVAG.

Revenue from wholesale, sale of services and manufacturing activities increased in the reporting period by PLN 64.8m (+50.4%) in total, to PLN 193.2m, accounting for 2.5% of total sales. The above figures include continuing operations.

KEY EVENTS IN THE PERIOD FROM FEBRUARY 1ST 2021 TO JANUARY 31ST 2022

Q1

- Appointment of three new members of the Management Board of the CCC Group – Adam Holewa, Igor Matus, Kryspin Derejczyk.
- Execution of conditional preliminary agreements for sale of shares in Modivo S.A. with Cyfrowy Polsat S.A. and A&R Investments Limited

Q2

- Execution of a new financing agreement and debt refinancing to secure long-term funding sources supporting delivery of the Group's strategic objectives.
- Amendment to the Terms and Conditions of the Bonds – extension of the redemption date by five years, until June 29th 2026
- Launch of the new retail concept HalfPrice.
- Repurchase 10% of eobuwie shares from MKK3 Sp. z o.o. and their sale to Cyfrowy Polsat S.A.
- Sale of NG2 and KVAG.
- Restructuring of CCC's presence in Austria – assignment of most lease contracts and decision to close down the majority of stores.
- Agreement with a Softbank Group company concerning a PLN 500.0m investment in bonds convertible into Modivo S.A. shares.

Q3

- Rollout of the HalfPrice concept – first stores opened abroad.
- Issue of PLN 360.0m worth of bonds to PFR for the purpose of repurchasing Modivo S.A. shares.
- Repurchase of 10% of Modivo S.A. shares from MKK3 Sp. z o.o. and their sale to A&R Investments Limited.
- Issue of convertible bonds by Modivo S.A. to Softbank, with a value of PLN 500.0m.
- Appointment of a new member of the CCC Group's Management Board – Adam Marciniak.
- Appointment of Damian Zapłata as the new President of the Management Board of Modivo S.A.
- Execution of a PLN 71.2m preferential loan agreement under the 'Polish Development Fund's Financial Shield for Large Enterprises' governmental programme.

Q4

- Adoption of GO.25 Everything Fashion, a new business strategy for 2021–2025. Omnichannel Platform.
- Rollout of the HalfPrice concept – launch of the e-commerce channel.
- Development of the Modivo Group – opening of a new logistics centre in Bucharest, Romania.
- Forgiveness of PLN 51m and repayment of the balance of the preferential loan from PFR (Polish Development Fund).
- Resignation of Mariusz Gnych as Vice President of the Management Board.
- Launch of OMS (Order Management System) – integration of CCC stock balances with ccc.eu online store.
- The CCC Group rated second best in the prestigious ESG rating – Sustainalytics (footwear industry). The CCC Group was the first company in Poland to feature in Circulytics (circular economy) ranking.
- HalfPrice named Retailer of the Year in the CEE Retail Awards.

Find out more about developments important to the Group on the websites:

https://corporate.ccc.eu/en/news/aktualnosci

https://corporate.ccc.eu/en/reports#pills-relacje-inwestorskie-raporty-zakladki-regulatory-filings

SELECTED FINANCIAL AND OPERATIONAL DATA OF THE CCC GROUP

	PLNm			EURm		
Selected financial data from the consolidated statement of profit or loss and other comprehensive income	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited	audited	unaudited	audited
Revenue	**7,591.5**	**5,247.0**	**5,638.6**	**1,656.6**	**1,167.6**	**1,258.9**
CCC omnichannel	3,609.3	2,628.3	2,853.1	787.6	584.8	637.0
eobuwie omnichannel	2,853.3	2,019.7	2,126.5	622.7	449.4	474.8
Modivo omnichannel	540.0	240.0	259.4	117.8	53.4	57.9
HalfPrice omnichannel	236.9	-	-	51.7	-	-
DeeZee	108.0	69.8	72.5	23.6	15.5	16.2
Other companies	193.2	128.4	152.7	42.2	28.6	34.1
Not allocated to segments/discontinued operations	50.9	160.8	174.4	11.1	35.8	38.9
Gross profit (loss)	**3,575.1**	**2,292.9**	**2,456.5**	**780.2**	**510.2**	**548.4**
Gross margin	47.09%	43.70%	43.57%	47.09%	43.70%	43.57%
Segment profit or loss:						
CCC omnichannel	66.4	-299.3	-358.3	14.5	-66.6	-80.0
eobuwie omnichannel	230.8	184.5	185.9	50.4	41.1	41.5
Modivo omnichannel	46.3	5.5	4.2	10.1	1.2	0.9
HalfPrice omnichannel	-37.8	-	-	-8.3	-	-
DeeZee	2.1	9.6	12.4	0.5	2.1	2.8
Other	20.9	-10.3	9.7	4.6	-2.3	2.2
Operating profit (loss)	**3.9**	**-579.1**	**-626.7**	**0.9**	**-128.9**	**-139.9**
Profit (loss) before tax	-153.9	-888.3	-968.3	-33.6	-197.7	-216.2
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**-221.0**	**-909.0**	**-988.9**	**-48.2**	**-202.3**	**-220.8**
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**28.7**	**-280.3**	**-291.4**	**6.3**	**-62.4**	**-65.1**
NET PROFIT/(LOSS)	**-192.3**	**-1,189.3**	**-1,280.3**	**-42.0**	**-264.6**	**-285.8**

	PLNm		EURm	
Selected financial data from the consolidated statement of financial position	January 31st 2022	January 31st 2021	January 31st 2022	January 31st 2021
	audited	audited	audited	audited
Non-current assets	**3,393.8**	**3,375.1**	**738.1**	**743.7**
Current assets, including:	**4,106.9**	**3,061.4**	**893.2**	**674.5**
Inventories	2,625.8	2,192.6	571.0	483.1
Cash	941.1	458.7	204.7	101.1
Assets classified as held for sale	**-**	**210.9**	**-**	**46.5**
Total assets	**7,500.7**	**6,647.4**	**1,631.2**	**1,464.7**
Non-current liabilities, including:	**3,410.2**	**2,785.4**	**741.6**	**613.7**
Financing liabilities	1,914.6	472.7	416.4	104.2
Lease liabilities	1,303.9	1,415.4	283.6	311.9
Current liabilities, including:	**2,938.9**	**3,346.5**	**639.1**	**737.4**
Financing liabilities	545.0	1,196.9	118.5	263.7
Trade and other payables	1,480.1	1,269.3	321.9	279.7
Liabilities directly related to assets classified as held for sale	**-**	**205.7**	**-**	**45.3**
Total liabilities	**6,349.1**	**6,337.6**	**1,380.8**	**1,396.4**
Equity	**1,151.6**	**309.8**	**250.4**	**68.3**

	PLNm			EURm		
Selected financial data from the consolidated statement of cash flows	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited	audited	unaudited	audited
Net cash flows from operating activities	50.4	273.8	-62.1	11.0	60.9	-13.9
Net cash flows from investing activities	-219.2	-243.0	-261.8	-47.8	-54.1	-58.4
Net cash flows from financing activities	651.2	135.6	240.0	142.1	30.2	53.6
Total cash flows	**482.4**	**166.5**	**-83.9**	**105.3**	**37.0**	**-18.7**
Capital expenditure	-312.9	-194.5	-206.4	-68.3	-43.3	-46.1

Operating data	**January 31st 2022**	**January 31st 2021**
	audited	audited
Number of stores (continuing operations)	981	1,025
Retail space (thousand m^2) (continuing operations)	695.4	683.7
Number of markets with online sales	20	17

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

- Items of assets, equity and liabilities in the consolidated statement of financial position were translated at the exchange rate effective on the last day of the reporting period:
  - the exchange rate as at January 31st 2022 was EUR 1 = PLN 4.5982
  - the exchange rate as at January 31st 2021 was EUR 1 = PLN 4.5385
- particular items of the consolidated statement of profit and loss and other comprehensive income and the consolidated statement of cash flows were translated at exchange rates representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the euro in effect on the last day of each month in a given reporting period:
  - in the period February 1st 2021–January 31st 2022, the average exchange rate was EUR 1 = PLN 4.5825
  - in the period February 1st 2020–January 31st 2021, the average exchange rate was EUR 1 = PLN 4.4940
  - in the period January 1st 2020–January 31st 2021, the average exchange rate was EUR 1 = PLN 4.4791

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

Changes in exchange rates

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

PERIOD (USD/PLN)	HIGH	LOW	END OF PERIOD	MID
February 1st 2021–January 31st 2022	4.1893	3.6545	4.1147	3.9065
February 1st 2020–January 31st 2021	4.2654	3.6254	3.7460	3.8917
January 1st 2020–January 31st 2021	4.2654	3.6254	3.7460	3.8923

PERIOD (EUR/PLN)	HIGH	LOW	END OF PERIOD	MID
February 1st 2021–January 31st 2022	4.7210	4.4541	4.5982	4.5825
February 1st 2020–January 31st 2021	4.6330	4.2402	4.5385	4.4940
January 1st 2020–January 31st 2021	4.6330	4.2279	4.5385	4.4791

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

MACROECONOMIC GROWTH IN POLAND AND CENTRAL AND EASTERN EUROPE

The CCC Group operates mainly on the markets of Central and Eastern Europe, with clear dominance on the Polish market, which accounted for 51.3% of consolidated revenue in 2021. As a result of the location of the Group's sales channels in this region, the condition of the CEE economies has a significant impact on the sales of the Group.

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

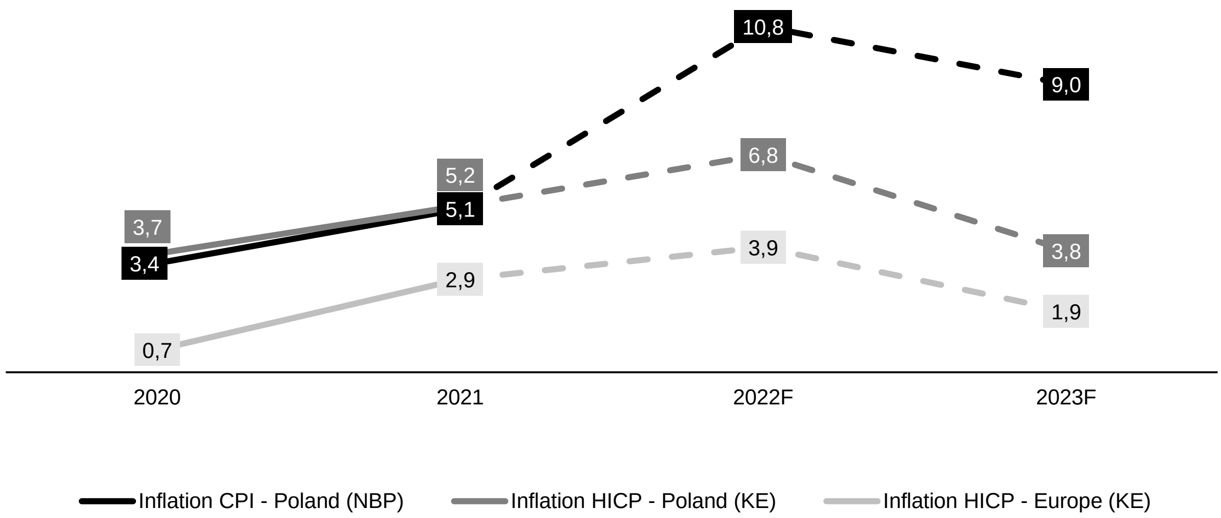
- **Effects of the global coronavirus pandemic**

The CCC Group's revenue is generated from sales of products via the e-commerce channel and in traditional brick-and-mortar stores. Over the last two years, sales via the traditional channel were subject to the risk of periodic closures of retail outlets caused by the spread of COVID-19. During the full lockdown periods, when shopping centres were closed to customers, the CCC Group could not sell its products via offline stores. In the financial year 2021, the CCC Group's offline stores were closed mainly in the first quarter – the second half of March and in April. In some regions of Poland (e.g. the Olsztyn province and the Gdańsk province) shopping centres were also closed in the first half of March. As regards the European countries where the Group is present, in the first half of 2021 the Group's traditional stores had to go into full lockdown in the Czech Republic, Slovakia and Hungary. The closures of the Group's offline stores were accompanied by increased sales through the online channel. The Group seeks to ensure maximum diversification of its revenue sources, constantly developing the e-commerce channel.

- **Change in disposable income of consumers, change in propensity for consumption, change of shopping preferences**

Over the previous year, inflation surged rapidly in Poland and other European countries.

Inflation in Poland and Europe [%]



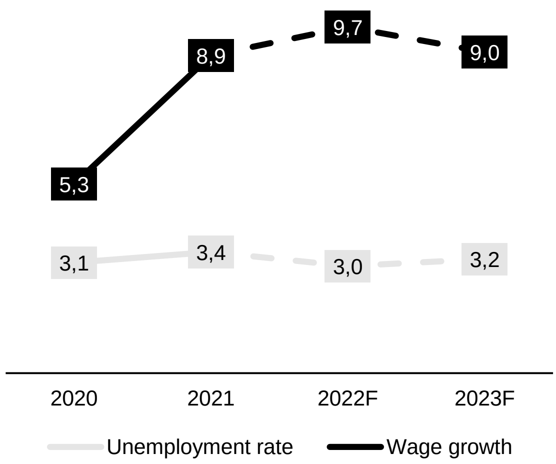
Source: NBP, European Commission [F] – forecasts; [E] – estimates

Growing inflation changes the distribution of disposable income of consumers and consequently affects their shopping preferences. Customers tend to choose cheaper products and show higher price sensitivity. According to forecasts by the National Bank of Poland and the European Commission, higher inflation will persist in the Polish and other European economies until 2023. The Group makes every effort to ensure that the product offering is best tailored to customers' needs and takes numerous measures to steadily expand its range.

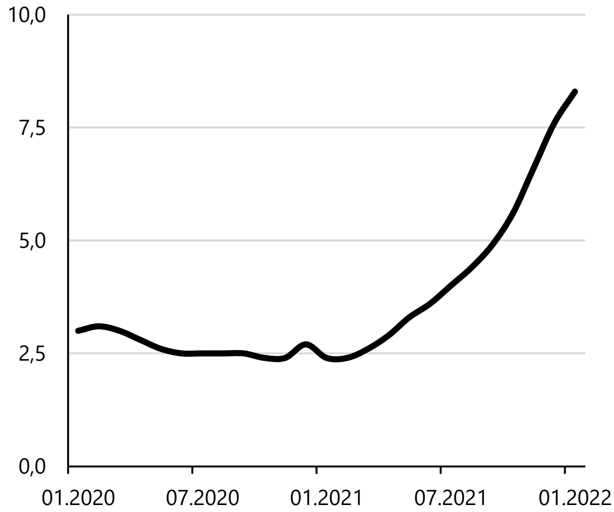
- **Cost pressures**

The inflation's impact is also seen on the cost side. In 2021, wages were rising rapidly while unemployment remained relatively low. Such a situation leads to wage pressures. According to the NBP's forecasts, wages are expected to grow further and the jobless rate will gradually decrease in 2022.

Unemployment rate and wage growth [%]



Increase in construction and assembly prices [%]

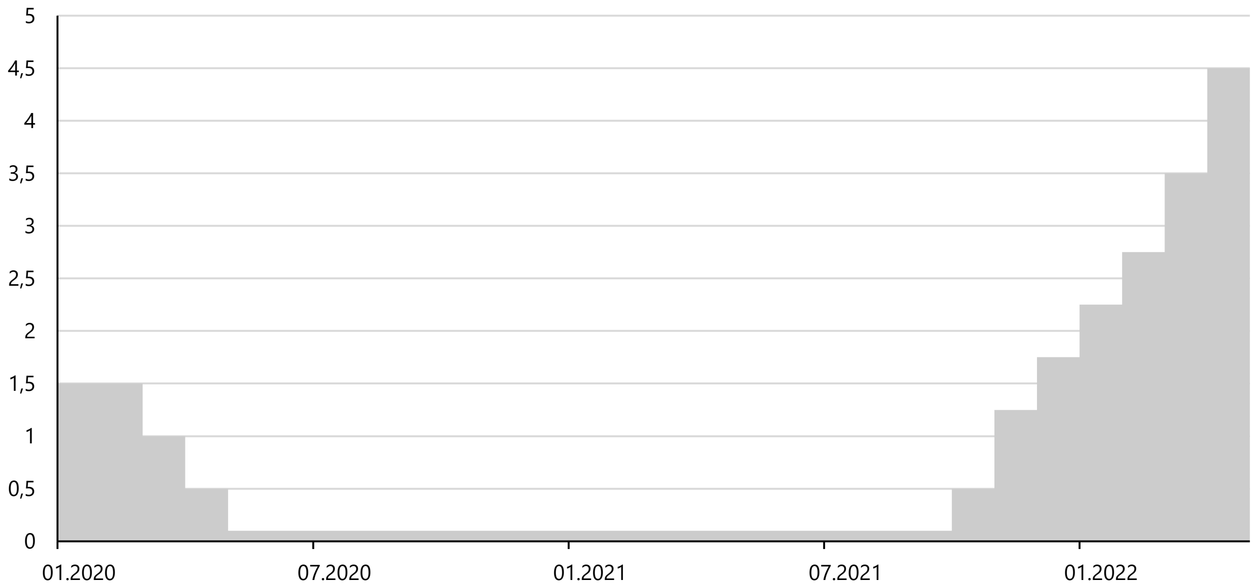


Source: Statistics Poland, NBP [F] – forecasts; [E] – estimates

In the second half of 2021, the prices of construction and assembly output were also growing rapidly, which mainly affected the costs and expenditure on the expansion of the offline sales chain. The CCC Group takes numerous measures to mitigate the inflationary cost increase.

- **Interest rate development**

Reference rate in Poland [%]

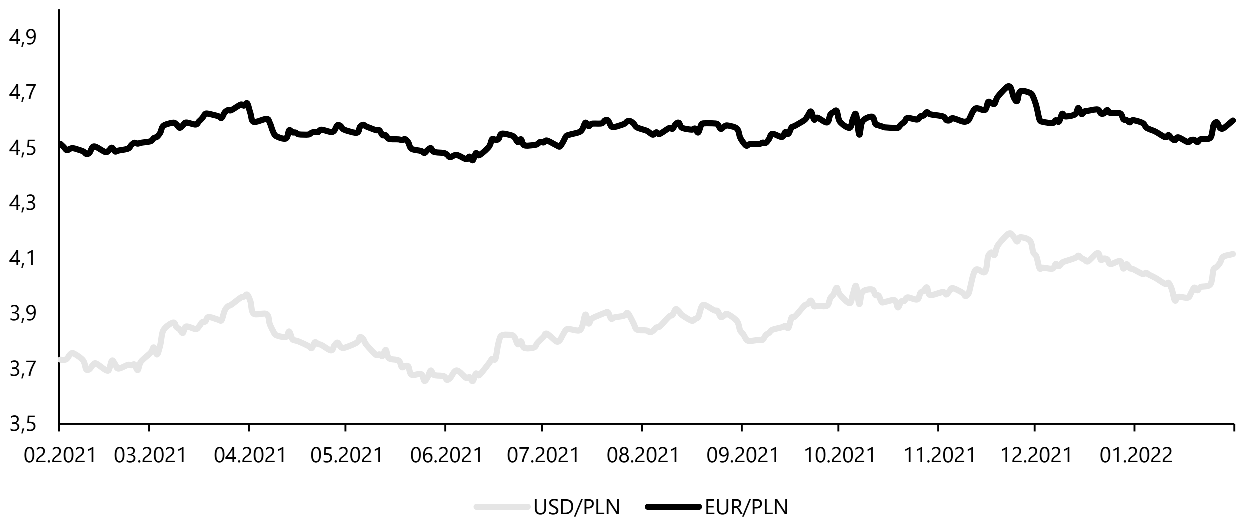


Source: NBP

Due to the strong growth of inflation in Poland, in October 2021 the Monetary Policy Council started a series of reference rate rises. According to analyses by economists and declarations by the MPC members, the scale of the increase may bring the reference rate to 4.5–5.5% in 2022.

- **Foreign exchange**

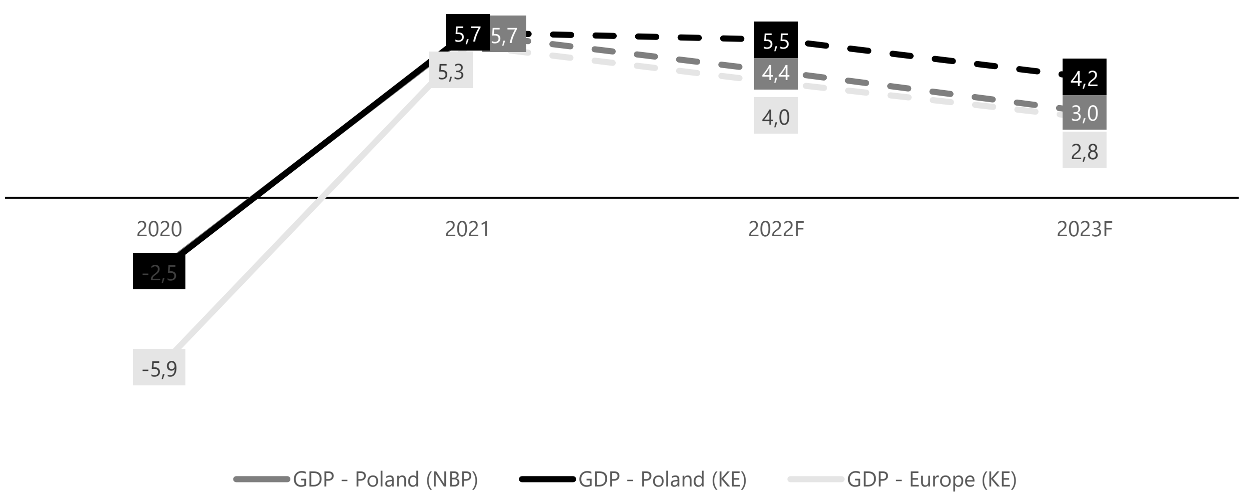
EUR/PLN and USD/PLN exchange rates [PLN]



Source: NBP

In 2021, the geopolitical situation contributed to a strengthening of foreign currencies – the euro and the US dollar – against the Polish złoty. The depreciation of the złoty is exerting pressure on gross margin (USD, EUR) and rental costs (EUR). The Group mitigates the impact of changes in foreign exchange rates on its performance by actively adjusting its pricing and discount policies. It is also seeks to enter into contracts providing for flexible terms of lease of retail space, and some of its revenue is generated in the euro.

GDP growth rate change
GDP growth rate [%]



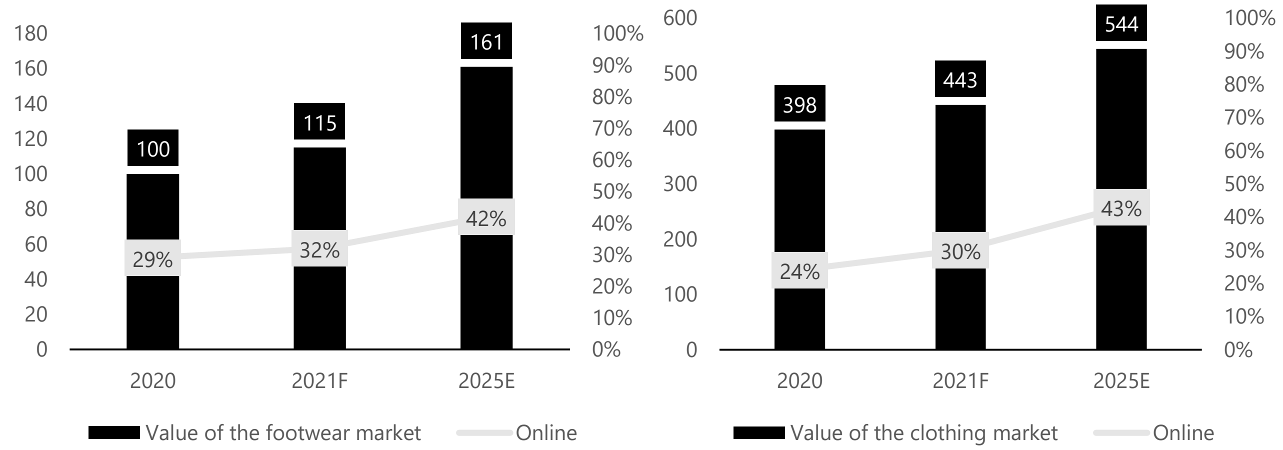
Source: NBP, European Commission [F] – forecasts; [E] – estimates

In 2020, the Polish and the European economies were impacted by the effects of the coronavirus pandemic, which resulted in negative GDP growth. In 2021, gross domestic product readings were up 5.7% in Poland and 5.3% in Europe, compared with 2020. According to forecasts, the economic growth rate is expected to be slightly lower in the coming years, because of the war in Ukraine among other factors, but it will remain in positive territory.

Footwear and clothing market

An important factor affecting the Group's performance in the period under review was the value of the Polish and the European footwear market. The European footwear market is estimated at USD 115bn (up by approximately 15% year on year). According to expert studies, in 2025 the market will be worth USD 161bn (CAGR of approximately 8.8% in 2021–2025). An important factor affecting the market is the growing role of the e-commerce channel. In 2021, the share of online sales rose from 29% to 32%, and is forecast to grow a further 42% in 2025.

Value of the European footwear and clothing market [USD billion]



Source: Statista, [F] – forecasts; [E] – estimates

In view of the CCC Group's strategic plans to increase the share of *Clothing* in the sales mix, prospects for the European clothing market are also important for the Group's further development. In 2021, the European clothing market was worth close to USD 443bn, up 11% year on year. In 2025 it is forecast to be worth USD 544bn, with CAGR of 5.3%. In 2021, the share of the online channel in the value of the entire market was approximately 30%. In the footwear market, the share is approximately 2pp lower, but, according to forecasts, in 2025 revenue generated by the online channel will represent 43% of total revenue of the clothing market.

KEY TRENDS IN THE FOOTWEAR AND CLOTHING MARKET AND CUSTOMERS' SHOPPING HABITS:

The Group has identified four key categories of trends which currently shape the footwear and clothing market and affect customers:

1. Product

- The growing role of fashion, driven, among other things, by the rapid spread of new fashion trends involving the use of social media
- Development of casual and sports footwear (sneakerisation):
- Growing importance of environmental aspects of products and circular approach (secondary circulation)

2. Competition

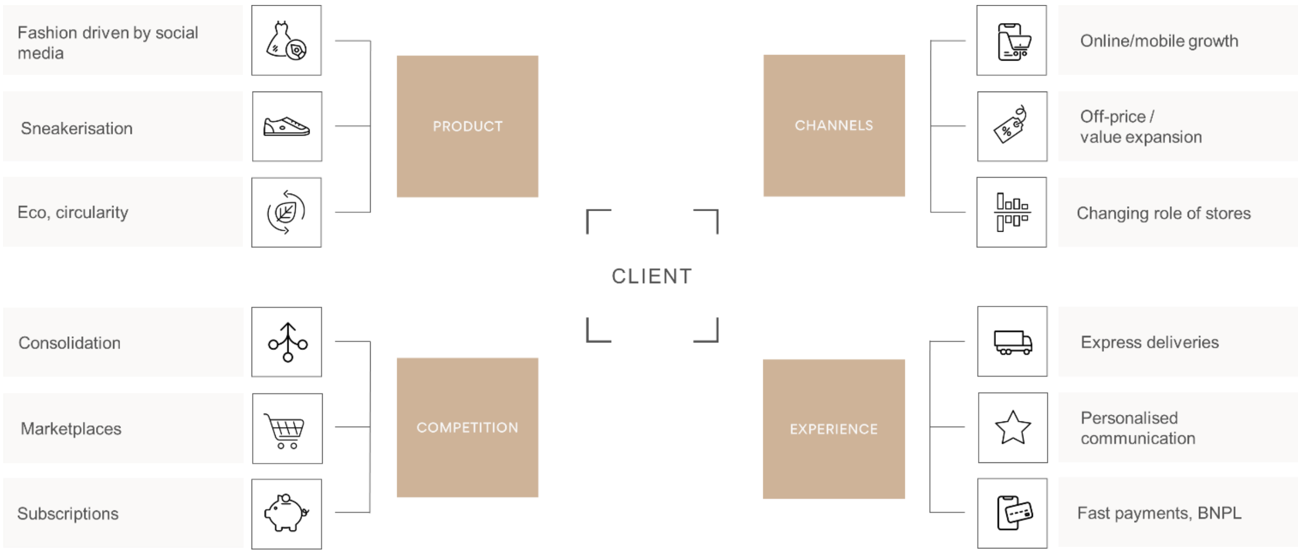
- Growing competition – both the emergence of new players and diversification of the product ranges offered by existing competitors – and consolidation of the market due to problems faced by smaller players as a result of COVID-19
- Development and growing popularity of the marketplace model
- Subscriptions

3. Sales channels

- Growth of online/mobile sales channels – increasing importance and development of new channels of distribution and customer relations
- Expansion of the off-price and value segment
- Evolving role of offline stores – stores as part of omnichannel distribution systems and places where brand experience is created

4. Experience

- Acceleration of deliveries, including the next business day and same day delivery models
- Personalised communication – growing importance of direct interaction with customers, personalisation of the message and continuous feedback
- Fast payments and deferred payments – further rollout of electronic payment solutions and popularisation of deferred payment methods



<u>As a result, customers today make purchases in an increasingly complex manner involving multiple channels</u>:

1. They shops online and use digital solutions
- They expect a consistent experience across all channels
- They are more likely to shop online
- They pay digitally

2. They appreciate a positive shopping experience and extra services
- They expect personalised communication
- They expect fast delivery
- They are likely to choose deferred payment solutions

3. They make informed purchasing decisions
- They look for 'value for money' products
- They are more likely to buy from local brands
- They care about environmental and community support aspects

STRATEGY ADAPTED TO MARKET CHANGES

In response to the changing market, the CCC Group developed and is implementing the GO.25 strategy. The Group's new strategy will be implemented through the omnichannel platform, which includes:

1. Business lines

Five strong complementary business lines – CCC, eobuwie, Modivo, HalfPrice and DeeZee – which complement one another in terms of sales channels and product mix

2. Channels

Overlapping offline and online channels to help the customer choose the best way to make a purchase

3. Products

Diverse product mix, offering customers a wide range of footwear, clothing, accessories and other categories (homeware, health and beauty, and other products)

4. Platform foundations

Mainly the products, communication, supply chain, technology, finance, sustainable development, culture and people

The CCC Group's omnichannel platform is a unique ecosystem for products representing various brands (both private label and third-party brands, which are consistently developed by the Group), enabling the flow of products from full-price (CCC, eobuwie, Modivo, DeeZee) to off-price (HalfPrice) channels.

As part of the new strategy, the Issuer has identified seven key strategic goals:

1) **3x business** – threefold expansion of the Group's business scale by leveraging the omnichannel platform model
2) **EBITDA margin > 12%**
3) **New categories accounting for more than one-third of total sales** – strong entry into new fashion categories, including clothing, homeware and beauty products
4) **60% share of online sales** – with the focus on a well-balanced share of pure online and digitalised offline channels
5) **NPS + 10p for all business lines and channels** – our strategic goal is to increase NPS across all business lines and channels while maintaining a focus on customers and continuously enhancing customer experience

and Sustainable Development Goals – low-carbon circular economy, diversity and transparency, which underpin our strategic efforts:

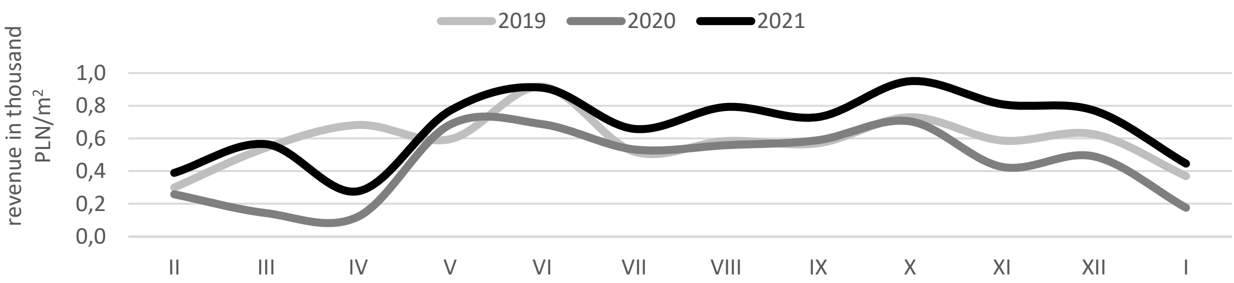
6) **MSCI ESG rating of A+**
7) **Employee engagement +10pp vs industry average**

The CCC Group's strategy is discussed at length in 'CCC Group's strategy, Execution and growth plans'.

SEASONALITY

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

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



ANALYSIS OF SELECTED FINANCIAL AND OPERATING DATA OF THE CCC GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue, cost of sales and gross profit

How we define the individual components of the result:

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

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

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

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

Omnichannel sales in Poland are handled by CCC S.A., which also provides logistics services to CCC.eu Sp. z o.o., Modivo S.A., and HalfPrice Sp. z o.o. Omnichannel sales outside Poland are carried out by the subsidiaries indicated in the section devoted to the structure of the CCC Group. In Germany, retail sales are conducted by the HR Group, an associate, in which CCC S.A. holds a 30.55% equity interest. DeeZee Sp. z o.o. and Gino Rossi S.A. (in June 2020, the platform was taken over by Modivo S.A.) operate exclusively via digital channels. CCC.eu Sp. z o.o. is a wholesaler to franchise entities.

Revenue by distribution channels

	REVENUE [1]			* CHANGE (%)
	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	
	audited	unaudited	audited	unaudited
CCC omnichannel	3,609.3	2,628.3	2,853.1	37.3%
eobuwie omnichannel	2,853.3	2,019.7	2,126.5	41.3%
Modivo omnichannel	540.0	240.0	259.4	>100%
HalfPrice omnichannel	236.9	-	-	-
DeeZee	108.0	69.8	72.5	54.7%
Other	193.2	128.4	152.7	50.5%
Total	**7,540.7**	**5,086.2**	**5,464.2**	**48.3%**
Not allocated to segments/discontinued operations	50.9	160.8	174.4	-68.4%
Total	**7,591.5**	**5,247.0**	**5,638.6**	**44.7%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

Revenue by geographical segments

	REVENUE [1]			* CHANGE (%)
	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	
	audited	unaudited	audited	unaudited
Poland	3,895.2	2,654.5	2,849.0	46.7%
Central and Eastern Europe	2,780.2	1,853.0	1,997.5	50.0%
Western Europe	865.3	578.7	617.7	49.5%
Total	**7,540.7**	**5,086.2**	**5,464.2**	**48.3%**
Not allocated to segments/discontinued operations	50.9	160.8	174.4	-68.4%
Total	**7,591.5**	**5,247.0**	**5,638.6**	**44.7%**

*The change concerns the periods February 1st 2021 − January 31st 2022 and February 1st 2020 − January 31st 2021

[1] Only revenue from sales to external customers.

In the reporting period, revenue was PLN 7,591.5m, having increased by PLN 2,344.5m (+44.7%) year on year.

Strong revenue growth (close to 50%) was seen across all geographical segments. The largest contribution to the revenue growth in value terms was from Poland (PLN +1,240.7m / +46.7%) and in percentage terms from Central and Eastern Europe (PLN +927.2m / +50.0%).

In terms of distribution channels, the largest contributors to the revenue growth in value terms were the CCC omnichannel (PLN +981.0m / +37.3%) and eobuwie omnichannel (PLN +833.6m / +41.3%). The largest revenue growth in percentage terms was recorded for the Modivo omnichannel (up PLN +300.0m / >100%).

The revenue was affected by the change in sales at like-for-like stores and changes resulting from the opening and closing of retail outlets, as well as deployment of the new off-price format and product range expansion. The breakdown of revenue into like-for-like sales and sales by newly opened or closed outlets is presented below.

Like-for-like stores

The revenue was affected by the change in sales at like-for-like stores and changes resulting from the opening and closing of retail outlets.

Breakdown of revenue into like-for-like sales and sales by newly opened or closed outlets.

		LIKE-FOR-LIKE STORES			*CHANGE (%)	OTHER STORES		*CHANGE (%)
SEGMENT	BUSINESS LINE	NUMBER	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021		February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	
			audited	unaudited	unaudited	audited	unaudited	unaudited
Poland	CCC	355	1,468.7	1,037.5	41.6%	363.8	343.4	5.9%
Poland	HalfPrice	-	-	-	-	196.9	-	-
Central and Eastern Europe	CCC	374	1,032.9	745.6	38.5%	126.4	84.4	49.8%
Central and Eastern Europe	HalfPrice	-	-	-	-	20.6	-	-
Western Europe	CCC	3	8.3	6.2	33.9%	75.4	90.6	-16.8%
Western Europe	HalfPrice	-	-	-	-	17.9	-	-
Total		**732**	**2,509.9**	**1,789.3**	**40.3%**	**801.0**	**518.4**	**54.5%**

		LIKE-FOR-LIKE STORES			*CHANGE (%)	OTHER STORES		*CHANGE (%)
SEGMENT	**BUSINESS LINE**	**NUMBER**	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021		February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	
			audited	unaudited	unaudited	audited	unaudited	unaudited
Poland		355	1,468.7	1,037.5	41.6%	560.7	343.4	63.3%
Central and Eastern Europe		374	1,032.9	745.6	38.5%	147.0	84.4	74.2%
Western Europe		3	8.3	6.2	34.6%	93.3	90.6	2.9%
Total		**732**	**2,509.9**	**1,789.3**	**40.3%**	**801.0**	**518.4**	**54.5%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

[1] Like-for-like stores are stores that operated without interruption in the financial years 2020 and 2021.
[2] All other stores, including new stores opened in the current or previous year; stores closed in the current or previous year; and stores which temporarily suspended operations.

In total, revenue generated by like-for-like stores rose by PLN 720.6m (+40.3%) for all stores.

Growth in like-for-like sales was reported from all markets: Central and Eastern Europe (+38.5%), Western Europe (+34.6%). In Poland, the increase in revenue from like-for-like stores was +41.6% year on year.

Poland continues to be the largest retail market, with a 61.3% share in total revenue in the financial year (PLN 2,029.4m), compared with 59.8% (PLN 1,380.9m) in the corresponding period of the previous year.

The PLN 648.5m year-on-year growth in revenue generated in Poland was attributable to revenue from like-for-like stores (up PLN 431.2m) and revenue from other stores (up PLN 217.3m) (including the HalfPrice chain: up PLN 196.9m).

As at the reporting date, retail space in Poland was 371,300 m^2, up 42,900 m^2 year on year.

In the CEE segment as a whole, revenue went up PLN 349.9m (or 42.2%) year on year. In the same period, retail space in Central and Eastern Europe fell by 2,600 m^2 net.

Gross profit

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	*CHANGE (%)
	audited	unaudited	audited	unaudited
Revenue from sales to external customers	7,591.5	5,247.0	5,638.6	44.7%
Cost of sales	-3,927.7	-2,756.2	-2,967.5	42.5%
Cost of sales not allocated to segments	-50.9	-160.8	-174.4	-68.4%
Inventory write-downs	-37.8	-37.1	-40.2	1.9%
Gross profit	**3,575.1**	**2,292.9**	**2,456.5**	**55.9%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

Gross profit by distribution channel

	GROSS PROFIT			*CHANGE (%)	GROSS MARGIN		
	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021		February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited	unaudited	audited	unaudited	audited
CCC omnichannel	1,913.1	1,294.1	1,377.0	47.8%	53.0%	49.2%	48.3%
eobuwie omnichannel	1,233.9	875.6	924.1	40.9%	43.2%	43.4%	43.5%
Modivo omnichannel	216.9	89.3	94.7	>100%	40.2%	37.2%	36.5%
HalfPrice omnichannel	107.8	-	-	-	45.5%	-	-
DeeZee	56.4	35.1	36.1	60.7%	52.2%	50.3%	49.8%
Other	47.0	-1.2	24.6	<-100%	24.3%	-0.9%	16.1%
Total	**3,575.1**	**2,292.9**	**2,456.5**	**55.9%**	**47.4%**	**45.1%**	**45.0%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

Gross profit by geographical segments

	GROSS PROFIT			*CHANGE (%)	GROSS MARGIN		
	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021		February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited	unaudited	audited	unaudited	audited
Poland	1,791.1	1,128.4	1,222.6	58.7%	46.0%	42.5%	42.9%
Central and Eastern Europe	1,389.0	894.1	949.7	55.4%	50.0%	48.3%	47.5%
Western Europe	395.0	270.4	284.2	46.1%	45.6%	46.7%	46.0%
Total	**3,575.1**	**2,292.9**	**2,456.5**	**55.9%**	**47.4%**	**45.1%**	**45.0%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

In the reporting period, consolidated gross profit was PLN 3,575.1m, having increased by PLN 1,282.2m (+55.9%) year on year.

Poland (50.0%) and Central and Eastern Europe (38.9%) accounted for the largest share of total gross profit in the reporting period. In terms of sales channels, the largest shares were recorded by the CCC omnichannel (53.5%) and eobuwie omnichannel (34.5%). Consolidated gross margin was 47.4% in the reporting period, having increased by 2.3pp year on year.

Operating costs

How we define the individual components of the result

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

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

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

Costs of points of purchase

Costs of points of purchase	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	*CHANGE (%)
	audited	unaudited	audited	unaudited
Salaries, wages and employee benefits	-485.4	-350.7	-394.7	38.4%
Other rental costs – utilities and other variable costs	-202.7	-185.1	-176.6	9.5%
Depreciation and amortisation	-472.7	-483.6	-548.7	-2.3%
Taxes and charges	-19.8	-3.7	-4.2	>100%
Raw material and consumables used	-63.9	-55.7	-61.0	14.7%
Transport services	-5.2	-4.5	-5.3	15.6%
Other services	-85.2	-67.3	-72.3	26.6%
Other expenses	-8.8	-5.2	-5.4	69.2%
Total	**-1,343.7**	**-1,155.8**	**-1,268.2**	**16.3%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

In the reporting period, the costs of points of purchase amounted to PLN 1,343.7m, up by PLN 187.9m (+16.3%), with retail space up by 2.2% year on year. The most important groups of costs and expenses are salaries, wages and employee benefits, depreciation and amortisation, and other rental costs, which accounted for 36.1%, 35.2% and 15.1% of the total operating costs of the points of purchase, respectively.

Their increase was mainly attributable to:

- PLN 134.7m increase in salaries, wages and employee benefits expense, attributable to:
  - longer store closures during the lockdown periods in 2020 than in 2021;
  - government subsidies to salaries, wages and employee benefits, which were higher in 2020 than in 2021; and
  - expansion of the sales channels;

- PLN 17.6m increase in other rental costs (turnover rents and variable costs: utilities, electricity, etc.) attributable to longer store closures during the lockdown periods in 2020 than in 2021, renegotiation of lease contracts, expansion of the sales channels and lower rent subsidies provided by the government to ease the impact of COVID-19 restrictions compared with 2020;
- PLN 16.1m increase in taxes and charges, mainly due to retail tax (PLN 15.7m), which has been levied since January 2021.
- lower depreciation expense (down PLN 10.9m) due to renegotiation of lease contracts (including the switch to turnover rents).

Other distribution costs

Other distribution costs	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	*CHANGE (%)
	audited	unaudited	audited	unaudited
Salaries, wages and employee benefits	-312.4	-211.3	-223.9	47.8%
Other rental costs – utilities and other variable costs	-30.0	-28.2	-29.5	6.4%
Depreciation and amortisation	-51.9	-44.1	-46.3	17.7%
Taxes and charges	-17.6	-16.3	-16.9	8.0%
Raw material and consumables used	-99.9	-67.2	-69.9	48.7%
Transport services	-402.1	-280.2	-296.5	43.5%
Other services	-641.5	-400.3	-442.4	60.3%
Other expenses	-347.3	-199.5	-209.0	74.1%
Total	**-1,902.7**	**-1,247.1**	**-1,334.4**	**52.57%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

In the reporting period, other distribution costs were PLN 1,902.7m, having increased by PLN 655.6m (+52.6%) year on year due to the development of the digital business, which was additionally accelerated by the COVID-19 outbreak. The most important groups of costs and expenses were other services, accounting for 33.7%, transport costs, which accounted for 21.1%, and other expenses, which accounted for 18.3% of total other distribution costs. The increase in transport costs is mainly attributable to the development of the digital business at the Group, other expenses comprise advertising and marketing expenses, while other services relate to logistics and warehouse services, as well as IT maintenance costs.

The most significant changes occurred the following types of costs:

- raw material and consumables used, as a result of an increase in the scale of the Modivo Group's business relative to the corresponding period of the previous year;
- other services (up 60.25% year on year, mainly on higher costs of logistics services and warehouse services, as well as higher costs of IT maintenance);
- other expenses, due to higher advertising and marketing spending;
- transport costs, as a result of the launch of the digital channel in further markets in 2021 (including in Russia) and the dynamic development of the digital channel in Poland through CCC S.A., Modivo S.A. and DeeZee;
- salaries, wages and employee benefits, as a result of higher government subsidies in 2020 than in 2021 and expansion of the sales channels.

Administrative expenses

Administrative expenses	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	*CHANGE (%)
	audited	unaudited	audited	unaudited
Salaries, wages and employee benefits	-141.8	-83.1	-82.0	70.6%
Other rental costs – utilities and other variable costs	-23.6	-19.5	-19.9	21.0%
Depreciation	-52.2	-34.2	-37.6	52.6%
Taxes and charges	-8.7	-9.0	-9.6	-3.3%
Raw material and consumables used	-24.5	-16.5	-16.9	48.5%
Transport services	-1.7	-0.3	-0.3	>100%
Other services	-129.0	-71.3	-73.1	80.9%
Other expenses	-11.5	-12.2	-12.8	-5.7%
Total	**-393.0**	**-246.1**	**-252.2**	**59.69%**

*The change concerns the periods February 1st 2021 – January 31st 2022 and February 1st 2020 – January 31st 2021

In the reporting period, administrative expenses amounted to PLN 393.0m, up by PLN 146.9m (+59.7%) year on year. The most significant cost groups included salaries, wages and employee benefits, accounting for 36.1%, and other services, which represented 32.8% of administrative expenses. The year-on-year increase in administrative expenses was led by a rise in other services (up PLN 57.7m), reflecting higher costs of outsourcing and advisory services, and an increase in salaries and wages and employee benefits (up PLN 58.7m), mainly driven by bonuses for the Management Board and the staffing of the HalfPrice segment.

Effect of other income and expenses

How we define the individual components of the result

Other income and expenses include income and expenses from non-core activities, such as gains or losses on disposal of property, plant and equipment, impairment losses on receivables, impairment losses on property, plant and equipment, right-of-use assets, intangible assets and goodwill, penalties and fines, donations, grants, and foreign exchange gains and losses on operating activities, etc.

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

Finance costs include interest expense on borrowings; commission fees paid, foreign exchange gains or losses and other finance costs.

Income tax includes accrued tax and deferred tax.

Operating income and expenses

In the reporting period, other expenses and other income were PLN 62.7m and PLN 125.8m, respectively; on a net basis, the Group generated PLN 63.1m of other income, compared with PLN 142.9m of other expenses in the corresponding period of 2020. The change was mainly attributable to the recognition of income from the forgiven portion of the loan from the Polish Development Fund (PLN 51.0m), as well as the recognition in the previous period of impairment losses on property, plant and equipment and intangible assets (PLN 84.5m), provisions for costs of store closures (PLN 36.4m) and impairment loss on goodwill (PLN 21.8m).

Operating profit (loss)

Operating profit in the reporting period was PLN 3.9m, having increased by PLN 583.0m year on year. The increase was mainly attributable to revenue growth (PLN +2,344.5m) and a higher gross margin (+3.4pp).

Finance income and costs

In reporting period, finance income was PLN 42.7m, a decrease of PLN 56.6m year on year. The main item of finance income was the valuation of options to purchase non-controlling interests (PLN 23.9m; corresponding period of the previous year: PLN 61.8m).

In the same period, finance costs were PLN 200.9m, a decrease of PLN 56.5m year on year. In the reporting period, finance costs included primarily interest and commission fees (PLN 172.6m) and measurement of the option to purchase non-controlling interests (PLN 17.7m).

Income tax

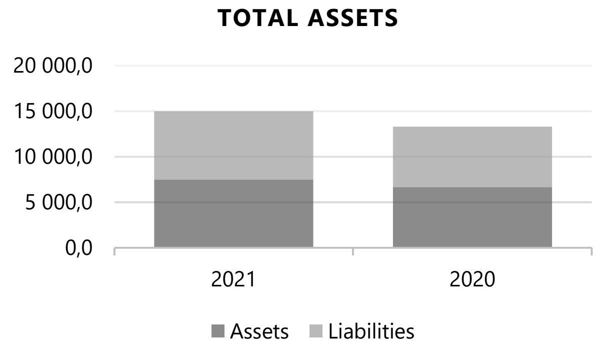
In the reporting period, income tax totalled PLN 67.1m (current tax: PLN 82.5m, prior year adjustments reducing the tax base: PLN 7.2m, and an increase in deferred tax assets: PLN 22.6m).

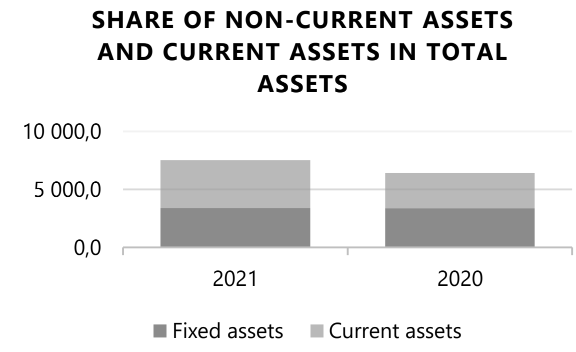
Net profit

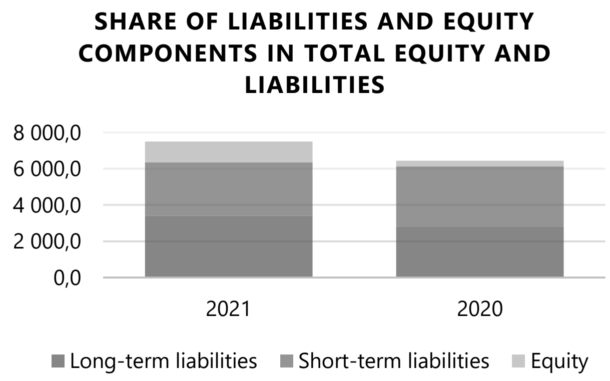
After accounting for finance income and costs, loss allowances, share in the loss of an associate and income tax expense, net loss from continuing operations in the reporting period was PLN 221.0m, which represents a PLN 688.0m decrease year on year.

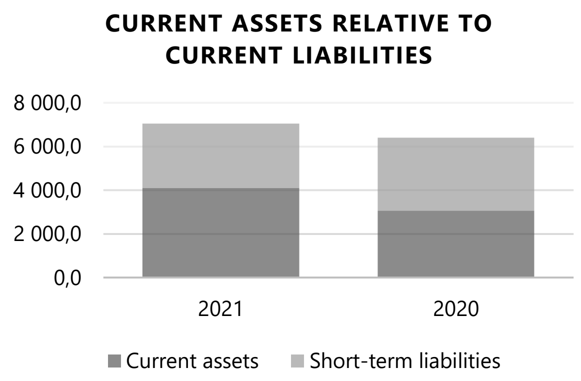
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (OVERVIEW OF THE MAIN ITEMS)

	January 31st 2022	January 31st 2021	*CHANGE (%)
	audited	audited	audited
Non-current assets, including:	**3,393.8**	**3,375.1**	**0.6%**
Property, plant and equipment	1,288.7	1,237.9	4.1%
Right-of-use assets	1,388.9	1,455.5	-4.6%
Deferred tax assets	175.5	152.1	15.4%
Current assets, including:	**4,106.9**	**3,061.4**	**34.2%**
Inventories	2,625.8	2,192.6	19.8%
Cash and cash equivalents	941.1	458.7	>100%
Assets classified as held for sale	**-**	**210.9**	**-100.0%**
TOTAL ASSETS	**7,500.7**	**6,647.4**	**12.8%**
Non-current liabilities, including:	**3,410.2**	**2,785.4**	**22.4%**
Financing liabilities	1,914.6	472.7	>100%
Lease liabilities	1,303.9	1,415.4	-7.9%
Current liabilities, including:	**2,938.9**	**3,346.5**	**-12.2%**
Financing liabilities	545.0	1,196.9	-54.5%
Trade and other payables	1,480.1	1,269.3	16.6%
Liabilities directly related to assets classified as held for sale	**-**	**205.7**	**-100.0%**
TOTAL LIABILITIES	**6,349.1**	**6,337.6**	**0.2%**
EQUITY	**1,151.6**	**309.8**	**>100%**









Non-current assets

<u>How we define the individual components of the non-current assets</u>

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

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

	PROPERTY, PLANT AND EQUIPMENT		CHANGE (%)	
	January 31st 2022	January 31st 2021	PROPERTY, PLANT AND EQUIPMENT	IN RETAIL SPACE
	audited	audited	audited	audited
Leasehold improvements	**573.6**	**541.8**	**5.9%**	**2.2%**
Manufacturing and distribution	**623.6**	**603.0**	**3.4%**	
Land, buildings and structures	422.7	398.2	6.2%	
Machinery and equipment	177.7	169.1	5.1%	
Property, plant and equipment under construction	23.2	35.7	-35.0%	
Other	**91.5**	**93.1**	**-1.7%**	
Total	**1,288.7**	**1,237.9**	**4.1%**	

As at the reporting date, non-current assets comprised, among other things, property, plant and equipment (PLN 1,288.7m), intangible assets (PLN 317.9m), goodwill (PLN 197.9m), right-of-use assets (PLN 1,388.9m), and deferred tax assets (PLN 175.5m). Non-current assets rose by 0.6% year on year, to PLN 3,393.8m.

Deferred tax assets disclosed as at the reporting date mainly related to recognition of deferred tax assets in connection with the tax economic zone relief, measurement of lease contracts, acquisition of trademarks, or impairment of assets, and amounted to PLN 175.5m as at the reporting date. For a detailed description of recognition of deferred tax assets and liabilities, see Note 3.4 to the consolidated financial statements.

Current assets

How we define the individual components of the current assets

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

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

As at the reporting date, current assets were PLN 4,106.9m and included inventories (PLN 2,625.8m), cash and cash equivalents (PLN 941.1m), trade and other receivables (PLN 519.5m), income tax receivables (PLN 17.2m) and derivative financial instruments (PLN 3.1m). Current assets rose to PLN 3,061.4m, by 34.2% year on year, with cash and cash equivalents and inventories up by over 100% and 19.8%, respectively.

Inventories

	January 31st 2022	January 31st 2021	CHANGE (%)
	audited	audited	audited
Retail	770.4	660.4	16.7%
Warehouse	872.1	990.1	-11.9%
E-commerce	1,039.8	561.9	85.1%
Factory	-	30.6	-100.0%
Total inventories before consolidation adjustments	**2,682.3**	**2,243.0**	**19.6%**
Consolidation adjustments	**-56.5**	**-50.4**	**12.2%**
Total net inventories	**2,625.8**	**2,192.6**	**19.8%**
Share of inventory write-downs in net inventories	**-1.4%**	**-1.7%**	**-14.9%**
Inventory turnover [1]	**238.6**	**270.9**	**-11.9%**

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

Cash and cash equivalents

As at the reporting date, cash and cash equivalents amounted to PLN 941.1m, having gone up by PLN 482.4m (>100%) year on year. As at the reporting date, nearly 100% of cash was held in hand or in bank accounts.

Equity and financing liabilities

How we define the individual components of equity and financing liabilities

Equity is recorded in accounting books, broken down into the following components: share capital; share premium, retained earnings; and other components of equity.

Financing liabilities consist mainly of bank borrowings and issued bonds.

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

As at the reporting date, equity increased by PLN 841.8m (>100%). The increase in equity was chiefly attributable to the sale of Modivo S.A. shares, as described in detail in Note 6.1 to the consolidated financial statements.

As at the reporting date, non-current liabilities stood at PLN 3,410.2m, up by PLN 624.8m (22.4%) year on year. As at the reporting date, the total amount of non-current liabilities included non-current financing liabilities (PLN 1,914.6m), lease liabilities (PLN 1,303.9m), and liabilities under the obligation to purchase non-controlling interests (PLN 64.8m).

As at the reporting date, current liabilities amounted to PLN 2,938.9m, a decrease of PLN 407.6m (-12.2%) relative to the comparative period. As at the reporting date, the total amount of current liabilities comprised mainly trade payables (PLN 1,480.1m), lease liabilities (PLN 491.6m), current financing liabilities (PLN 545.0m), and other liabilities (PLN 375.9m).

CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEW OF THE MAIN ITEMS)

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	***CHANGE (%)**
	audited	unaudited	audited	unaudited
Profit before tax from continuing operations	**-153.9**	**-888.3**	**-968.3**	**-82.7%**
Adjustments	610.3	1,427.8	1,428.7	-57.2%
Income tax paid	-95.7	-50.4	-56.0	89.9%
Cash flow before changes in working capital	**389.4**	**209.0**	**112.6**	**86.4%**
Changes in working capital	-339.1	64.8	-174.7	<-100%
Cash flows from operating activities	**50.3**	**273.8**	**-62.1**	**-81.6%**
Cash flows from investing activities	**-219.2**	**-243.0**	**-261.8**	**-9.8%**
Cash flows from financing activities, including:	**651.3**	**135.6**	**240.0**	**>100%**
Proceeds from borrowings	939.3	252.1	252.1	>100%
Repayment of borrowings	-978.8	-184.1	-77.5	>100%
Bond issue	860.0	-	-	-
Acquisition of Modivo S.A. shares from MKK3 Sp. z o.o.	-720.0	-	-	-
Sale of shares to A&R and Polsat	1,000.0	-	-	-
Total cash flows	**482.4**	**166.4**	**-83.9**	**>100%**

Net cash flows from operating activities

Consolidated net cash flows from operating activities in the reporting period were PLN 50.3m and resulted from changes in working capital of PLN -339.1m (including change in inventories and inventory write-downs of PLN -433.3m), and in a PLN 389.4m operating profit adjusted for non-cash transactions.

Net cash flows from investing activities

Consolidated net cash flows from investing activities in the reporting period were PLN -219.2m. Including mainly payments made to acquire intangible and non-current assets (PLN -312.9m) and proceeds from the sale of NG2 s.a.r.l. and KVAG AG (PLN 58.0m).

Net cash flows from financing activities

Consolidated net cash flows from financing activities in the reporting period were PLN 651.3m. The amount included mainly an advance payment received from A&R Investments Limited and payment from Cyfrowy Polsat on account of the sale of shares (PLN +1,000m), payment for the acquisition of shares in Modivo S.A. (PLN -720m), issue of bonds (PLN 860.0m) and lease payments (PLN -346.0m).

Taking into account the cash flows discussed above, at the end of the financial year the Group's cash balance was PLN 941.1m, having increased by PLN 482.4m year on year.

PROFIT GUIDANCE

No financial forecasts have been published.

MANAGEMENT OF FINANCIAL RESOURCES AND LIQUIDITY

DEBT AND LIQUIDITY OF THE CCC GROUP

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

Bank borrowings and bonds

As at the reporting date, the Group had financing liabilities of PLN 2,459.6m, consisting of bank borrowings, bonds and financial assistance.

The short-term portion of financing liabilities as at the reporting date comprised debt under bank borrowings and bonds of PLN 545.0m.

BANK	COMPANY	INSTRUMENT	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	*UTILISATION [MILLION]	CURRENCY
Credit facility agreements							
PKO BP	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2025	96.3	96.3	PLN
		including short-term portion			9.1	9.1	PLN
Millennium	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2025	29.6	29.6	PLN
		including short-term portion			2.8	2.8	PLN
BNP Paribas	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2025	31.1	31.1	PLN
		including short-term portion			2.9	2.9	PLN
Santander	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2025	74.7	74.7	PLN
		including short-term portion			7.0	7.0	PLN
Citibank	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2025	55.2	55.2	PLN
		including short-term portion			5.2	5.2	PLN
mBank	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2025	40.4	40.4	PLN
		including short-term portion			3.8	3.8	PLN
Pekao S.A.	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2025	59.8	59.8	PLN
		including short-term portion			5.6	5.6	PLN
PKO BP	CCC.eu Sp. z o.o.	Long-term credit facility	November 21st 2019	June 30th 2024	107.2	107.2	PLN
Pekao S.A.	CCC.eu Sp. z o.o.	Long-term credit facility	October 14th 2014	April 30th 2024	65.2	65.1	PLN
mBank	CCC.eu Sp. z o.o.	Long-term credit facility	December 17th 2018	June 30th 2024	10.3	-	PLN
Citibank	CCC.eu Sp. z o.o.	Long-term credit facility	March 3rd 2009	June 30th 2024	36.6	0.8	PLN
Citibank	CCC.eu Sp. z o.o.	Long-term credit facility	March 3rd 2009	June 30th 2024	36.6	36.6	PLN
Santander	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2024	23.8	23.8	PLN
BNP Paribas	CCC.eu Sp. z o.o.	Long-term credit facility	June 2nd 2021	June 30th 2024	13.3	13.3	PLN
mBank	CCC.eu Sp. z o.o.	Long-term credit facility	June 14th 2021	March 3rd 2023	46.0	46.0	PLN

Pekao S.A.	CCC.eu Sp. z o.o.	Long-term credit facility	March 31st 2021	March 9th 2023	92.2	92.2	PLN
Citibank	CCC.eu Sp. z o.o.	Long-term credit facility	June 17th 2021	May 31st 2023	79.1	79.1	PLN
mBank	CCC Factory Sp. z o.o.	Long-term credit facility	June 14th 2021	March 3rd 2023	3.5	1.0	PLN
Citibank	CCC Factory Sp. z o.o.	Long-term credit facility	June 17th 2021	May 31st 2023	5.6	-	PLN
BNP Paribas	CCC Factory Sp. z o.o.	Long-term credit facility	March 31st 2021	March 31st 2023	23.2	23.2	PLN
Pekao S.A.	CCC Factory Sp. z o.o.	Long-term credit facility	March 31st 2021	March 9th 2023	6.9	6.8	PLN
Pekao S.A.	CCC S.A.	Short-term credit facility	November 5th 2020	October 30th 2022	41.0	41.0	PLN
PKO BP	CCC S.A.	Short-term credit facility	November 5th 2020	October 30th 2022	60.0	60.0	PLN
Citibank	CCC S.A.	Short-term credit facility	November 5th 2020	October 30th 2022	31.0	31.0	PLN
BNP Paribas	CCC S.A.	Short-term credit facility	November 5th 2020	October 30th 2022	13.0	13.0	PLN
Santander	CCC S.A.	Short-term credit facility	November 5th 2020	October 30th 2022	50.0	50.0	PLN
Millennium	CCC S.A.	Short-term credit facility	November 5th 2020	October 30th 2022	16.0	16.0	PLN
mBank	CCC S.A.	Short-term credit facility	November 5th 2020	October 30th 2022	39.0	39.0	PLN
PKO BP	Modivo S.A.	Short-term credit facility	November 21st 2019	April 30th 2022	22.8	-	PLN
Pekao S.A.	Modivo S.A.	Short-term credit facility	October 26th 2017	April 30th 2022	158.2	149.4	PLN
PKO BP	Modivo S.A.	Short-term credit facility	November 21st 2019	November 21st 2022	103.2	103.2	PLN
Total credit facility agreements, PLN					**1,470.8**	**1,384.8**	**PLN**
Bonds							
CCC0626	CCC S.A.	Bonds	June 29th 2018	June 29th 2026	210.0	210.0	PLN
Softbank	Modivo S.A.	Bonds	September 1st 2021	August 23rd 2024	500.0	500.0	PLN
PFR	CCC Shoes & Bags Sp. z o.o.	Bonds	September 22nd 2021	September 22nd 2028	364.7	364.7	PLN
Total Bonds					**1,074.7**	**1,074.7**	**PLN**
Guarantee facility							
PKO BP	CCC S.A.	Bank guarantee facility	November 21st 2019	June 30th 2024	38.5	30.0	PLN
mBank	CCC S.A.	Bank guarantee facility	November 4th 2012	June 30th 2024	34.0	17.3	PLN
Santander	CCC S.A.	Bank guarantee facility	March 31st 2009	June 30th 2024	54.5	30.1	PLN
BNP Paribas Bank Polska S.A.	CCC S.A.	Bank guarantee facility	May 4th 2011	June 30th 2024	23.0	16.6	PLN
Pekao S.A.	Modivo S.A.	Bank guarantee facility	October 26th 2017	April 30th 2021	101.8	101.8	PLN
PKO BP	Modivo S.A.	Bank guarantee facility	June 2nd 2021	November 21st 2022	35.6	35.6	PLN
Ceska sporitelna	CCC Czech	Bank guarantee facility	April 6th 2020	July 31st 2023	100.0	73.0	CZK
Ceska sporitelna	CCC Slovakia	Bank guarantee facility	April 6th 2020	July 31st 2023	60.0	43.1	CZK
Raiffeisen	CCC Hungary	Bank guarantee facility	June 25th 2014	December 31st 2022	3.0	1.5	EUR
Total guarantee facility, PLN					**287.4**	**231.4**	**PLN**
Total guarantee facility, CZK					**160.0**	**116.1**	**CZK**
Total guarantee facility, EUR					**3.0**	**1.5**	**EUR**

* The data presented in the table relates to amounts utilised in cash, not consistent with the carrying amount of the liability as a result of its measurement at amortised cost and the recognition of embedded derivative financial instruments.

Bonds

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

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

1. Nominal value: PLN 1,000.0 per bond;
2. Issue price: equal to the nominal value;
3. Number of Bonds: 210,000 in series 1/2014 and 210,000 in series 1/2018;
4. Total nominal value of the bonds – PLN 210m in series 1/2014 and PLN 210m in series 1/2018;
5. Redemption: one-off, at nominal value on June 10th 2019 for series 1/2014 and on June 29th 2021 for series 1/2018;
6. Interest rate of coupon bonds: variable, 6M WIBOR plus fixed margin, payable on a six-monthly basis;
7. Listing in the alternative trading system on Catalyst – series 1/2014 bonds as of October 16th 2014.
8. Series 1/2014 bonds were registered with the Central Securities Depository of Poland on July 20th 2018.

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

Under Resolution No. 4 of May 17th 2021 passed by the Bondholders' Meeting of the holders of Series 1/2018 Bonds, issued on June 29th 2018 pursuant to the Terms and Conditions of the Bonds of June 21st 2018, the terms and conditions of the Bonds were amended, in particular the Bonds redemption date was changed from June 29th 2021 to June 29th 2026.

Covenants

CCC Group

In the Management Board's opinion as at January 31st 2022, none of the covenants were breached during the reporting period and until the date of authorisation of this Report for issue.

Under the refinancing agreements of June 2nd 2021 and the ordinary bonds issue agreement (ISIN:PLCCC0000081) of May 17th 2021, The Group is required to comply with the following covenants (among others):

Capital expenditure first calculated for the CCC business unit (the CCC Group excluding the Modivo Group segment) as at January 31st 2022 not higher than PLN 255.0m.

Modivo Group

In the Management Board's opinion as at January 31st 2022, none of the covenants were breached during the reporting period and until the date of authorisation of this Report for issue.

Under the credit facility and factoring agreements currently in effect, the Modivo Group is required to comply with the following covenants (among others):

Net Financial Debt/EBITDA calculated for the Modivo Group not higher than 3.5 – as at January 31st 2022, the ratio was at 1.86.

Financial metrics to be reviewed after the reporting date

EBITDA first calculated for the CCC business unit (the CCC Group excluding the Modivo Group) as at July 31st 2022 (for a 12-month period) not lower than PLN 30.0m.
Net Exposure/EBITDA first calculated for the CCC business unit (the CCC Group excluding the Modivo Group segment) as at January 31st 2023 not lower than 4.7.
DSCR calculated for the CCC business unit (the CCC Group excluding the Modivo Group) from January 31st 2023 not lower than 1.3.
Net Financial Debt/EBITDA calculated for the Modivo Group not higher than 3.5 – as at July 31st 2022 and January 31st 2023.
As at the reporting date, none of these metrics (with the exception of capital expenditure) was calculated and tested for compliance with the respective covenant, as there was no such obligation.

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

Debt ratios

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

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

	January 31st 2022	January 31st 2021
	audited	audited
Net debt		
Bank borrowings	1,385.7	1,459.2
(+) Liabilities under bonds	1,073.9	210.4
= Financing liabilities	**2,459.6**	**1,669.6**
(-) Cash and cash equivalents	941.1	458.7
= Net debt	**1,518.5**	**1,210.9**
Debt ratio		
Total equity	1,151.6	309.8
(+) Net debt	1,518.5	1,210.9
= Capital employed	**2,670.1**	**1,520.7**
Debt ratio (net debt/capital employed)	**0.6**	**0.8**

The debt ratio fell by 0.2pp relative to January 31st 2021 due to an increase in financing liabilities (PLN +790m), an increase in cash and cash equivalents (PLN +482.4m), which led to a decrease in net debt, and an increase in equity (PLN +841.8m).

The performance measure used by the Management Board is EBITDA. EBITDA and net debt are not measures under accounting standards and are not defined in IFRS, and therefore may be reported differently by different entities. EBITDA calculated for the purposes of the Directors' Report is defined differently from EBITDA in the credit facility agreement.

EBITDA is a measure used mainly for the purposes of debt analysis.

The debt/EBITDA ratio is calculated as the quotient of net debt and EBITDA.

	January 31st 2022	January 31st 2021
	audited	audited
Net debt		
Bank borrowings	1,385.7	1,459.2
(+) Liabilities under bonds	1,073.9	210.4
= Financing liabilities	**2,459.6**	**1,669.6**
(-) Cash and cash equivalents	941.1	458.7
= Net debt	**1,518.5**	**1,210.9**
EBITDA		
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	-221.0	-909.0
(-) Income tax	-67.1	-20.7
Profit (loss) before tax	**-153.9**	**-888.3**
(-) Finance costs	-200.9	-257.4
(-) Loss allowances	-	-130.2
(-) Finance income	42.7	99.3
(-) Share of profit (loss) of associates	0.4	-20.9
Operating profit (loss)	**3.9**	**-579.1**
(-) Depreciation	-577.3	-566.7
= EBITDA	**581.2**	**-12.4**
Debt/EBITDA ratio (net debt/EBITDA)	**2.6**	**-97.7**

EBITDA rose by PLN 593.6m relative to the previous reporting period, mainly on account of a lower net loss from continuing operations (PLN +688.0m) relative to January 31st 2021.

Debt to EBITDA ratio fell by 100.3 relative to the previous reporting period.

Current ratio

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

	January 31st 2022	January 31st 2021
	audited	audited
Inventories	2,625.8	2,192.6
(+) Trade receivables, other receivables, income tax receivable, and lease receivables	536.9	408.4
(+) Cash and cash equivalents	941.1	458.7
(+) Derivative financial instruments	3.1	1.7
= Current assets	**4,106.9**	**3,061.4**
Short-term financing liabilities	545.0	1,196.9
(+) Trade payables, other liabilities and income tax liabilities	1,884.2	1,674.2
(+) Provisions and grants	18.0	24.9
(+) Lease liabilities	491.6	450.5
(+) Liabilities arising from obligation to purchase non-controlling interests	0.1	-
= Current liabilities	**2,938.9**	**3,346.5**
Current ratio (current assets/current liabilities)	**1.4**	**0.9**

As at the reporting date, current ratio was 1.4, up 0.5pp on the comparative period, due to an increase in current assets and a decrease in current liabilities (led mainly by a reduction in current financing liabilities as a result of debt refinancing and longer maturities of borrowings).
The excess of current assets over current liabilities was PLN 1,168.0m.

Financial instruments

As at the reporting date, the Company used forward instruments to hedge against currency risk arising from an open exposure denominated in USD, as well as derivative financial instruments embedded in bonds issued to PFR – Equity Kicker and in bonds convertible into Modivo shares (voluntary conversion option). For a detailed description of the financial instruments used, see Note 6.1.

Issue of securities and use of proceeds

No securities were issued in 2021.

On September 9th 2021, the Management Board of CCC Shoes and Bags Sp. z o.o. entered into an agreement for the provision of debt financing in the form of bonds with PFR Inwestycje Fundusz Inwestycyjny Zamknięty, represented by Polski Fundusz Rozwoju S.A. On September 9th 2021, CCC S&B entered into an issue agreement for the issue of up to 360 ordinary registered bonds with a total nominal value of PLN 360m. The issue date was September 22nd 2021, as described in the 'Going concern' note.

On October 5th 2021, Modivo S.A. of Zielona Góra, an indirect subsidiary of the CCC Group, issued unsecured bonds convertible into Modivo S.A. shares, with a total value of PLN 500m. The bonds were issued to SVF II Motion Subco (DE) LLC, a related party of SoftBank Vision Fund 2, on the terms and conditions set out in the Subscription and Investment Agreement concluded by CCC Shoes & Bags Sp. z o.o. The total value of the bond issue is PLN 500m, and the entire issue proceeds have already been transferred to Modivo S.A.

Feasibility of investment plans

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

AGREEMENTS EXECUTED BY COMPANIES OF THE CCC GROUP

Loans

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC S.A.	CCC Shoes Bulgaria EOOD	December 4th 2014	January 31st 2023	4.0	BGN	6%
CCC S.A.	CCC.eu Sp. z o.o.	December 17th 2014	June 1st 2026	9.3	USD	2%
CCC S.A.	CCC Shoes & Bags d.o.o. Beograde	September 22nd 2016	January 31st 2023	0.1	EUR	4%
		November 18th 2016	January 31st 2023	0.1	EUR	4%
		December 9th 2016	January 31st 2023	0.1	EUR	4%
CCC S.A.	HR Group Holding s.a.r.l.	January 31st 2019	December 31st 2019	41.5	EUR	8%
CCC S.A.	CCC Obutev d.o.o	February 18th 2019	February 28th 2022	0.8	EUR	1%
		April 21st 2020	April 30th 2022	0.3	EUR	1%
CCC S.A.	CCC Hrvatska d.o.o.	February 28th 2019	February 28th 2022	3.8	HRK	1%
CCC S.A.	HR Group GmbH & Co. KG	February 17th 2020	March 31st 2023	6.2	EUR	3%
CCC S.A.	CCC.eu Sp. z o.o.	June 22nd 2021	June 1st 2026	1,000.0	PLN	4%
CCC S.A.	HalfPrice Sp. z o.o.	June 22nd 2021	June 1st 2026	200.0	PLN	4%
CCC S.A.	DeeZee Sp. z o.o.	August 17th 2021	July 26th 2026	11.0	PLN	4%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC Shoes & Bags Sp. z o.o.	Shoe Express S.A.	April 25th 2018	April 25th 2023	30.0	EUR	3%
		February 5th 2019	February 28th 2022	1.0	EUR	2%
CCC Shoes & Bags Sp. z o.o.	CCC S.A.	September 17th 2021	September 30th 2022	360.0	PLN	3M WIBOR + 8%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC.eu Sp. z o.o.	CCC GERMANY GmbH (agreement)	April 11th 2018	April 30th 2023	18.5	EUR	2%
CCC.eu Sp. z o.o.	CCC Shoes & Bags Sp. z o.o.	April 24th 2018	January 31st 2029	20.0	EUR	2%
CCC.eu Sp. z o.o.	CCC S.A.	June 22nd 2021	June 1st 2026	47.2	PLN	4%

LENDER	BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
Modivo S.A.	eobuwie.pl Logistics Sp. z o.o.	October 15th 2015	September 30th 2026	50.0	PLN	3M WIBOR +0.55%
Modivo S.A.	Branded Shoes and Bags sp. z o.o.	September 11th 2019	December 31st 2029	2.0	PLN	3M WIBOR +0.55%
Modivo S.A.	LFT BEEHER B.V.	July 23rd 2020	July 23rd 2023	28.6	EUR	3%
Modivo S.A.	eobuv.cz s.r.o.	April 12th 2021	December 31st 2031	4.5	PLN	3M WIBOR +0.55%
Modivo S.A.	epantofi.modivo s.r.l.	September 3rd 2021	December 31st 2031	15.0	PLN	3M WIBOR +0.55%
Gino Rossi S.A.	CCC S.A.	August 3rd 2021	January 31st 2023	20.0	PLN	3%
CCC Factory Sp. z o.o.	CCC.eu Sp. z o.o.	December 17th 2021	June 1st 2026	100.0	PLN	4%

Guarantees provided as support of commercial space lease contract

Bank guarantees under CCC S.A.'s guarantee facilities

COMPANY	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF GUARANTEE [MILLION]	CURRENCY
CCC S.A.	10	CCC Austria Ges.m.b.H	1.2	EUR
CCC S.A.	15	CCC Hrvatska d.o.o.	0.6	EUR
CCC S.A.	6	CCC Obutev d.o.o.	0.5	EUR
CCC S.A.	60	Shoe Express S.A.	1.9	EUR
CCC S.A.	1	Shoe Express S.A.	0.1	RON
CCC S.A.	5	CCC Shoes Bulgaria EOOD	0.2	EUR
CCC S.A.	5	CCC Russia OOO	0.1	EUR
CCC S.A.	28	CCC Russia OOO	37.9	RUB
CCC S.A.	3	CCC Russia OOO	0.2	USD
CCC S.A.	2	CCC Ukraine Sp. z o.o. (franchise)	0.1	EUR
CCC S.A.	11	CCC Ukraine Sp. z o.o. (franchise)	0.1	USD
CCC S.A.	1	DeeZee Sp. z o.o.	0.1	PLN
CCC S.A.	1	DeeZee Sp. z o.o.	-	EUR
CCC S.A.	15	Modivo S.A.	1.0	EUR
CCC S.A.	3	Modivo S.A.	0.7	PLN
CCC S.A.	4	OFP Austria GmbH	0.8	EUR
CCC S.A.	15	HalfPrice Sp. z o.o.	1.7	EUR
CCC S.A.	2	HalfPrice Sp. z o.o.	0.3	PLN
CCC S.A.	12	CCC.eu Sp. z o.o.	0.8	EUR
CCC S.A.	2	CCC.eu Sp. z o.o.	0.8	PLN

Bank guarantees under guarantee facilities of other companies

COMPANY	NUMBER OF GUARANTEES	DEBTOR	AMOUNT OF GUARANTEE [MILLION]	CURRENCY
CCC Czech s.r.o.	33	CCC Czech s.r.o.	41.6	CZK
CCC Czech s.r.o.	19	CCC Czech s.r.o.	1.3	EUR
CCC Slovakia s.r.o.	38	CCC Slovakia s.r.o.	1.8	EUR
CCC Hungary Shoes Kft.	12	CCC Hungary Shoes Kft.	1.5	EUR
Modivo S.A.	28	Modivo S.A.	18.8	EUR
Modivo S.A.	7	Modivo S.A.	15.0	PLN
Modivo S.A.	0	Modivo S.A.	-	USD

Surety for the lease of stores provided by the parent

COMPANY	NUMBER OF SURETIES	DEBTOR	AMOUNT OF SURETY [MILLION]	CURRENCY
CCC S.A.	1	CCC Austria Ges.m.b.H.	-	EUR
CCC S.A.	27	CCC Czech s.r.o.	27.7	CZK
CCC S.A.	15	CCC Czech s.r.o.	0.6	EUR
CCC S.A.	6	CCC Germany GmbH	0.4	EUR
CCC S.A.	8	CCC Hrvatska d.o.o.	0.3	EUR
CCC S.A.	62	CCC Hungary Shoes Kft.	2.6	EUR
CCC S.A.	16	CCC Hungary Shoes Kft.	174.6	HUF
CCC S.A.	7	CCC Obutev d.o.o.	0.3	EUR
CCC S.A.	16	CCC Slovakia s.r.o.	0.6	EUR
CCC S.A.	6	HalfPrice Sp. z o.o.	0.5	EUR
CCC S.A.	21	HalfPrice Sp. z o.o.	18.4	PLN
CCC S.A.	36	Shoe Express S.A.	0.8	EUR
CCC S.A.	1	Shoe Express S.A.	0.1	RON

Other sureties and guarantees

Intragroup provided to Polish subsidiaries:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Millenium	CCC.eu Sp. z o.o.	Aval for reverse factoring agreement secured by BGK	March 9th 2021	-	51.9	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Millenium	CCC.eu Sp. z o.o.	Aval for reverse factoring agreement secured by BGK	March 9th 2021	February 27th 2026	103.8	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.)	Pekao S.A.	CCC.eu Sp. z o.o.	Surety for multi-purpose credit facility agreement	June 16th 2021	-	110.6	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Handlowy	CCC.eu Sp. z o.o.	Aval for card agreement	December 8th 2016	3 years from debt due date	0.6	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Handlowy	CCC.eu Sp. z o.o.	Surety for revolving credit facility agreement secured by BGK	June 17th 2021	-	94.9	PLN
CCC S.A. (Surety granted jointly with CCC Factory Sp. z o.o. and Gino Rossi S.A.)	Santander Factoring	CCC.eu Sp. z o.o.	Surety for reverse factoring agreement secured by BGK	July 1st 2021	-	258.2	PLN
CCC S.A.	mBank	CCC.eu Sp. z o.o.	Surety for revolving credit facility agreement secured by BGK	July 1st 2021	June 3rd 2023	46.0	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC.eu Sp. z o.o.)	Bank Handlowy	CCC Factory Sp. z o.o.	Surety for overdraft facility agreement secured by BGK	June 17th 2021	-	7.0	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC.eu Sp. z o.o.)	Millennium	CCC Factory Sp. z o.o.	Aval for reverse factoring	March 9th 2021	-	10.5	PLN

			agreement secured by BGK				
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC.eu Sp. z o.o.)	Millennium	CCC Factory Sp. z o.o.	Aval for reverse factoring agreement secured by BGK	March 9th 2021	February 27th 2026	20.9	PLN
CCC S.A. (Surety provided jointly with CCC Shoes & Bags Sp. z o.o., CCC.eu Sp. z o.o.)	Pekao S.A.	CCC Factory Sp. z o.o.	Surety for overdraft facility agreement secured by BGK	March 31st 2021	-	8.3	PLN
CCC S.A.	BNP PARIBAS	CCC Factory Sp. z o.o.	Surety for overdraft facility agreement secured by BGK	July 1st 2021	March 31st 2026	34.8	PLN
CCC S.A.	mBank	CCC Factory Sp. z o.o.	Surety for revolving credit facility agreement secured by BGK	June 14th 2021	June 3rd 2025	3.5	PLN
CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o. and Gino Rossi S.A.)	Santander Factoring	CCC Factory Sp. z o.o.	Surety for reverse factoring agreement secured by BGK	March 9th 2021	-	43.4	PLN
CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	Bank Handlowy	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	June 18th 2021	December 31st 2028	203.7	PLN
CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	Millenium	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	June 18th 2021	December 31st 2028	58.6	PLN
CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	Pekao S.A.	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	June 18th 2021	December 31st 2028	199.7	PLN
CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	PKO BP S.A.	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	June 18th 2021	December 31st 2028	378.6	PLN
CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	BNP PARIBAS	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	June 18th 2021	December 31st 2028	106.3	PLN
CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	mBank	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	June 18th 2021	December 31st 2028	135.2	PLN

CCC S.A. (Surety granted jointly with CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	Santander Bank	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for syndicated agreement	June 18th 2021	December 31st 2028	247.0	PLN
CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o.	agent/Security Agent	CCC.eu Sp. z o.o., CCC S.A., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o.	Surety for Commission Agreement	June 24th 2021	December 31st 2028	2.6	PLN
CCC S.A.	PFRI FIZ	CCC Shoes & Bags Sp. z o.o.	Surety for bonds	September 16th 2021	September 30th 2031	720.0	PLN

Received by CCC S.A.

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o.)	Bondholders	CCC S.A.	Surety for bonds	June 21st 2018	June 29th 2026	750.0	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	Bondholders	CCC S.A.	Surety for bonds	June 1st 2021	June 29th 2027	315.0	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A.)	Bank PKO BP	CCC S.A.	Surety for Common Terms Agreement (CTA)	November 5th 2020	October 31st 2022	90.0	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A.)	Bank Pekao S.A.	CCC S.A.	Surety for Common Terms Agreement (CTA)	November 5th 2020	October 31st 2022	61.5	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A.)	mBank	CCC S.A.	Surety for Common Terms Agreement (CTA)	November 5th 2020	October 31st 2022	58.5	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A.)	Santander Bank	CCC S.A.	Surety for Common Terms Agreement (CTA)	November 5th 2020	October 31st 2022	75.0	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A.)	Bank Millennium	CCC S.A.	Surety for Common Terms Agreement (CTA)	November 5th 2020	October 31st 2022	24.0	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A.)	BNP PARIBAS	CCC S.A.	Surety for Common Terms Agreement (CTA)	November 5th 2020	November 5th 2022	19.5	PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A.)	Bank Handlowy	CCC S.A.	Surety for Common Terms Agreement (CTA)	November 5th 2020	October 31st 2022	46.5	PLN

CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o., CCC Russia LLC, CCC Slovakia s.r.o., CCC Czech s.r.o., CCC Obutev d.o.o., CCC Hrvatska d.o.o., CCC Hungary Shoes Kft., Shoe Express S.A.)	Bank syndicate	CCC S.A. (jointly with CCC.eu Sp. z o.o., CCC Factory Sp. z o.o., CCC Shoes & Bags Sp. z o.o., HalfPrice Sp. z o.o.)	Surety for syndicated credit facility agreement	June 18th 2021	December 31st 2028	1,328.9	PLN

Provided by CCC S.A. to foreign subsidiaries:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	PERIOD OF VALIDITY		AMOUNT OF SURETY OR GUARANTEE [MILLION]	CURRENCY
				START DATE	END DATE		
CCC S.A.	Raiffeisen Bank Zrt	CCC Hungary Shoes Kft.	Surety for bank guarantee agreement	June 25th 2014	December 31st 2022	3.0	EUR

Material related-party transactions

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

Description of significant agreements

Credit Facility And Guarantee Facility Agreements

1. Annex 15 of February 15th 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
2. Annex 16 of February 26th 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
3. Annex 17 of March 15th 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
4. Annex 18 of March 23rd 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
5. Annex 19 of March 26th 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
6. Annex 20 of March 31st 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
7. Annex 21 of April 30th 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
8. Annex 22 of June 16th 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
9. Annex 23 of July 30th 2021 to the multi-purpose credit facility agreement of October 15th 2014 between CCC.eu Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
10. Annex 4 of February 18th 2021 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.eu Sp. z o.o., Gino Rossi S.A., CCC Factory Sp. z o.o., CCC Shoes & Bags Sp. z o.o., and BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Millennium S.A., Bank Polska Kasa Opieki S.A., Pekao Faktoring Sp. z o.o., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o.
11. Annex 5 of February 26th 2021 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.eu Sp. z o.o., Gino Rossi S.A., CCC Factory Sp. z o.o., CCC Shoes & Bags Sp. z o.o., and BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Millennium S.A., Bank Polska Kasa Opieki S.A., Pekao Faktoring Sp. z o.o., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o.
12. Annex 6 of March 19th 2021 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.eu Sp. z o.o., Gino Rossi S.A., CCC Factory Sp. z o.o., CCC Shoes & Bags Sp. z o.o., and BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Millennium S.A., Bank Polska Kasa Opieki S.A., Pekao Faktoring Sp. z o.o., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o.

13. Annex 7 of April 9th 2021 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.eu Sp. z o.o., Gino Rossi S.A., CCC Factory Sp. z o.o., CCC Shoes & Bags Sp. z o.o., and BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Millennium S.A., Bank Polska Kasa Opieki S.A., Pekao Faktoring Sp. z o.o., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o.
14. Annex 8 of April 29th 2021 to the agreement on special terms of continued financing of April 24th 2020 between CCC S.A., CCC.eu Sp. z o.o., Gino Rossi S.A., CCC Factory Sp. z o.o., CCC Shoes & Bags Sp. z o.o., and BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Millennium S.A., Bank Polska Kasa Opieki S.A., Pekao Faktoring Sp. z o.o., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring Sp. z o.o.
15. Amendment 1 of March 31st 2021 to the overdraft facility agreement of October 21st 2019 between CCC S.A., Karl Vogele AG and BNP Paribas Bank Polska S.A.
16. Amendment 2 of April 22nd 2021 to the overdraft facility agreement of October 21st 2019 between CCC S.A. and BNP Paribas Bank Polska S.A.
17. Overdraft facility agreement of March 31st 2021 between CCC Factory Sp. z o.o. and BNP Paribas Bank Polska S.A.
18. Amendment 1 of September 9th 2021 to the overdraft facility agreement of March 31st 2021 between CCC Factory Sp. z o.o. and BNP Paribas Bank Polska S.A.
19. Overdraft facility agreement of March 31st 2021 between CCC Factory Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
20. Annex 1 of July 30th 2021 to the overdraft facility agreement of March 31st 2021 between CCC Factory Sp. z o.o. and Bank Polska Kasa Opieki Spółka Akcyjna
21. Annex 3 of June 2nd 2021 to the multi-purpose credit facility agreement of November 21st 2019 between CCC S.A., CCC.eu Sp. z o.o., Gino Rossi S.A., eobuwie.pl S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
22. Annex 4 of June 18th 2021 to the multi-purpose credit facility agreement of November 21st 2019 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
23. Annex 5 of July 27th 2021 to the multi-purpose credit facility agreement of November 21st 2019 between CCC S.A., CCC.eu Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A.
24. Multi-purpose credit facility agreement of June 2nd 2021 between Modivo S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
25. Annex 1 of June 30th 2021 to the multi-purpose credit facility agreement of June 2nd 2021 between Modivo S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
26. Annex 2 of July 30th 2021 to the multi-purpose credit facility agreement of June 2nd 2021 between Modivo S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.
27. Credit facility agreement of June 2nd 2021 between CCC S.A. 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. and Santander Bank Polska S.A.
28. Annex 1 of June 14th 2021 to the overdraft facility agreement of December 17th 2018 between CCC S.A., CCC.eu Sp. z o.o. and mBank S.A.
29. Annex 2 of June 18th 2021 to the overdraft facility agreement of December 17th 2018 between CCC S.A., CCC.eu Sp. z o.o. and mBank S.A.
30. Flexible revolving facility agreement of June 14th 2021 between CCC Factory Sp. z o.o. and mBank S.A.
31. Flexible revolving facility agreement of June 14th 2021 between CCC.eu Sp. z o.o. and mBank S.A.
32. Annex 1 of August 2nd 2021 to the flexible revolving credit facility agreement of June 14th 2021 between CCC.eu Sp. z o.o. and mBank S.A.
33. Annex 14 of June 17th 2021 to the debt limit agreement of May 4th 2011 between CCC S.A. and BNP Paribas Bank Polski S.A.
34. Revolving facility agreement of June 17th 2021 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
35. Overdraft facility agreement of June 17th 2021 between CCC Factory Sp. z o.o. and Bank Handlowy w Warszawie S.A.
36. Annex 15 of June 18th 2021 to the overdraft facility agreement of March 3rd 2009 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
37. Annex 13 of June 18th 2021 to the revolving facility agreement of March 3rd 2009 between CCC.eu Sp. z o.o. and Bank Handlowy w Warszawie S.A.
38. Annex 18 of June 18th 2021 to the framework agreement of November 14th 2012 between CCC S.A. and mBank S.A.
39. Annex 3 of June 18th 2021 to the bank guarantee agreement of April 10th 2019 between CCC S.A. and Santander Bank Polska S.A.
40. Annex 152 of June 18th 2021 to the multi-purpose and multi-currency credit facility agreement of March 31st 2009 between CCC S.A. and Santander Bank Polska Spółka Akcyjna.
41. Annex 153 of December 23rd 2021 to the guarantee limit agreement of March 31st 2009 between CCC S.A. and Santander Bank Polska S.A.
42. Annex 1 of July 2nd 2021 to the Common Terms Agreement of November 5th 2020 between CCC S.A. 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. and Santander Bank Polska S.A.

43. Preferential loan agreement of September 2nd 2021 between CCC.eu Sp. z o.o. and Polski Fundusz Rozwoju S.A. – agreement discharged on December 23rd 2021
44. Annex 1 of December 10th 2021 to the preferential loan agreement of September 2nd 2021 between CCC.eu Sp. z o.o. and Polski Fundusz Rozwoju S.A. – agreement discharged on December 23rd 2021

TRADING UPDATE

In the period from the reporting date to the date of issue of this Report, i.e. from February 1st to April 20th 2022, the CCC Group continued its operations in the next financial year (the first, incomplete quarter).

The period was marked with numerous external factors with bearing on the Group's business. The key ones included the fifth wave of coronavirus, the challenging macroeconomic environment (with soaring inflation and rising interest rates) and the outbreak of war in Ukraine, which affected consumer purchasing patterns in the first half of the first quarter of 2022. In the second part of the quarter, the Group has seen a strong increase in customer activity.

On February 1st 2022, in line with the sales calendar, the CCC Group started the 2022 spring-summer season, when its new collection is being sold at initial prices. Customers' response to products offered via both online and offline channels is viewed as positive by the Group, as confirmed by high NPS scores. The Group runs wide-ranging PR campaigns to reach its target group. Particularly noteworthy is the Sprandi brand, which, supported by investments in the breadth of the product range and marketing drives, climbed to the second place in terms of sales volumes under the CCC business line, with sales up 67% year on year and a 63% gross margin. CCC continues its efforts to maintain a high gross margin through active price management and a conservative discount policy, mitigating risks arising from the weakening Polish złoty and inflation in the supply chain.
The share of e-commerce in the Group's revenue remained high, at 53%, in line with strategic objectives.

In the comparative period, there were numerous restrictions on offline sales as a response by state authorities to the successive waves of coronavirus, which is reflected in the base effect (for both the offline and online business).

ANALYSIS OF SELECTED FINANCIAL AND OPERATING DATA OF CCC S.A.

SELECTED FINANCIAL AND OPERATING DATA OF CCC S.A.

	PLNm			EURm		
Selected financial data from the statement of profit or loss and other comprehensive income	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited	audited	unaudited	audited
Revenue	**2,408.3**	**1,601.0**	**1,822.8**	**525.5**	**356.3**	**408.0**
Gross profit (loss)	803.7	669.4	728.7	175.4	149.0	163.1
Operating profit (loss)	60.2	40.0	45.6	13.1	8.9	10.2
Profit (loss) before tax	454.4	-649.3	-654.4	99.2	-144.5	-146.5
NET PROFIT/(LOSS)	**442.2**	**-652.4**	**-657.5**	**96.5**	**-145.2**	**-147.2**

	PLNm		EURm	
Selected financial data from the statement of financial position	January 31st 2022	January 31st 2021	January 31st 2022	January 31st 2021
	audited	audited	audited	audited
Non-current assets	**2,487.0**	**1,675.9**	**540.9**	**369.3**
Current assets, including:	**905.1**	**869.8**	**196.8**	**191.6**
Inventories	404.9	360.4	88.1	79.4
Cash	126.1	199.5	27.4	44.0
Total assets	**3,392.1**	**2,545.7**	**737.7**	**560.9**
Non-current liabilities, including:	**1,155.5**	**939.9**	**251.3**	**207.1**
Financing liabilities	574.7	247.1	125.0	54.4
Lease liabilities	552.7	674.0	120.2	148.5
Current liabilities, including:	**988.6**	**800.0**	**215.0**	**176.3**
Financing liabilities	271.5	210.4	59.0	46.4
Trade and other payables	340.4	16.8	74.0	3.7
Total liabilities	**2,144.1**	**1,739.9**	**466.3**	**383.4**
Equity	**1,248.0**	**805.8**	**271.4**	**177.5**

	PLNm			EURm		
Selected financial data from the consolidated statement of cash flows	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited	audited	unaudited	audited
Net cash flows from operating activities	525.5	-282.0	-316.3	114.7	-62.8	-70.8
Net cash flows from investing activities	-802.6	-97.0	-90.7	-175.1	-21.6	-20.3
Net cash flows from financing activities	203.7	528.1	511.1	44.5	117.5	114.4
Total cash flows	**-73.4**	**149.1**	**104.1**	**-16.0**	**33.2**	**23.3**
Capital expenditure	-113.8	-50.1	-52.9	-24.8	-11.1	-11.8

Operating data	January 31st 2022	January 31st 2021
	audited	audited
Number of stores	432	462
Retail space (thousand m^2)	278.8	309.5

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

How we define the individual components of the result

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

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

Gross profit on sales is calculated as the difference between revenue and cost of sales, and gross profit margin as the ratio of gross profit to revenue.
We also use the following measures in the analysis: revenue per square metre of retail space, and sales of like-for-like store (definitions of these measures are given in the respective tables).

Revenue

	REVENUE [1]			* CHANGE (%)
	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	
	audited	unaudited	audited	unaudited
CCC retail	1,836.6	1,276.9	1,470.4	43.8%
CCC e-commerce	394.3	220.6	240.3	78.8%
HalfPrice	40.2	-	-	-
Services	137.1	103.5	112.1	32.5%
Total	**2,408.3**	**1,601.0**	**1,822.8**	**50.4%**

In the reporting period, revenue was PLN 2,408.3m, having increased by PLN 807.3m (+50.4%) year on year.

The largest contributor to the revenue growth in value terms was the offline segment (PLN +559.7m/ +43.8% relative to the comparative period. In addition, there was a rapid increase in revenue from digital activities. In the reporting period, revenue from the digital business was PLN 394.3m, having increased PLN 173.7m (+78.7%) year on year. In the reporting period, revenue from wholesale and services rose by PLN 33.6m (+32.5%), to PLN 137.1m.

The year-on-year change was attributable to an increase in sales at like-for-like stores of PLN 431.2m (+41.6%) and sales at other stores of PLN +20.2m (+ +5.9%) year on year.

As at the reporting date, retail space of CCC. SA was 278,800 m^2, down by 30,700 m^2 year on year.

Breakdown of revenue into like-for-like sales and sales by newly opened or closed outlets.

SEGMENT	BUSINESS LINE	LIKE-FOR-LIKE STORES NUMBER	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	*CHANGE (%)	OTHER STORES February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	*CHANGE (%)
			audited	unaudited	unaudited	audited	unaudited	unaudited
Poland	CCC	355	1,468.7	1,037.5	41.6%	363.8	343.4	5.9%
Total		**355**	**1,468.7**	**1,037.5**	**41.6%**	**363.8**	**343.4**	**5.9%**

Gross profit

As a result of higher revenue, cost of sales also went up. Compared with the same period of the previous year, cost of sales increased by PLN 673.0m (+72.2%), to PLN 1,604.6m as at the end of the reporting period. Gross profit was PLN 803.7m, having grown by PLN 134.3m (+20.1%).

Operating costs

Costs of points of purchase

Costs of points of purchase	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	***CHANGE (%)**
	audited	unaudited	audited	unaudited
Salaries, wages and employee benefits	-223.5	-155.5	-173.7	43.7%
Other rental costs – utilities and other variable costs	-115.9	-83.0	-90.0	39.6%
Depreciation	-185.1	-202.9	-223.8	-8.8%
Taxes and charges	-15.8	-	-	-
Raw material and consumables used	-15.6	-13.7	-15.4	13.9%
Transport services	-	-0.9	-0.9	-100.0%
Other services	-26.4	-22.0	-23.3	20.0%
Other expenses	-0.1	-	-	-
Total	**-582.4**	**-478.0**	**-527.1**	**21.8%**

Costs of points of purchase increased by PLN 104.4m (+21.8%), to PLN 582.4m. The most important items of those costs were salaries and wages, depreciation/amortisation expense and rental costs, which accounted for 38.4%, 31.8% and 19.9% of the total, respectively.

The growth was largely an effect of lower salaries, wages and employee benefits expense in the comparative period, attributable to the store closures during lockdowns, and government subsidies received towards salaries and employee benefits expense.

Other distribution costs

Other distribution costs	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	***CHANGE (%)**
	audited	unaudited	audited	unaudited
Salaries, wages and employee benefits	-21.7	-14.1	-16.2	53.9%
Other rental costs – utilities and other variable costs	-1.3	-0.1	-0.2	>100%
Depreciation	-7.7	-7.0	-7.4	10.0%
Taxes and charges	-3.8	-3.2	-3.2	18.8%
Raw material and consumables used	-2.0	-0.6	-0.8	>100%
Transport services	-28.7	-18.7	-19.5	53.5%
Other services	-7.1	-2.6	-3.2	>100%
Other expenses	-9.9	-0.6	-0.5	>100%
Total	**-82.2**	**-46.9**	**-51.0**	**75.3%**

Other distribution costs increased by PLN 35.3m (+75.3%), to PLN 82.2m. The change was attributable to a significant increase in transport costs and in salaries and wages driven by higher sales in the digital channel.

Administrative expenses

Administrative expenses	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	*CHANGE (%)
	audited	unaudited	audited	unaudited
Salaries, wages and employee benefits	-42.5	-11.2	-12.5	>100%
Other rental costs – utilities and other variable costs	-2.1	-3.6	-3.8	-41.7%
Depreciation	-5.5	-3.6	-4.2	52.8%
Taxes and charges	-1.5	-0.9	-0.8	66.7%
Raw material and consumables used	-5.3	-4.4	-4.5	20.5%
Transport services	-0.1	-0.1	-0.1	-
Other services	-54.8	-22.9	-23.8	>100%
Other expenses	-2.2	-2.5	-2.7	-12.0%
Total	**-114.0**	**-49.2**	**-52.4**	**>100%**

Administrative expenses increased by PLN 64.8m (>100%), to PLN 114.0m. The increase was mainly attributable to higher costs of services, such as outsourcing and advisory services, as well as a rise in salaries and wages.

Effect of other income and expenses

How we define the individual components of the result

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

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

Income tax includes accrued tax and deferred tax.

Other operating income and expenses

Net other expenses and other income came in positive at PLN 35.1m, compared with PLN -55.3m net other expenses in the previous year. The largest contributor to net other expenses and other income was the gain on settlement of lease contracts (PLN 18.6m).

Finance income and costs

In the reporting period, finance income was PLN 511.6m, an increase of PLN 472.3m year on year. The main item of finance income in the reporting period was the gain on sale of Modivo S.A. shares (PLN 280.0m) and dividends received (PLN 200.0m) from CCC Factory Sp. z o.o.

Also recognised under finance income was interest income (PLN 18.1m) and income from guarantees and sureties (PLN 5.7m).

Other finance costs were PLN 74.4 m, having decreased by PLN 8.0m year on year. Interest expense on leases, borrowings and bonds (PLN 47.8m) was the main item of finance costs in the reporting period.

Other separately recorded items included allowances for expected credit losses (PLN 31.2m on a net basis) under finance income and impairment losses on shares (PLN -74.2m) under finance costs.

Income tax

In the reporting period, income tax was PLN 12.2m (including PLN 17.4m of current tax, PLN 7.2m of prior year adjustments relating to current income tax and a PLN 12.4m increase in deferred tax assets).

After finance income, finance costs and income tax, net profit was PLN 442.2m, which represents an improvement of PLN 1,094.6m year on year.

STATEMENT OF FINANCIAL POSITION (REVIEW OF THE MAIN ITEMS)

	January 31st 2022	January 31st 2021	*CHANGE (%)
	audited	audited	audited
Non-current assets, including:	**2,487.0**	**1,675.9**	**48.4%**
Property, plant and equipment	541.9	561.0	-3.4%
Right-of-use assets	494.5	595.0	-16.9%
Deferred tax assets	36.8	24.4	50.8%
Loans	853.7	-	-
Long-term investments	434.7	377.4	15.2%
Current assets, including:	**905.1**	**869.8**	**4.1%**
Inventories	404.9	360.4	12.3%
Cash and cash equivalents	126.1	199.5	-36.8%
TOTAL ASSETS	**3,392.1**	**2,545.7**	**33.2%**
Non-current liabilities, including:	**1,155.5**	**939.9**	**22.9%**
Financing liabilities	574.7	247.1	>100%
Lease liabilities	552.7	674.0	-18.0%
Current liabilities, including:	**988.6**	**800.0**	**23.6%**
Financing liabilities	271.5	210.4	29.0%
Trade and other payables	340.4	16.8	>100%
TOTAL LIABILITIES	**2,144.1**	**1,739.9**	**23.2%**
EQUITY	**1,248.0**	**805.8**	**54.9%**

Non-current assets

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

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

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

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

As at the reporting date, non-current assets comprised property, plant and equipment (PLN 541.9m), intangible assets (PLN 4.7m), goodwill (PLN 48.8m), right-of-use assets (PLN 494.5m), long-term investments (PLN 434.7m), lease receivables (PLN 71.9m) and deferred tax assets (PLN 36.8m). The value of non-current assets rose 48.4% year on year, to PLN 2,487.0m, mainly on a PLN 853.7m increase in long-term loans advanced.

Current assets

How we define the individual components of the current assets

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less variable costs necessary to make the sale.

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

As at the reporting date, current assets were PLN 905.1m and comprised inventories (PLN 404.9m), cash and cash equivalents (PLN 126.1m), receivables from customers (PLN 75.6m), other receivables (PLN 242.5m), loans (PLN 21.5m), lease receivables (PLN 20.8m) and income tax receivable (PLN 13.7m). Current assets rose 4.1% year on year.

Inventories

The Company's objective is to minimise inventories, while maintaining an adequate volume of merchandise to maximise sales. As at the reporting date, inventories increased by 12.3% year on year, to PLN 404.9m.

Cash and cash equivalents

As at the reporting date, cash and cash equivalents amounted to PLN 126.1m, down by PLN 73.4m (-36.8%) from the comparative period. As at the reporting date, 99% of cash was held in hand or in bank accounts.

Equity and financing liabilities

How we define the individual components of equity and financing liabilities

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

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

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

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

As at the reporting date, equity amounted to PLN 1,248.0m, up by PLN 442.2m (+54.9%). The increase in equity was attributable to net profit from operations, which in the reporting period came in at PLN 442.2m.

As at the reporting date, non-current liabilities amounted to PLN 1,155.5m, and mainly consisted of financing liabilities (PLN 574.7m) and lease liabilities (PLN 552.7m). Non-current liabilities were PLN 215.6m (+22.9%) higher than as at the end of the comparative period, mainly on account of a PLN 327.6m increase in financing liabilities.

As at the reporting date, current liabilities amounted to PLN 988.6m, and consisted of financing liabilities (PLN 271.5m), payables towards suppliers (PLN 340.4m); lease liabilities (PLN 204.1m), provisions (PLN 47.7m), and other liabilities (PLN 124.3m). Current liabilities went up by PLN 188.6m (+23.6%) relative to the previous reporting period, driven mainly by a PLN 323.6m (>100.0%) increase in trade payables. For information on financing liabilities, see ‘Debt and liquidity of CCC S.A.’.

STATEMENT OF CASH FLOWS (REVIEW OF THE MAIN ITEMS)

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021	*CHANGE (%)
	audited	unaudited	audited	unaudited
Profit before tax	**454.4**	**-649.3**	**-654.4**	**<-100%**
Adjustments	-96.5	966.3	978.6	<-100%
Income tax paid	-40.6	-21.8	-24.8	86.2%
Cash flow before changes in working capital	**317.3**	**295.2**	**299.4**	**7.5%**
Changes in working capital	208.2	-577.2	-615.7	<-100%
Cash flows from operating activities	**525.5**	**-282.0**	**-316.3**	**<-100%**
Cash flows from investing activities	**-802.6**	**-97.0**	**-90.7**	**>100%**
Cash flows from financing activities, including:	**203.7**	**528.1**	**511.1**	**-61.4%**
Proceeds from borrowings	424.2	250.0	250.0	69.7%
Repayment of borrowings	-47.2	-111.7	-111.7	-57.7%
Issue of shares	-	506.9	506.9	-100.0%
Lease payments	-136.6	-87.8	-104.2	55.6%
Total cash flows	**-73.4**	**149.1**	**104.1**	**<-100%**

Net cash flows from operating activities

Net cash flows from operating activities in the reporting period were PLN 525.5m, up by PLN 807.5m year on year. The increase was attributable to changes in working capital, mainly current liabilities.

Net cash flows from investing activities

In the reporting period, net cash flows from investing activities were PLN -802.6m, a decrease of PLN 705.6m year on year The change was a combined effect of transactions in Modivo S.A. shares and loans advanced.

Net cash flows from financing activities

In the reporting period, net cash flows from financing activities were PLN 203.7m. As at the end of the period, the main reason for the PLN 324.4m change was PLN 424.2m in proceeds from borrowings.

Given the cash flows discussed above, at the end of the reporting period CCC held cash of PLN 126.1m, a decline of PLN 73.4m compared with the balance in the comparative period.

PROFIT GUIDANCE

No financial forecasts have been published.

MANAGEMENT OF FINANCIAL RESOURCES AND LIQUIDITY

DEBT AND LIQUIDITY OF CCC S.A.

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

Bank and non-bank borrowings, and bonds

As at the reporting date, the Company had non-current financing liabilities of PLN 574.7m, including liabilities under bonds of PLN 210.0m.

The current portion of financing liabilities as at the reporting date comprised short-term bank borrowings of PLN 270.1m and interest on bonds of PLN 1.4m.

For detailed information on the credit facility agreements and guarantee limits in effect in the reporting period, see the section entitled 'Analysis of selected financial and operating data of the CCC Group' in the consolidated data.

Bonds

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

Covenants

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

Debt ratios

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

The general debt ratio is calculated as the ratio of net debt to total capital employed.

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

	January 31st 2022	January 31st 2021
	audited	audited
Net debt		
Borrowings	634.8	247.2
(+) Liabilities under bonds	211.4	210.3
= Financing liabilities	**846.2**	**457.5**
(-) Cash and cash equivalents	126.1	199.5
= Net debt	**720.1**	**258.0**
Debt ratio		
Total equity	1,248.0	805.8
(+) Net debt	720.1	258.0
= Capital employed	**1,968.1**	**1,063.8**
Debt ratio (net debt/capital employed)	**0.4**	**0.2**

	January 31st 2022	January 31st 2021
	audited	audited
Net debt		
Bank borrowings	634.8	247.2
(+) Liabilities under bonds	211.4	210.3
= Financing liabilities	**846.2**	**457.5**
(-) Cash and cash equivalents	126.1	199.5
= Net debt	**720.1**	**258.0**
EBITDA		
Net profit (loss)	442.2	-652.4
(+) Income tax	-12.2	-3.1
Profit before tax	**454.4**	**-649.3**
(+) Finance costs	-74.4	-82.4
(+) Expected credit loss allowances	31.2	-511.9
(-) Finance income	511.6	39.3
(+) Impairment losses on shares	-74.2	-134.3
Operating profit/(loss)	**60.2**	**40.0**
(+) Depreciation and amortisation	-198.3	-213.5
= EBITDA	**258.5**	**253.5**
Debt/EBITDA ratio (net debt/EBITDA)	2.8	1.0

Current ratio

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

	January 31st 2022	January 31st 2021
	audited	audited
Inventories	404.9	360.4
(+) Trade receivables, other receivables, income tax receivable, and lease receivables	352.6	262.6
(+) Cash and cash equivalents	126.1	199.5
(+) Loans	21.5	47.3
= Current assets	**905.1**	**869.8**
Short-term financing liabilities	271.5	210.4
(+) Trade and other payables and other liabilities	464.7	119.1
(+) Provisions and grants	48.3	269.9
(+) Lease liabilities	204.1	198.3
= Current liabilities	**988.6**	**800.0**
Current ratio (current assets/current liabilities)	**0.9**	**1.1**

At the end of the reporting period, current ratio stood at 0.9, down 0.2 on the comparative period, due mainly to a faster increase in current liabilities (+23.6%) relative to current assets (+4.0%).

Financial instruments

For information on the financial instruments, see the section entitled 'Analysis of selected financial and operating data of the CCC Group'.

Issue of securities and use of proceeds

For information on the issue of securities, see the section entitled ‘Analysis of selected financial and operating data of the CCC Group’.

Feasibility of investment plans

For assessment of the feasibility of investment plans, see the section entitled ‘Analysis of selected financial and operating data of the CCC Group’.

Agreements executed by CCC S.A.

Loans

For the CCC Group’s loan agreements involving loans advanced by CCC S.A. which were in effect in the reporting period, see consolidated data in the section entitled ‘Analysis of selected financial and operating data of the CCC Group’.

Sureties, guarantees and other contingent liabilities

For the sureties and guarantees provided and received by CCC S.A. which were in effect in the reporting period, see consolidated data in the section entitled ‘Analysis of selected financial and operating data of the CCC Group’.

Material related-party transactions

For information on material related-party transactions, see the section entitled ‘Analysis of selected financial and operating data of the CCC Group’.

Description of significant agreements

For a description of significant agreements, see the section entitled ‘Analysis of selected financial and operating data of the CCC Group’.

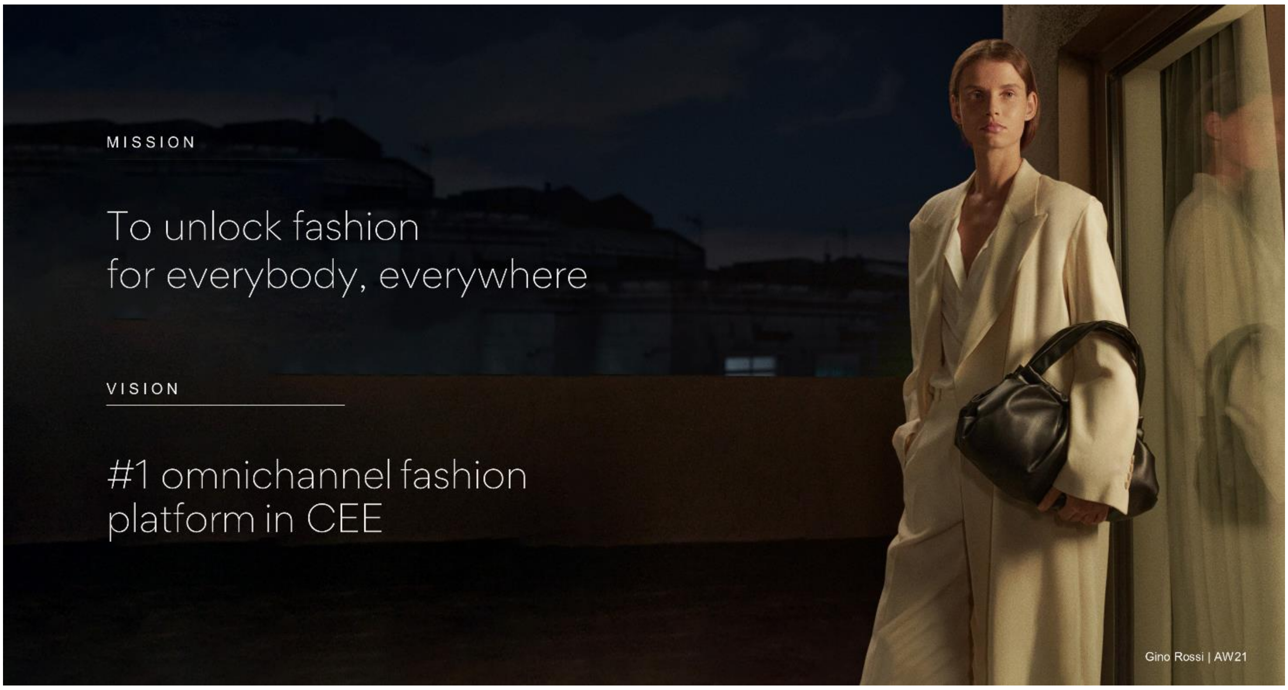
CCC GROUP'S STRATEGY EXECUTION AND GROWTH PLANS

OUR MISSION, VISION AND VALUES

In developing the new strategy GO.25 Everything Fashion: Omnichannel Platform and ambitions to grow further and transform into an omnichannel business, the CCC Group has identified its new mission and vision:

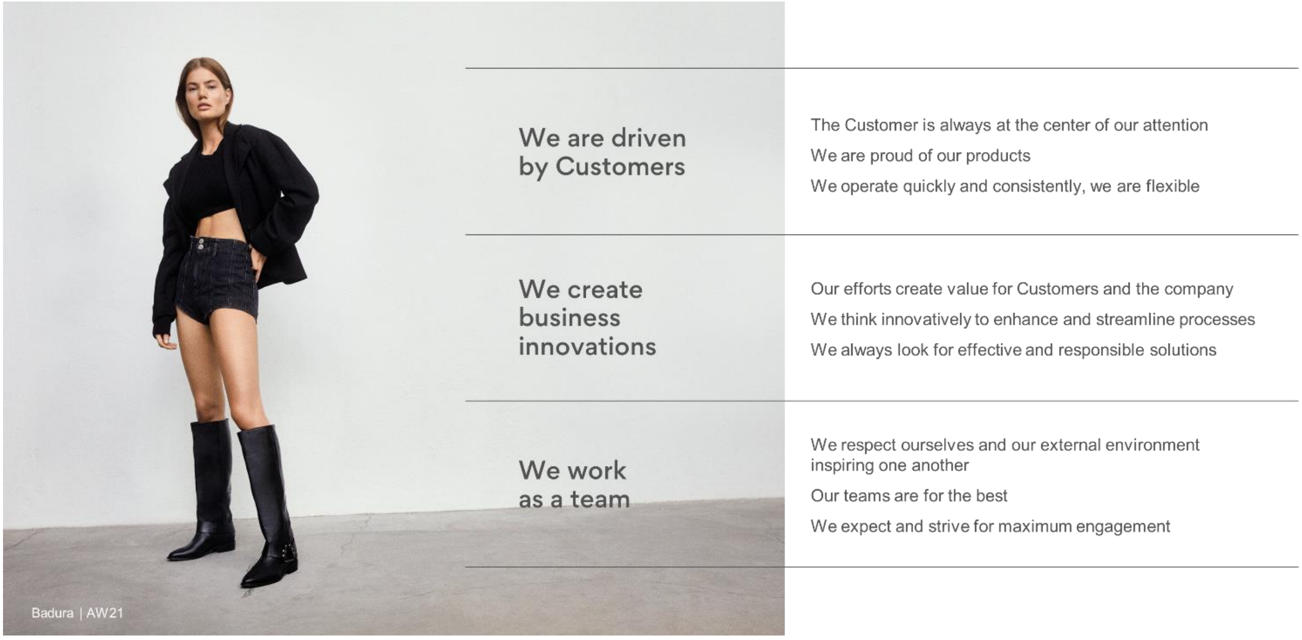
Mission
To unlock fashion for everybody, everywhere

Vision
#1 omnichannel fashion platform in CEE



and has set the key values underlying the Group's business:

1) We are powered by customers
2) We create business innovations
3) We work as a team



BUSINESS MODEL

<u>The Group's new strategy will be implemented through the omnichannel platform, which includes:</u>

1. **Business lines**

   Five strong complementary business lines – CCC, eobuwie, Modivo, HalfPrice and DeeZee – which complement one another in terms of sales channels and product mix

2. **Channels**

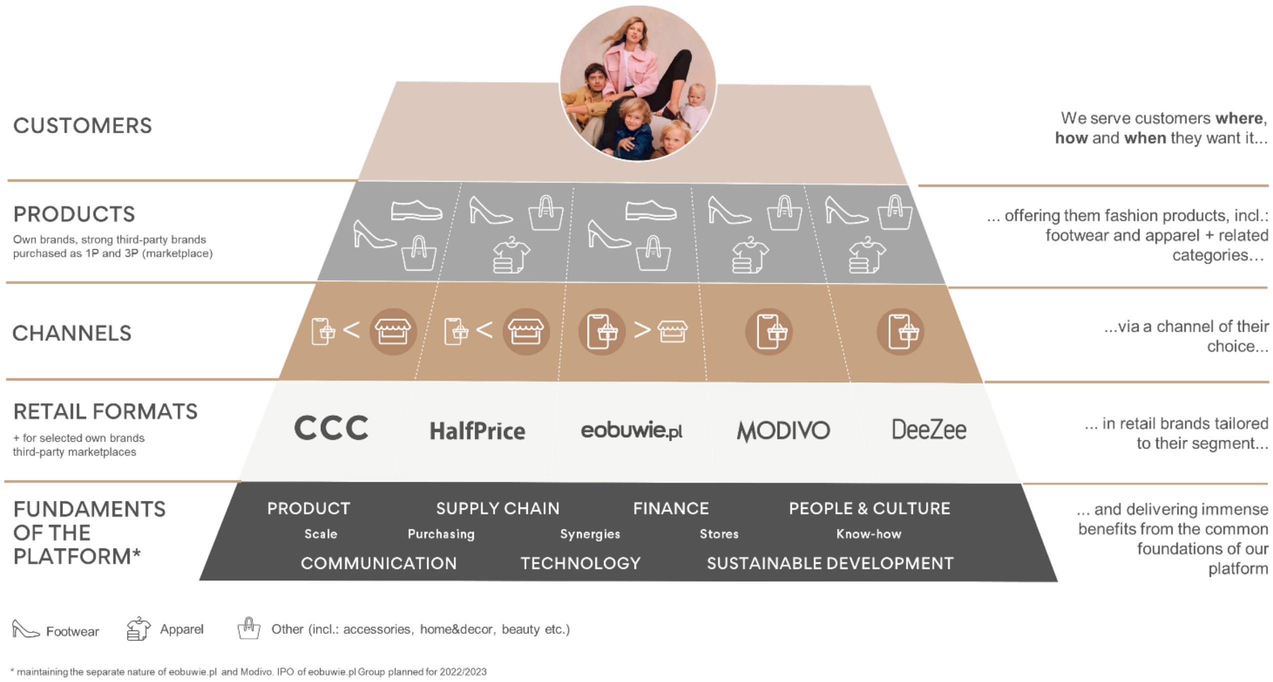
   Overlapping offline and online channels to help the customer choose the best way to make a purchase

3. **Products**

   Diverse product mix, offering customers a wide range of footwear, clothing, accessories and other categories (homeware, health and beauty, and other products)

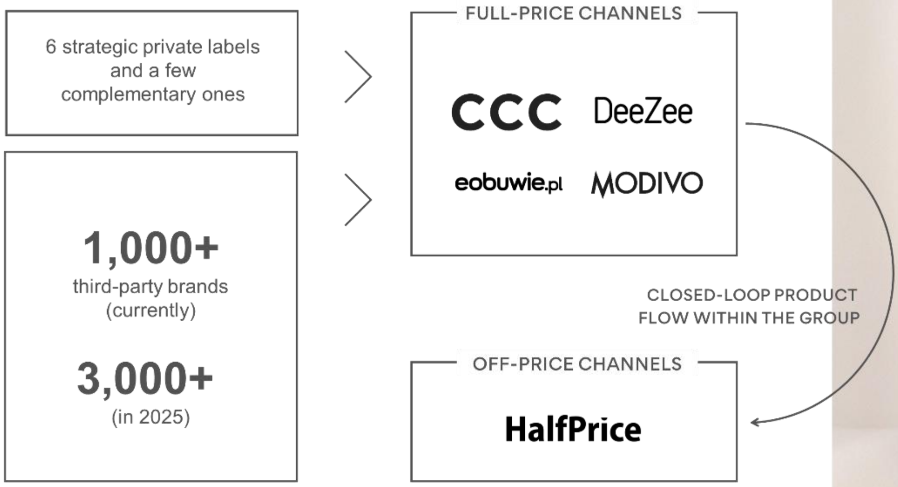
4. **Platform foundations**

   Mainly the products, communication, supply chain, technology, finance, sustainable development, culture and people

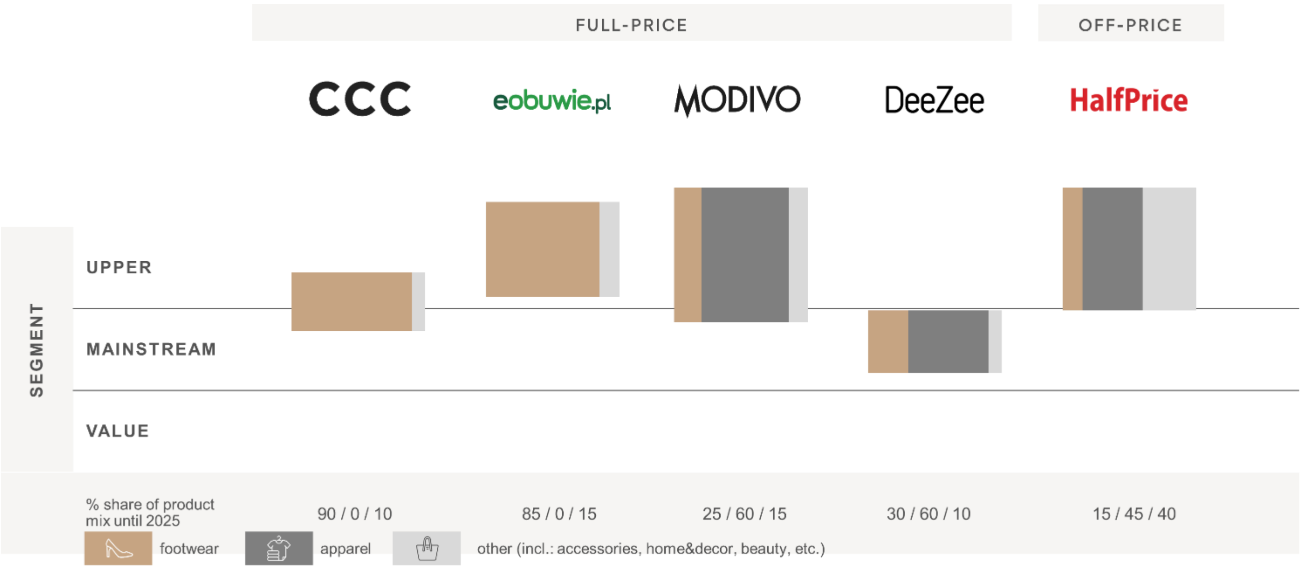


The CCC Group's omnichannel platform is a unique ecosystem for products representing various brands (both private label and third-party brands, which are consistently developed by the Group), enabling the flow of products from full-price (CCC, eobuwie, Modivo, DeeZee) to off-price (HalfPrice) channels.

Our platform already provides a unique ecosystem for our product flow



The Group's platform comprises the complementary business lines CCC, eobuwie, Modivo, HalfPrice and DeeZee, complementing one another in terms of sales channels (online/offline), product mix (footwear, clothing, new categories), segments (full-price/off-price) and price points.



Growth directions (by geography)

		PL	CEE (except PL)	Region CIS	Wester & Southern Europe	Main direction
CCC	online	✓	✓	✓		Maintain leadership in CEE region
	offline	✓	✓	✓		Key growth markets – Romania and Russia
eobuwie.pl	online	✓	✓		✓	Consolidate online leadership position in CEE
	offline	✓	✓			Build position in selected Western European markets
MODIVO	online	✓	✓		✓	Build strong position in CEE
	offline	✓	✓			Pursue business expansion in selected Western European markets
DeeZee	online	✓	✓	✓	✓	Drive growth through own channels in CEE Partner with marketplace platforms in Europe
HalfPrice	online	✓	✓		✓	Roll out the format in strategic CEE markets and in selected Western European countries
	offline	✓	✓		✓	

2025 targets

1. Top omnichannel fashion platform in CEE
2. Footwear sales leader with the widest selection in CEE9[1]:
   - ~22% market share (vs 16% estimated for 2021)
   - Already >25% market share in Poland
3. Growing position in the apparel market in CEE9
   - 4% market share (vs 1% estimated for 2021)

[1] – PL, CZ, HU, RO, SK, CR, SL, BG, SR

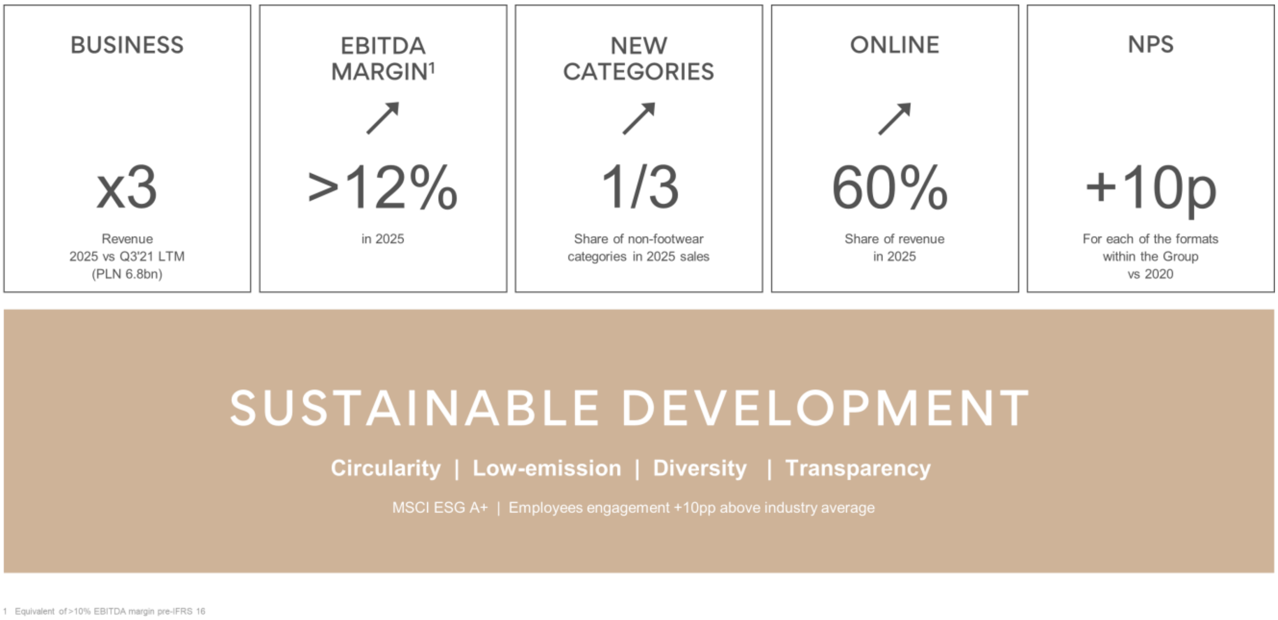
THE CCC GROUP'S STRATEGIC GOALS

As part of the new strategy, the Issuer has identified seven key strategic goals:

1) **3x business** – threefold expansion of the Group's business scale by leveraging the omnichannel platform model
2) **EBITDA margin > 12%**
3) **New categories accounting for more than one-third of total sales** – strong entry into new fashion categories, including clothing, homeware and beauty products
4) **60% share of online sales** – with the focus on a well-balanced share of pure online and digitalised offline channels
5) **NPS + 10p for all business lines and channels** – our strategic goal is to increase NPS across all business lines and channels while maintaining a focus on customers and continuously enhancing customer experience

and Sustainable Development Goals – low-carbon circular economy, diversity and transparency, which underpin our strategic efforts:

6) **MSCI ESG rating of A+**
7) **Employee engagement +10pp vs industry average**



1) Equivalent >10% pre-IFRS EBITDA margin

Ambitions and strategic objectives for the Group's business lines

OUR ASPIRATION

CCC

Leading omnichannel footwear player in CEE

25-30% contribution
to the Group's revenue

VALUE DRIVERS

- Optimization and digitalization of sales network
- Further strengthening of private labels and advanced analytics (incl. price&promo)
- Digital touchpoints – ccc.eu and mobile app

STRATEGIC KPIs (2025)

- **10,000 PLN** omnichannel sales / m² / year (total sales in stores and at ccc.eu)
- **57-59%** gross margin
- **66%** online-only range (at least 3x more products offered online vs offline)

SALES STRUCTURE: 75% stores, 25% online

PRODUCT MIX: 90%, 10%; 75% private labels, 25% third-party brands

OUR ASPIRATION

eobuwie.pl

E-commerce footwear leader in CEE

30%–35% contribution
to the Group's revenue

VALUE DRIVERS

- International expansion
- Vertical marketplace
- Mobile app development
- Increase of next business day (NBD) delivery volumes with international logistics
- New platform (improved conversion rates)

STRATEGIC KPIs (2025)

- **80%** revenue generated outside PL
- **50%** contribution of mobile generated sales
- **40%** share of next business day deliveries (NBDs)
- **+50%** conversion

SALES STRUCTURE: 5% stores, 95% online

PRODUCT MIX: 85%, 15%; 10-20% private labels, 80-90% third-party brands

OUR ASPIRATION

MODIVO

The most inspiring online fashion platform in CEE

15-20% contribution
to the Group's revenue

VALUE DRIVERS

- Broadest multi-category product range – global and local brands
- Vertical marketplace focused on fashion and lifestyle
- Innovative services for customers (same day delivery, digital fitting rooms)
- Personalization and building customer loyalty

STRATEGIC KPIs (2025)

- 2,5m SKUs
  3k brands
  15k suppliers
- < 30% GMV from marketplace
- 3x growth in annual customer spend

SALES STRUCTURE: <5% stores, >95% online

PRODUCT MIX: 25% | 60% | 15%

5% private labels, 95% third-party brands

OUR ASPIRATION

HalfPrice

Off-price market leader in CEE

15-20% contribution
to the Group's revenue

VALUE DRIVERS

- Further rollout on key markets
- Development of online platform
- Leveraging the Group's synergies in full-price segment

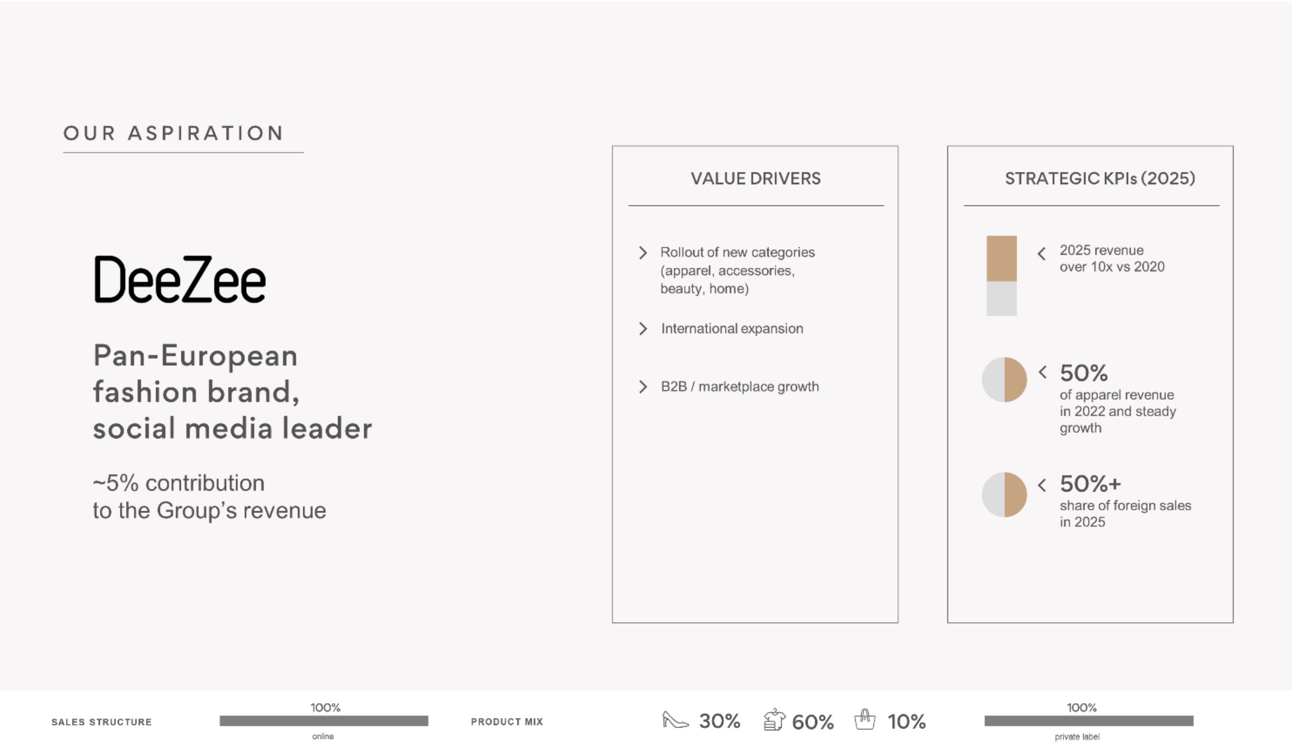
STRATEGIC KPIs (2025)

- >250 stores / ~400k m² and flexible rental conditions
- 50% revenue generated outside Poland
- < 20% online sales (online to be launched in Q4 2021)
- >45% gross margin from sales
- 18-20% EBITDA margin (IFRS 16)
  13-15% EBITDA margin (pre-IFRS 16)

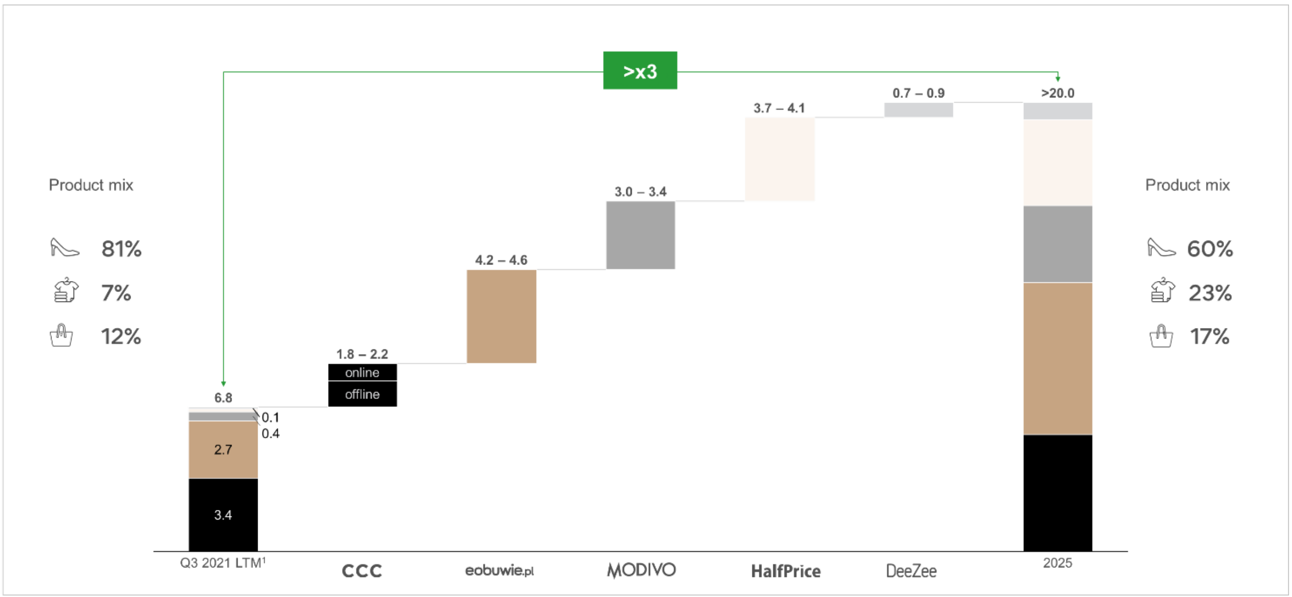
SALES STRUCTURE: <80% stores, >20% online

PRODUCT MIX: 15% | 45% | 40%

5%-10% private labels, 90-95% third-party brands



Financial ambitions



Revenue of the CCC Group, Q3 2021 LTM – 2025, PLN bn

1[1] Preliminary data for Q4 2021

Revenue of the CCC Group, Q3 2021 LTM1–2025, PLN bn Preliminary data for Q4 2021

CORPORATE GOVERNANCE STATEMENT

This 2021 Corporate Governance Statement of CCC S.A. has been prepared pursuant to Par. 70.6.5 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018.

CORPORATE GOVERNANCE RULES APPLICABLE TO THE COMPANY IN 2021

In the period from February 1st 2021 to June 30th 2021, the Company was subject to the corporate governance principles set out in the Code of Best Practice for WSE Listed Companies 2016 ("Code of Best Practice 2016"), adopted by the Warsaw Stock Exchange Supervisory Board's Resolution No. 26/1413/2015 of October 13th 2015. The Code of Best Practice 2016 came into force on January 1st 2016.

By Resolution No. 13/1834/2021 of March 29th 2021, the Warsaw Stock Exchange Supervisory Board adopted a new set of corporate governance principles for companies listed on the WSE Main Market – the Code of Best Practice for WSE Listed Companies 2021 ("Code of Best Practice 2021"). The Code of Best Practice 2021 entered into force on July 1st 2021 and has been applied by CCC S.A. since its effective date.

The Code of Best Practice is a set of corporate governance principles and rules of conduct underpinning the relations of listed companies with their market environment. The document was developed by experts comprising the WSE Corporate Governance Committee, representing interests of various groups of capital market participants. The corporate governance code in effect since July 2021 consists of general principles, indicating goals to be pursued by companies in a given area, as well as specific principles subject to disclosure obligations. The Company's Management Board has exercised due care to ensure compliance with the Code of Best Practice 2021.

The Code of Best Practice is published on the official website of the Warsaw Stock Exchange dedicated to corporate governance principles: https://www.gpw.pl/dobre-praktyki2021.

1. Disclosure policy, investor communications

In the interest of all market participants and their own interest, listed companies ensure quality investor communications and pursue a transparent and fair disclosure policy.

CCC S.A. runs a corporate website, which is a reliable and useful source of information on the Company for capital market participants. It features an investor relations section designed specifically for the Company's shareholders, investors and stock market analysts (https://corporate.ccc.eu/relacje-inwestorskie). It provides transparent, reliable and complete content to enable investors and analysts to make informed decisions. The corporate website is available in Polish and English.
The CCC Group ensures equal access to information on the Company through strict compliance with disclosure obligations that arise from its presence on a regulated market, application of corporate governance rules and use of best market standards and practices to communicate with capital market participants.
The activities taken under the disclosure policy are addressed to particular capital market participants, including retail and institutional investors, shareholders, regulated market entities (the Financial Supervision Authority and the Warsaw Stock Exchange), and stock market analysts.
In order to properly discharge its disclosure obligations, CCC S.A. publishes:

1) information required under the laws applicable to companies listed on the WSE and under the Code of Best Practice for WSE Listed Companies 2021;
2) financial results and periodic reports within the time limits prescribed under applicable laws. The Company seeks to ensure that its financial results and periodic reports are published in the shortest possible time;
3) communications concerning major events affecting the price of Company shares immediately upon their occurrence, unless otherwise required by law;
4) communications concerning material related-party transactions, in accordance with applicable laws.

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

1) Electronic Information Transmission System (ESPI) – used to discharge disclosure obligations arising from the fact that Company shares are traded on a regulated market;
2) Electronic Information Base (EIB) – used for distribution of corporate governance reports;
3) Investor Relations section of the corporate website (http://firma.ccc.eu/pl/3,relacje-inwestorskie.html), containing all relevant information on the Company, including current reports, presentations, financial statements, information on the Company's governing bodies, current shareholding structure, contact details, etc.;
4) live broadcasts of earnings conferences for investors, analysts and the media held after the publication of financial results (video recordings of earnings conferences are available on the Investor Relations site);

5) conference calls for domestic and foreign investors and analysts;
6) meetings of representatives of the Management Board and the Investor Relations team with retail and institutional investors and analysts, including Open Days and Investors' Days held at the Company's registered office;
7) participation of representatives of the Management Board and the Investor Relations team in investor conferences in Poland and abroad;
8) ensuring the Investor Relations team is available to capital market participants by phone and electronic means of communication. The Company strives to answer all queries as soon as practicable but not later than within three (3) business days of their receipt. The processing time may be extended in well justified cases and in circumstances that are beyond the Company's control;
9) posting materials relating to General Meetings, including video recordings, on the Investor Relations site.
10) The Investor Relations website at https://corporate.ccc.eu/relacje-inwestorskie is periodically reviewed and updated so that the content best meets the information needs of capital market participants.

Investor Relations

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

In connection with the disclosure policy, the Company applies the following principles of the Code of Best Practice 2021:

1.1. Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.
The principle is applied by the Company.

In order to properly discharge its disclosure obligations, CCC S.A. publicly communicates all information required to be published under the laws applicable to companies listed on the WSE and pursuant to the Code of Best Practice for WSE Listed Companies, its financial results and periodic reports within the time limits set by applicable laws, and communications concerning major events affecting the price of Company shares immediately upon their occurrence, unless otherwise required by law.

Described below are the tools used to communicate with capital market participants.

1.2. Companies make available their financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for substantial reasons, companies publish at least preliminary financial estimates as soon as possible.
The principle is applied by the Company. The Company publishes periodic reports as soon as possible and presents preliminary financial data.

1.3. Companies integrate ESG factors in their business strategy, including in particular:

1.3.1 environmental factors, including measures and risks relating to climate change and sustainable development;
The principle is applied by the Company.

1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.
The principle is applied by the Company.

The relevant strategy was published on the corporate website. It sets out the objectives for 2025 and the Company's ambitions until 2030 concerning products, the environment, its employees and society. https://corporate.ccc.eu/strategia-csr

1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:
1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;
The principle is applied by the Company.

1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.
The principle is applied by the Company.

For more information, see the Non-Financial Report published on the Company's corporate website. https://corporate.ccc.eu/raporty-csr

1.5. Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.
The principle is applied by the Company. For more information, see the Non-Financial Report published on the Company's corporate website. https://corporate.ccc.eu/raporty-csr

1.6. Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.
The principle is applied by the Company. CCC S.A. holds meetings with investors and analysts after the release of periodic reports and ad hoc meetings in response to investors' and analysts' needs.

1.7. If an investor requests any information about the Company, it replies immediately and in any case no later than within 14 days.
The principle is applied by the Company. The Company strives to answer all queries as soon as practicable but not later than within seven days of their receipt. The processing time may be extended in well justified cases and in circumstances that are beyond the Company's control;

Until June 30th 2021, the Company applied in this respect principles I.Z.1. – I.Z.2. of the Code of Best Practice 2016.

2. Management Board and Supervisory Board

To ensure top standards of the responsibilities and effective performance of the management board and the supervisory board of a company, only persons with the adequate competences, skills and experience are appointed to the management board and the supervisory board.

Management board members act in the interest of the company and are responsible for its activity. The management board is responsible among others for the company's leadership, engagement in setting and implementing its strategic objectives, and ensuring the company's efficiency and safety.

Supervisory board members acting in their function and to the extent of their responsibilities on the supervisory board follow their independent opinion and judgement, including in decision making, and act in the interest of the company.

The supervisory board functions in the spirit of debate and analyses the position of the company in the context of the sector and the market on the basis of information provided by the management board of the company and via the company's internal systems and functions and obtained from external sources, using the output of its committees. The supervisory board in particular provides opinions on the company's strategy, evaluates the work of the management board in pursuit of defined strategic objectives, and monitors the company's performance.

Composition and operation of the Company's Management and Supervisory Boards and their committees

MANAGEMENT BOARD

As at February 1st 2021, the Management Board of the Company comprised the following members:

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

On March 29th 2021, the Supervisory Board passed resolutions to increase the number of members of the Management Board of the current term to six persons and to appoint the following members of the Management Board:

1) Adam Holewa as Vice President of the Management Board, Operations and Corporate Supervision, with effect from April 1st 2021;
2) Igor Matus as Vice President of the Management Board, Supply Chain Management, with effect from June 7th 2021;
3) Kryspin Derejczyk as Vice President of the Management Board, Finance and Accounting, with effect from July 1st 2021.

On September 16th 2021, the Supervisory Board passed resolutions to increase the number of members of the Management Board of the current term to seven persons and to appoint Adam Marciniak as Vice President of the Management Board, Technology and Digital Transformation, with effect from September 16th 2021.

As at January 31st 2022, the Management Board of the Company consisted of:

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

On January 11th 2022, Mariusz Gnych resigned as Vice President of the Company's Management Board, with effect from January 31st 2022.

As at the issue date of this Report, the Management Board of the Company consisted of:

Full name of Management Board Member	Position held
Marcin Czyczerski	President of the Management Board
Karol Półtorak	Vice President
Adam Holewa	Vice President
Igor Matus	Vice President
Kryspin Derejczyk	Vice President
Adam Marciniak	Vice President

Marcin Czyczerski
PRESIDENT
OF THE MANAGEMENT BOARD

Appointed President of the Management Board on March 8th 2019

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

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

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

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

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

Mariusz Gnych
VICE PRESIDENT
OF THE MANAGEMENT BOARD

Appointed Vice President of the Management Board on June 15th 2004.

He completed doctoral studies at the Wrocław University of Economics and Business. He graduated from the Faculty of Computer Science and Management of the Wrocław University of Science Technology (his field of study: Organisation and Management), from the WSB University in Poznań (Tax Consultancy), and from the Faculty of Law and Administration of the University of Wrocław (Investment Law).

He has been involved with the CCC Group since 2000, including as President of the Management Board of CCC Factory Sp. z o.o. (appointed in 2004) and Member of the Management Board of CCC S.A. (appointed Vice President in 2007).

Previously, he was Deputy Mayor of the Polkowice Municipality, and he served on the Management Board of Polkowickie Budownictwo Mieszkaniowe Sp. z o.o. and Przedsiębiorstwo Gospodarki Miejskiej Sp. z o.o. Mariusz Gnych is licensed to serve on the supervisory boards of state-owned companies.

Karol Półtorak
VICE PRESIDENT
OF THE MANAGEMENT BOARD

Appointed Vice President of the Management Board on December 1st 2016.

In 2014–2016, he served as Vice President of the Warsaw Stock Exchange.

Previously, he worked for the Citibank Group as Vice President of the Management Board of Dom Maklerski Banku Handlowego (2011–2014), Director at UniCredit CAIB in Warsaw and London (2000–2011), and for PwC (1999–2000), Deutsche Bank Securities (1999) and Grant Thornton in London (1998).

Currently, he is also a member of the Supervisory Board of Modivo S.A. (formerly eobuwie.pl S.A.).

Previously, he served on the Supervisory Boards of Krajowy Depozyt Papierów Wartościowych S.A. and Centrum Giełdowe S.A., among other companies.

He graduated from the Warsaw School of Economics and University of Derby and completed numerous executive education courses (1998).

Adam Holewa
VICE PRESIDENT
OF THE MANAGEMENT BOARD

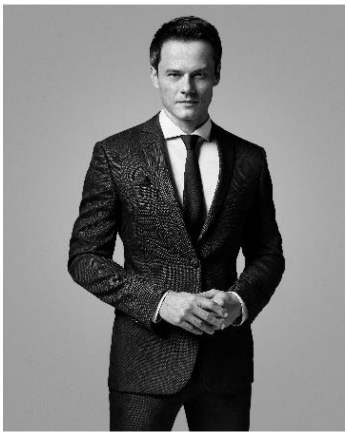
Appointed Vice President of the Management Board on April 1st 2021.

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

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

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

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



Igor Matus
VICE PRESIDENT
OF THE MANAGEMENT BOARD

Appointed Vice President of the Management Board on June 7th 2021.

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

He is an experienced manager, having worked for Nestle (2004–2007), Mondelez (2007–2018) and Beiersdorf (2018–2021),

where he performed operational functions in the Supply Chain (as Operations Manager, Plant Manager, and Regional Poland–Russia Business Development Manager). From 2018 to 2021, he managed Beiersdorf Polska Sp. z o.o., serving as the company's President.

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

Kryspin Derejczyk
VICE PRESIDENT
OF THE MANAGEMENT BOARD

Appointed Vice President of the Management Board with effect from July 1st 2021.
Prior to that he served as Managing Director (from February 2021).

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

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

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

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

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

Adam Marciniak
VICE PRESIDENT
OF THE MANAGEMENT BOARD

Appointed Vice President of the Management Board on September 16th 2021.

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

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

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

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

Non-competition and personal interests

A Management Board member may not engage in any business activities competing with the Company's business, be a partner in any competing civil-law or other type of partnership, or serve on a governing body of any corporation or other legal entity competing with the Company if he or she holds 10% or more of the Company's shares, without prior consent from the General Meeting.

In the event of a conflict of interests between the Company and a Management Board member, his or her spouse, persons related to him or her through blood or marriage in the first or second degree, or any persons to whom the Management Board member is personally related, the Management Board member should refrain from participating in the resolution of a given matter, and may request that this be recorded in the minutes of the Management Board meeting.

Organisation of the Management Board's work

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

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

The Management Board is headed by the President of the Management Board, who directs all aspects of the Company's business in compliance with applicable laws and resolutions of the Company's governing bodies, and supervises the performance of tasks assigned to individual members of the Management Board.

In the absence of the President of the Management Board, the chair will be taken by the Vice President of the Management Board or Director designated by the President.

The Management Board members perform their duties in person.

The powers and responsibilities of Management Board members in matters falling within the ordinary course of business have been divided into areas, each of them led by the individual Management Board members.

A relevant scope of responsibilities has been assigned to each Management Board member as part of their respective remits.

As at February 1st 2021, the division of remits was as follows:

As at January 31st 2022, the division of remits was as follows:

SUPERVISORY BOARD

DARIUSZ MIŁEK
Chairman of the Supervisory Board

EXECUTIVE SUPERVISION
- Creation
- Purchases / Product

THE MANAGEMENT BOARD

MARCIN CZYCZERSKI
President of the Management Board
- Management Board work Supervision
- Investor Relations
- Management Board (audit, OSH)
- HR

MARIUSZ GNYCH
Vice-president of the Management Board
- Production
- Business restructuring
- Litigation (legal disputes)
- Investments (central groups)

KAROL PÓŁTORAK
Vice-president of the Management Board
- E-commerce
- CRM
- Legal Department
- Strategy
- Marketing

ADAM HOLEWA
Vice-president of the Management Board
- Subsidiary Supervion
- Investments
- Project Management
- B2B
- Expansion Supervision

IGOR MATUS
Vice-president of the Management Board
- Retail logistics
- Offprice logistics
- Ecom logistics
- Responsibility for the supply chain of the entire Group

KRYSPIN DEREJCZYK
Vice-president of the Management Board
- Controlling
- Finances
- CUW
- Accounting
- Taxes

ADAM MARCINIAK
Vice-president of the Management Board

As at the issue date of this Report, the division of remits was as follows:

SUPERVISORY BOARD

DARIUSZ MIŁEK
Chairman of the Supervisory Board

EXECUTIVE SUPERVISION
- Creation
- Purchases / Product

THE MANAGEMENT BOARD

MARCIN CZYCZERSKI
President of the Management Board
- Management Board work Supervision
- Retail
- HR
- Management Board (Audit, OSH)
- Investor Relations
- Communication & PR

KAROL PÓŁTORAK
Vice president of the Management Board
- Strategy
- E-commerce
- CRM
- Marketing
- Legal Department

ADAM HOLEWA
Vice president of the Management Board
- Subsidiary Supervion
- Investments
- Project Management
- B2B
- Expansion Supervision

IGOR MATUS
Vice president of the Management Board
- Retail Logistics
- Offprice Logistics
- E-comerce Logistics
- Responsibility for the Supply Chain of the Entire Group

KRYSPIN DEREJCZYK
Vice president of the Management Board
- Controlling
- Finance
- CUW
- Accounting
- Taxes

ADAM MARCINIAK
Vice president of the Management Board
- Technology and Digitalisation
- E-commerce and Mobile Applications
- Systems development for CRM and Analytics
- Cyber security
- IT projects

Rules governing appointment and removal of the management staff

The Company's Management Board consists of one to seven members, including the President. The other members serve as Vice Presidents. Members of the Management Board are appointed for a joint three-year term of office. The Company's Management Board or its individual members are appointed and removed from office by the Supervisory Board.

In addition, members of the Management Board may at any time be removed or suspended from office by the Supervisory Board and by the General Meeting before the expiry of their term of office. The Supervisory Board may delegate Supervisory Board members to temporarily perform the duties of Management Board members.

In order to tender their resignation to the Company, a Management Board member must submit a letter or statement of resignation to one Management Board member or the Company's registered attorney. A Management Board member must also notify the Chair of the Supervisory Board of the resignation.

Management Board meetings

The Management Board meets on an as needed basis. Other invited persons may attend Management Board meetings subject to consent of all Management Board members. Management Board meetings are called and chaired by the President of the Management Board or, in his or her absence, a Vice President of the Management Board.

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

SUPERVISORY BOARD

In the period from February 1st 2021 to July 12th 2021, the Supervisory Board consisted of:

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

On July 12th 2021, the Company received a statement of resignation from the Company's Supervisory Board tendered by Mr Henry McGovern citing personal reasons, with effect from July 12th 2021.

As at the issue date of this Report, the Supervisory Board of the Company consisted of:

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

Dariusz Miłek
CHAIR
OF THE SUPERVISORY BOARD

Appointed to the Supervisory Board on April 11th 2019.

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

Wiesław Oleś
DEPUTY CHAIR
OF THE SUPERVISORY BOARD

Appointed to the Supervisory Board on June 24th 2015.

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

Waldemar Jurkiewicz
MEMBER
OF THE SUPERVISORY BOARD

Appointed to the Supervisory Board on June 2nd 2016.

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

Filip Gorczyca
MEMBER
OF THE SUPERVISORY BOARD

Appointed to the Supervisory Board on April 11th 2019.

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

Zofia Dzik
MEMBER
OF THE SUPERVISORY BOARD

Appointed to the Supervisory Board on June 18th 2019.

She graduated from the Cracow University of Economics, University of Illinois in Chicago, SWPS University of Social Sciences and Humanities in Warsaw. She completed Executive Programmes in Stanford and INSEAD Business School. She holds an MBA degree from Manchester Business School. Mentor, certified member of the Association for Project Management (APMP), explorer of leadership themes and certified member of The John Maxwell Team, a renowned international leadership, coaching, speaking, and training development organisation. In 1995–2003, consultant at Arthur Andersen and Andersen Business Consulting, Head of the Insurance Department, also responsible for projects in the financial services sector, covering strategy, business scalability, mergers, omnichannel, reorganisation, and finance. From 2003, she worked for the fintech company Intouch Insurance Group (RSA Group), where she served as President of the Management Board of CEE's first direct insurance company Towarzystwo Ubezpieczeń Link4 S.A. (start-ups, brand building, CRM, process automation, individual risk assessment, new technologies, agile, innovative distribution channels, leadership, people at work, talent management, succession planning) in 2004–2007. In 2007–2009, she was a member of the Management Board of Intouch Insurance B. V. in the Netherlands and CEO of the Intouch Insurance Group for Central and Eastern Europe. In the latter position, she was responsible for new market development. She served on the Supervisory Boards of TU Link4 S.A. (Member of the Supervisory Board until July 2015) and Direct Insurance Shared Services Center in Poland, Intouch Strachowanie in Russia (a start-up) and Direct Pojistovna in the Czech Republic (a start-up), and she was Deputy Chair of the Supervisory Board of TU na Życie Link4 Life S.A. In 2006–2008, she was a member of the Management Board of the Polish Insurance Chamber. In 2007–2010, she served on the Supervisory Board of the Insurance Guarantee Fund. In 2010−2016, she was an independent member of the Supervisory Boards of the following companies: KOPEX S.A., a mining equipment manufacturer, Polish Energy Partners S.A. (PEP S.A.), a renewable energy company, 2014–2016 FSCD (Digital University), 2015–2016 a member of the Supervisory Board and Audit Committee of AmRest SE, a leading QSR operator in Europe with over 1,000 restaurants, own brands and Starbucks, Pizza Hut and KFC franchises; 2012–2016 PKOBP S.A., a leading universal bank in CEE, where she also served as Deputy Chair of the Audit and Nomination Committees and a member of the Risk Committee; 2015–2017 InPost, a courier services provider and parcel locker operator, where she also served as Chair of the Audit Committee, 2011–2018 ERBUD S.A., Poland's leading construction company. Benefit Systems S.A., an innovative employee benefit services and sports infrastructure operator. 2018–2021 Sanok Rubber S.A., an international manufacturer of rubber goods. From 2010, investor and social innovator, President of the Management Board of Humanites, a think&do social tank, combining humanities and technology, whose objective is to provide systemic support for social transition, social capital building, and qualitative development of society in four areas: Family, Education, Work Environment and the World of Culture and Media, mentor, author of the Cohesive Leadership™ model, a development programme for leaders building committed organisations giving employees room to lead an integrated life and stimulating internal motivation. Founder and director of the Academy of Leadership for Leaders in Education. Currently, an independent member of the Supervisory Boards of the following companies: BRW S.A., a leading manufacturer and distributor of furniture in Poland and Europe (Deputy Chair), PKP CARGO S.A., a leading logistics operator and freight carrier in Europe (a member of the Audit Committee, Chair of the Nomination Committee), Arctic Paper S.A. (a member of the Audit Committee). Member of the IDEAS NCRB Scientific Board and the Wrocław University of Technology Social Council.

Henry McGovern
MEMBER
OF THE SUPERVISORY BOARD –
until July 12th 2021

Appointed to the Supervisory Board on June 24th 2020.

Henry McGovern has built a reputation as one of the leading entrepreneurs and most successful businessmen in Central Europe.

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

Rules governing appointment and removal of the supervisory staff

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

In accordance with the Articles of Association of CCC S.A. and the Code of Best Practice of the WSE Listed Companies, at least two members of the Supervisory Board should meet the independence criteria. Independent members of the Supervisory Board should meet the independence criteria specified in the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 and set out in the Commission Recommendation of February 15th 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC), also taking into account the Code of Best Practice for WSE Listed Companies 2021.

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

During their service in 2021, members of the Supervisory Board of the Company reported no changes in their independence status or personal, factual and organisational links with CCC S.A.'s shareholders.

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

On July 12th 2021, the Company received a statement of resignation from the Company's Supervisory Board tendered by Mr Henry McGovern citing personal reasons, with effect from July 12th 2021.

Powers and responsibilities of the Supervisory Board

The Supervisory Board takes steps to ensure that the Management Board provides it with regular and exhaustive reports on all matters of importance and risks connected with CCC S.A.'s business, as well as on how the risks are managed. Detailed powers and rules of procedure for the Supervisory Board of CCC S.A. are set out in the following documents:

- Articles of Association of the Company, available on the Company's website (https://www.corporate.ccc.eu/lad-korporacyjny),
- Rules of Procedure for the Supervisory Board, available on the Company's website (https://www.corporate.ccc.eu/lad-korporacyjny),
- Resolutions of the General Meeting, (https://corporate.ccc.eu/walne-zgromadzenie-akcjonariuszy),
- Commercial Companies Code and other generally applicable laws.

Operation and organisation of the Supervisory Board

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

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

The Supervisory Board may only adopt resolutions if at least half of its members are in attendance and all of its members have been invited. Any resolution passed in contravention of this provision will be null and void.

Supervisory Board members may vote on resolutions by written ballot or using means of remote communication. A resolution is valid if all Supervisory Board members have been provided with its draft.

Diversity policy

CCC makes every effort to ensure that the skills, experience, knowledge and diversity of members of its corporate bodies are well balanced. The Company has a diversity policy in place with respect to its governing bodies and is currently working to revise the existing policy by defining the objectives to be pursued by the Company in the coming years. The revised Diversity Policy will be adopted by the Supervisory Board and the General Meeting, respectively.

With respect to the Management Board and the Supervisory Board, the Company complies with the following principles of the Code of Best Practice 2021:

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.
The principle is applied by the Company.

The Company has a diversity policy in place applicable to its governing bodies, which sets out diversity goals and criteria. The adopted diversity policy aims to prevent discrimination at work, and to build a corporate culture open to staff diversity (applying also to members of the Management Board and Supervisory Board). The diversity policy is published on the corporate website. The Company is also working to revise its existing policy by updating the objectives to be pursued by the Company in the coming years. The revised Diversity Policy will be adopted by the Supervisory Board and the General Meeting, respectively.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The principle is applied by the Company.

Persons taking decisions on the election of members of the Management Board or Supervisory Board make every effort to ensure that the skills, experience, knowledge and diversity of members of its corporate bodies are well balanced. Decisions concerning any changes in the composition of the Company's governing bodies are made based on the Company's current needs and objective criteria, covering primarily professional competence, education and work experience, taking into account the need to ensure comprehensive and diverse composition of the governing bodies. The Company has a diversity policy in place applicable to the Company's governing bodies. The Company is also working to revise its existing policy by updating the objectives to be pursued by the Company in the coming years.

2.3. At least two members of the supervisory board meet the criteria of being independent referred to in the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.
The principle is applied by the Company.

Candidates for Supervisory Board members are required to provide the Company with written representations to the effect that they meet the independence criteria prescribed in the Code of Best Practice for WSE Listed Companies and other applicable laws. After each election or change in its composition made by the General Meeting, the Supervisory Board adopts a resolution stating how many of its members meet the independence criteria and reasons for granting them the independence status.

2.4. The supervisory board and the management board vote in an open ballot unless otherwise required by law.
The principle is applied by the Company.

2.5. Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.
The principle is applied by the Company.

2.6. Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.
The principle is applied by the Company.

2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.
The principle is applied by the Company.

2.8. Supervisory board members should be able to devote the time necessary to perform their duties.
The principle is applied by the Company.

2.9. The chair of the supervisory board should not combine this function with that of chair of the audit committee of the supervisory board.
The principle is applied by the Company.

2.10. Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.
The principle is applied by the Company.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1 information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;
The principle is applied by the Company.

2.11.2. summary of the activity of the supervisory board and its committees;
The principle is applied by the Company.

2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;
The principle is applied by the Company.

2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;
The principle is applied by the Company.

2.11.5. assessment of the rationality of expenses referred to in principle 1.5;
The principle is applied by the Company.

2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.
The principle is applied by the Company.

The Company has declared compliance with the principle as of the effective date of the Code of Best Practice 2021. The nearest annual report prepared by the Company's Supervisory Board will contain all the elements covered by principles 2.11.1-2.11.6.

Until June 30th 2021, the Company applied in this respect principles II.R.1 – II.Z.11 of the Code of Best Practice 2016.

3. Internal systems and functions

Efficient internal systems and functions are an indispensable tool of exercising supervision over a company.
The systems cover the company and all areas of activity of its group which have a significant impact on the position of the company.

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

In preparing its financial statements and consolidated financial statements, the Company applies the following internal control and risk management mechanisms:

1. Principles of supervision over the preparation of financial statements.

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

- International Financial Reporting Standards as endorsed by the European Union;
- Accounting Act of September 29th 1994 (consolidated text: Dz. U. of 2021, item 217),
- Articles of Association of CCC S.A.;
- Accounting policies applied by CCC S.A. and rules applied by its subsidiaries,
- Internal accounting procedures.

CCC has in place an accounting policy prepared in accordance with the International Financial Reporting Standards (IFRSs) endorsed by the European Union.

The accounting policy is updated to incorporate any amendments to applicable laws or in the event of material events not previously described in the policy.

Prior to each reporting period, consolidated companies receive detailed guidance from CCC S.A. on the manner and timing of closing their accounting records, preparation and submission of reporting packages, and the up-to-date template of a reporting package for a given period.

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

The internal control system consists of:

1) control activities performed by employees of the CCC Group companies with respect to their tasks and responsibilities,

2) functional control provided through supervision of subordinate organisational units by all employees in management positions,

3) control provided by the internal audit function for independent and objective assessment of the risk management and internal control systems.

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

2. Mechanisms for managing IT systems used for record-keeping and financial reporting, as well as mechanisms designed to ensure their security.

The Company and the Group have appropriate procedures in place to prepare their financial statements, ensuring that all business transactions in a period are completely and properly accounted for. The Company's accounting policy for financial reporting is applied in the process of budgeting, forecasting and periodic management reporting. The financial data underlying the financial statements and periodic reports is compiled by senior and middle management after the accounts for each calendar month have been closed. The Company maintains its accounting records in the SAP system, which supports a comprehensive analysis of all economic and financial aspects, made available to the reasonable extent at all the Company's organisational units. The SAP system has full technical documentation and access to its information resources is determined by relevant authorisations. In preparing consolidated financial statements, the CCC Group companies use the same consolidation system and apply the same presentation rules. The consolidation framework is reviewed whenever there is a change in the shareholding structure. The CCC Group has a system for collecting and processing data obtained from its subsidiaries. The unit responsible for the preparation of the Company's and the Group's financial statements is the Consolidation and Reporting Department. Expert oversight and organisational supervision over the preparation of financial statements are the responsibility of the Head of Accounting of the CCC Group. Financial statements are authorised by the Management Board, and then are audited by an independent auditor and assessed by the Supervisory Board.

3. Principles for the verification and assessment of reports.

The management personnel of individual Group companies are responsible for the preparation of reporting packages to be consolidated. The management are responsible for the preparation and approval of data. In addition, the reporting packages of significant subsidiaries are verified by the parent's reporting team and by an independent auditor. The reporting data of subsidiaries is also analysed by the parent for potential deviations from financial plans and comparative periods.

The CCC Group's Chief Accountant is responsible for the preparation of separate and consolidated financial statements. Independent reviews of the financial statements of the CCC Group and the consolidated companies for reliability and accuracy are performed by external auditors.

The policy for the selection of an audit firm to audit the separate financial statements and the consolidated financial statements of the CCC Group, as well as the procedure for the selection of an auditor to audit the separate financial statements of CCC S.A. and the consolidated financial statements of the CCC Group, ensure their independence from the Company and the Group.

Assessment of the CCC Group's separate and consolidated financial statements is performed by the Supervisory Board based the Audit Committee's recommendation. The financial statements are subject to approval by the General Meeting.

4. Internal audit, enterprise risk management and other elements of control.

The Company has an internal audit function in place to make an independent and objective assessment of the business processes at the CCC Group companies, so as to implement effective and adequate risk management, control and corporate governance systems. The internal audit function operates based on an annual action plan, performing both planned and ad hoc audit tasks ordered by the CCC Management Board at both the parent and the Group companies. The internal audit function supports the CCC Group in achieving its objectives by providing information on the effectiveness of risk management, control and corporate governance processes, and by issuing relevant recommendations. Audit findings and follow-up recommendations, together with their current status, are reported to the Company's Management Board and to the Audit Committee.

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

Risk levels acceptable to the CCC Group

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

Significant risk factors

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

RISK	DEFINITION	ACTION
Footfall at offline stores	If there is a lasting and significant decline in foot traffic at offline stores due to the COVID-19 pandemic, the Group's offline segment may deliver financial results significantly below the target set forth in the Strategy.	➢ in response to the COVID-19 pandemic, the Group has negotiated new lease terms for its offline stores with almost all landlords, addressing reduced in-store traffic expected in the coming quarters, ➢ ongoing monitoring of store performance and store chain management, including store closures and openings, space reductions and expansions, relocations, etc. ➢ consistent expansion of digital distribution channels – online and mobile sales platforms, ➢ monitoring the activities of other market operators.
Aligning products with customer expectations	The Group's ability to offer footwear and other products in line with current trends in fashion and customer expectations is crucial in driving customers' interest in purchasing them.	➢ building on the long track-record in designing, manufacturing and sale of footwear, ➢ influencing fashion trends through promotional and marketing activities and collaboration with influencers; ➢ implementing improvements in the process of creating, ordering and delivering collections to shorten design-to-shelf lead times.
Strength and recognition of brands under which the Group markets its products (notably CCC and eobuwie) and its private label brands of selected products (notably Lasocki, Gino Rossi, DeeZee, Sprandi, and Jenny Fairy)	Declining brand recognition affects customer interest, leading to lower traffic in offline and digital stores, which may cause financial performance to be significantly below the target set in the Strategy.	➢ promotional and marketing activities aimed at strengthening individual brands, ➢ building a footwear retail ecosystem integrating numerous touchpoints to increase customer loyalty; ➢ rollout of up-to-date offline store formats to boost brand image
Trade credit risk	Some wholesale operations are conducted on a deferred payment basis, which exposes the CCC Group to the risk of financing its customers. In order to maintain the leading position on the footwear market, the CCC Group uses trade credit to additionally increase its attractiveness to wholesale trading partners. The source of this risk lies in uncertainty as to whether and when amounts due to the Company will be settled.	➢ regular checks of customers' financial condition; ➢ regular checks of customers' credit history
Currency risk	The CCC Group companies generate revenue in PLN, EUR, CZK, HUF, HRK, BGN, RSD, RUB, CHF, and most of its costs are denominated in foreign currencies. This means the CZK, HUF, HRK, BGN, RSD, RUB, CHF, USD and EUR exchange rates (virtually all imports are denominated in USD and EUR, and a large percentage of rental costs is denominated in EUR) will affect the Group's income and expenses. The key supply market for the CCC Group is the Chinese market and, consequently, the exchange rate of CNY against major global currencies may also have a significant impact on the Group's expenses. A stronger CNY may lead to deterioration in import terms and increase costs for consumers.	➢ continuous monitoring of movements in currency exchange rates relevant to the Group; ➢ implementation of a natural hedging strategy.
Interest rate risk	The CCC Group is exposed to interest rate risk as a result of concluded credit facility agreements, which bear interest at floating rates based on WIBOR or BLR. An increase in interest rates will	➢ diversification of capital sources, ➢ monitoring of key interest rates.

	affect the amount of interest paid on bank borrowings.	
Risk related to overall economic conditions	The CCC Group operates primarily in the Polish, Czech, Hungarian, Slovak and Romanian markets, so the purchasing power of consumers in these markets and their propensity to consume are important factors to the Group. Any deterioration of the economic conditions may have an adverse effect on the Group's operating results and financial standing. The CCC Group also operates in several other foreign markets (including Croatia, Slovenia, Bulgaria, Serbia, and Russia).	➢ diversifying its operations in terms of countries in which it is present (reducing the correlation of economic situation between countries); ➢ monitoring the economic situation globally and in the countries relevant to the Group, and adjusting the Group's strategy accordingly, ➢ monitoring important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).
Seasonality of sales and weather conditions	Sales and the value of inventories depend on seasonal movements in demand (with peak demand in spring and autumn). Disruptive weather conditions can result in customers postponing purchasing decisions or in a shortened peak sales season.	➢ The Group mitigates the risk of weather conditions impacting its sales chiefly by increasing the proportion of year-round products in its portfolio, including sports shoes marketed under its private label Sprandi and under recognisable third-party brands.
Risk of lockdown (government-imposed restrictions on offline retail)	The events of the first half of 2020 revealed the risk of government-imposed lockdowns on an unprecedented scale (in Poland, the EU and globally). The lockdown restrictions led to suspension of offline store operations, which translated into lower revenue.	➢ The Group took steps to mitigate this risk by developing a comprehensive business stabilisation plan, covering the operational, financial and strategic domains. The key measures included steps taken to secure continuity of the Group's operating processes in an environment of widespread remote working, to strengthen e-commerce logistics processes, to accelerate the launch of e-commerce platforms in new markets, to enter into negotiations with landlords to adjust the lease terms to the circumstances and the expected decline in footfall once the stores are reopened, and to apply for and receive support from available public assistance programmes subsidising labour and other costs. In terms of financing, the Issuer entered into negotiations with bondholders, banks and financing institutions with a view to securing the stability of its long-term funding, and announced the issuance of new shares to raise additional capital to fund the Group's business and, in particular, for orders of collections for future seasons.

Scope of the risk management system

Key risk management objectives:

1) to ensure security of the Company's operations;

2) to ensure effective decision-making to maximise profits at acceptable risk levels.

The risk management policy of the CCC Group sets out the relevant assumptions, policies, risk factors and risk mitigation methods to maximise control of risks that could adversely affect the operations of the CCC Group. The policy is mandatory and applied by all CCC Group companies. The risk management policy is constantly refined and supplemented by detailed regulations covering the individual risk areas within the Group, including:

- remuneration policy for Members of the Management Board and Supervisory Board,
- code of ethics;
- supplier code of conduct;
- procurement policy;
- IT system security policy;
- OHS policy;
- environmental policy.
- human resources policy

Bodies responsible for risk management at the CCC Group

Bodies responsible for risk management at the CCC Group and their respective areas of responsibilities

MANAGEMENT BOARD	Approves the CCC Group Risk Management Policy, which forms the basis for implementation of the Risk Management System.
AUDIT COMMITTEE	Monitors the effectiveness of the risk management system with respect to risks materially affecting the Company's operations, including the effectiveness of any corrective actions taken. For more information on its scope of responsibilities, see the section devoted to the Audit Committee.
SUPERVISORY BOARD	Periodically verifies the correctness and effectiveness of the Risk Management Policy to ensure that all key risks have been identified and appropriate corrective actions have been implemented.
INTERNAL AUDITOR	Periodically reports on the effectiveness of the systems and their functions with regard to implementation and maintenance of effective internal control systems, risk management, legal compliance, and internal audit functions.
FINANCIAL DEPARTMENT	• Implements the CCC Group Risk Management System; • Exercises supervision of risk management personnel at the CCC Group; • Constantly gathers knowledge and techniques to improve the effectiveness of risk management systems; • Monitors the Risk Management System and ensures it is integrated with the CCC Group's processes.
MANAGEMENT PERSONNEL	• Raise awareness of the importance of the Risk Management System; • Manage the available resources to implement and maximise the effectiveness of the Risk Management System; • Review plans and assumptions for expanding the Risk Management System.

COMMITTEES

The Supervisory Board of CCC S.A. may appoint standing or ad hoc committees to act as its collective advisory and opinion-forming bodies.

The Company has had an Audit Committee since 2016. The Audit Committee of the first term was appointed on June 2nd 2016. After the Supervisory Board's term expired in 2019 and the Annual General Meeting made appointments for a new term on June 18th 2019, the Supervisory Board, at the next meeting after the GM on August 8th 2019, appointed the Audit Committee of the third term from among its members in accordance with the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017.

In the Audit Committee, Filip Gorczyca has the required knowledge and skills in accounting or auditing, and Waldemar Jurkiewicz has the knowledge and skills required in the industry in which the Company operates.

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

Authorisation and role of the Audit Committee

The Audit Committee is a standing committee of the Supervisory Board of CCC S.A. The Audit Committee performs the tasks and exercises the powers provided for that body in the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 (the "Act on Statutory Auditors") and other regulations applicable to public companies, as well as those provided for in resolutions of the Supervisory Board, the Rules of Procedure and other internal regulations in place at the Company. The Committee also follows the recommendations set out in the Code of Best Practice for WSE Listed Companies, which – with regard to the supervisory board committees – require the application of Annex I to Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

The Committee provides expert advice to the Supervisory Board and supports it in the correct and effective application by the Company of financial reporting standards, operation of internal controls and cooperation with the Company's auditor.

Any terms not defined in the Rules of Procedure have the meanings given to them in generally applicable laws.

Election and composition of the Audit Committee

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

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

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

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

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

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

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

Powers and responsibilities of the Audit Committee

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

1) monitoring of the financial reporting process at CCC S.A. and its Group,
2) monitoring of the effectiveness of the internal control and risk management systems at the CCC Group,
3) monitoring of the effectiveness of the internal audit function at the CCC Group, including the financial reporting function,
4) monitoring of the proper operation of the risk identification and management systems,
5) monitoring of the independence of internal and external auditors,
6) monitoring of the financial audit process.

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

In exercise of oversight over financial reporting, the Audit Committee in particular:

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

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

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

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

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

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

Responsibilities of the Audit Committee

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

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

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

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

Pursuant to Par. 70.1.8 and Par. 71.1.8 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018, the Supervisory Board of CCC S.A. represented that:

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

Audit Committee Meetings in 2021

In 2021, the Audit Committee met ten times. At its meetings, the Audit Committee analysed the Company's separate financial statements, the consolidated financial statements of the CCC Group and the Directors' Report on the operations of the CCC Group for 2020. The Audit Committee also held regular meetings with representatives of the audit firm Ernst & Young Audyt Polska Sp. z o.o. sp.k. The Committee analysed the Company's separate financial statements for the first half of 2021 and the consolidated financial statements of the CCC Group for the same period. In 2021, the Audit Committee approved the annual agenda for the Audit Committee's work plan and the internal audit plan for the financial year from February 1st 2021 to January 31st 2022.
In 2021, the Audit Committee also considered:

- risk management system along with a list of key risks;
- schedule of the audit of financial statements for 2021;
- changes in financial reporting and their materiality, timeliness of reporting;
- compliance system, reviewing the key issues and controversies;
- results of internal and external audits, including the status of implementation of recommendations issued;
- assessment of the effectiveness of the internal control, risk management and compliance systems;
- IT information security;
- liquidity position of the CCC Group and the CCC Group refinancing project,
- HR strategy and employer branding;
- anti-corruption compliance management system and the whistleblower protection system;
- tax risk management;
- organisational structure vs division of responsibilities among Management Board members.

In 2017, in view of the need to define detailed tasks and rules of operation of the Audit Committee, the Rules of Procedure for the CCC Audit Committee were adopted following entry into force of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 (the "Statutory Auditors Act"), which introduced new requirements with respect to the role and responsibilities of audit committees. The Audit Committee of the Supervisory Board of CCC S.A. also adopted:

- Policy on the selection of an audit firm to audit the separate and consolidated financial statements of the CCC Group;
- Procedure for the selection of an auditor to audit the separate financial statements of CCC S.A. and the consolidated financial statements of the CCC Group;
- Policy for the provision of non-audit services by the auditor or audit firm to the CCC Group.

In accordance with the Policy for the provision of permitted non-audit services by the audit firm auditing the financial statements, the audit firm's affiliates or members of its network, the audit firm auditing the financial statements of CCC S.A. or any member of the audit firm's network may not provide any prohibited non-audit services, directly or indirectly, to CCC S.A. and CCC Group companies.

The prohibited non-audit services referred to above are:

- services specified in Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16th 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC ("Regulation No. 537/2014") (Article 5(1) of Regulation No. 537/2014);
- other non-audit services.

The following are not prohibited non-audit services:

a) services:
   (i) of conducting due diligence procedures with respect to the entity's economic and financial standing;
   (ii) of issuing comfort letters;
   – performed in connection with a prospectus of the audited entity, carried out in accordance with the national standard for related services and consisting in carrying out agreed procedures;
b) assurance services with regard to pro forma financial information, earnings forecasts or estimates included in a prospectus of the audited entity;

c) audits of historical financial information to be included in a prospectus, as referred to in Commission Regulation (EC) No. 809/2004 of April 29th 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements;
d) verification of consolidation packages;
e) confirmation of compliance with covenants under credit facility agreements based on an analysis of financial information sourced from financial statements audited or reviewed by the audit firm;
f) assurance services with regard to corporate governance, risk management and corporate social responsibility reporting;
g) services consisting in the assessment of compliance of information disclosed by financial institutions and investment firms with the disclosure requirements concerning capital adequacy and variable remuneration components;
h) assurance concerning financial statements or other financial information for regulatory authorities, the Supervisory Board or other supervisory body of the Company or its owners, going beyond the scope of a statutory audit and designed to assist those authorities in fulfilling their statutory duties.

In 2021, the Audit Committee, acting pursuant to the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 (Dz.U. of 2017, item 1089) (the "Statutory Auditors Act") and the Policy for the provision of non-audit services by the auditor or audit firm to the CCC Group, having carried out an assessment of the threats to and safeguards of independence referred to in Art. 69-73 of the Statutory Auditors Act, approved the provision of non-audit services to CCC S.A. by its auditor Ernst Young & Audyt Polska Sp. z o.o. sp.k., comprising:

- review of the report on remuneration of the Management Board and the Supervisory Board of CCC S.A. for 2019 and 2020;
- review of the CCC Group's Non-Financial Report;
- services related to the audit of the consolidated financial statements of the Modivo Group for the years ended January 31st 2020, January 31st 2021 and January 31st 2022, prepared in accordance with International Financial Reporting Standards ("IFRSs"), and the review of the Group's interim consolidated financial statements for: (1) the three months ended April 30th 2022, or (2) the six months ended July 31st 2022, or (3) the nine months ended October 31st 2022, prepared in accordance with International Accounting Standard 34 Interim Reporting (as required by the IPO process), and performance of the agreed procedures to issue a comfort letter for the purposes of a share issue prospectus drafted as part of the IPO preparations;
- services related to confirmation of compliance with covenants under credit facility agreements based on an analysis of financial information sourced from the financial statements of the CCC Group audited or reviewed by Ernst & Young Audyt Polska Sp. z o.o. sp. k. (Certificates of Compliance for semi-annual and annual periods).

As required by the Policy and Procedure for the selection of an auditor, the process of appointing an audit firm to audit the financial statements of the Company and the consolidated financial statements of the CCC Group must be compliant with the Policy and Procedure and with mandatory provisions of law, including, without limitation, the Statutory Auditors Act and the Accounting Act.

The audit firm is appointed by the Supervisory Board. The first audit engagement agreement with the audit firm is concluded for no less than two years, with an option to extend its term for subsequent periods of two years or more.

The maximum continuous duration of a statutory audit engagement of the same audit firm may not exceed ten (10) years, with the proviso that the lead auditor may not conduct statutory audits for more than five (5) years and that the lead auditor may again audit the financial statements only after at least three years have elapsed since the end of the last audit of the financial statements.

On May 24th 2021, the Supervisory Board passed a resolution to extend the engagement of Ernst & Young Audyt Polska Sp. z o.o. Sp. k. of Warsaw, entered in the list of statutory auditors of financial statements maintained by the National Council of Statutory Auditors under Reg. No. 130, to review the half-year financial statements of CCC S.A. and the half-year consolidated financial statements of the CCC Group for the periods from February 1st to July 31st 2022 and from February 1st to July 31st 2023 and to audit the full-year separate financial statements of CCC S.A. and the full-year consolidated financial statements of the CCC Group for the years ending January 31st 2023 and January 31st 2024.

In 2021, the Audit Committee comprised the following members:

Full name of Supervisory Board Member	Position on the Audit Committee
Filip Gorczyca	Chair
Zofia Dzik	Member
Waldemar Jurkiewicz	Member

In connection with its internal systems and functions in place, the Company applies the following principles of the Code of Best Practice 2021:

3.1. Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.
The principle is applied by the Company.

3.2. Companies' organisation includes units responsible for the tasks of individual systems or functions unless it is not reasonable due to the size of the company or the type of its activity.
The principle is applied by the Company.

3.3. Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.
The principle is applied by the Company.

3.4. The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.
The principle is applied by the Company.

3.5. Persons responsible for risk and compliance management report directly to the president or other member of the management board.
The principle is applied by the Company.

3.6. The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.
The principle is applied by the Company.

3.7. Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.
The principle is applied by the Company.

3.8. The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.
The principle is applied by the Company.

3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.
The principle is applied by the Company.

3.10. Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.
The principle is applied by the Company.

Until June 30th 2021, the Company applied in this respect principles III.R.1 – III.Z.6 of the Code of Best Practice 2016.

4. General Meeting, shareholder relations

The management board and the supervisory board of listed companies should encourage the engagement of shareholders in matters of the company, in particular through active participation in the general meeting, either in person or through a proxy.

The general meeting should proceed by respecting the rights of all shareholders and ensuring that passed resolutions do not infringe on legitimate interests of different groups of shareholders.

Shareholders who participate in a general meeting exercise their rights in accordance with the rules of good conduct.
Participants of a general meeting should come prepared to the general meeting.

Operation and key powers of the General Meeting; shareholder rights and how they are exercised

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

Convening and cancelling the General Meeting:

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

Powers of the General Meeting

The powers and responsibilities of the General Meeting include, in addition to any matters related to the Company's operations and matters specified in applicable laws, except for the acquisition and disposal of real property, perpetual usufruct right to real property or interest in real property:

- Appointment and removal of Supervisory Board members
- Approval of the Rules of Procedure for the Supervisory Board
- Determination of the rules of remuneration for the Supervisory Board
- Determination of remuneration for Supervisory Board members.

The powers of the General Meeting are defined in the following documents:

1) Articles of Association of the Company, available on the Company's website;
2) Rules of Procedure for the General Meeting of CCC S.A., available on the Company's website;
3) Commercial Companies Code;
4) Code of Best Practice for WSE Listed Companies.

Participation in General Meetings of the Company

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

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

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

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

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

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

1) real-time broadcast of the General Meeting;
2) real-time two-way communication where shareholders may speak during the General Meeting from a location other than the venue of the General Meeting;

3) exercise of voting rights at the General Meeting by the shareholder in person or through a proxy.

Voting at the General Meeting of the Company

Presented below are the rules of voting at the Company's General Meeting, which are consistent with the Rules of Procedure for the General Meeting, the Company's Articles of Association, and the Commercial Companies Code:

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

Four General Meetings held in 2021

On **June 11th 2021, an Extraordinary General Meeting was** held to approve the execution of a pledge agreement and creation of a registered pledge (registered pledges) over a set of assets and rights forming an organised whole with variable composition included in the Company's enterprise as security for claims under a credit facility agreement and other claims.

The **Annual General Meeting held on June 22nd 2021** approved the Directors' Reports on the Company's and the CCC Group's operations and the financial statements for 2020. The Annual General Meeting passed a resolution to cover the loss for 2020 of PLN 657,696,959.45 from statutory reserve funds.

The General Meeting passed resolutions to give a positive opinion on the Report on remuneration of members of the Management Board and Supervisory Board of the Company for the period from January 1st 2019 to January 31st 2021, as ratified by the Supervisory Board in Resolution No. 10/05/2021/RN of May 24th 2021, to approve the amended Rules of Procedure for the Supervisory Board, as ratified by the Supervisory Board in Resolution No. 11/05/2021/RN of May 24th 2021, to approve amendments to the Remuneration Policy for members of the Management Board and members of the Supervisory Board of CCC S.A., an amendment to the rules for remunerating members of the Supervisory Board of CCC S.A. and an amendment to the Company's Articles of Association.

On **August 3rd 2021,** the **Extraordinary General Meeting** passed two resolutions. One was to dispose of CCC Spółka Akcyjna Oddział w Warszawie as an organised part of the Company's enterprise (Art. 393.3 of the Commercial Companies Code) and the other was to (i) issue Series 1/2021 bonds convertible into Series K shares, (ii) fully waive shareholders' pre-emptive rights to acquire the Series 1/2021 convertible bonds, (iii) conditionally increase the Company's share capital through the issue of Series K shares, (iv) fully waive shareholders' pre-emptive rights to acquire the Series K shares, and (v) amend the Articles of Association.

On **September 6th 2021, an Extraordinary General Meeting was held** to consider: 1/ a conditional increase of the Company's share capital through the issue of Series L shares, 2/ waiver of existing shareholders' pre-emptive rights with respect to the new Series L shares, 3/ issue of Series D subscription warrants, 4/ waiver of existing shareholders' pre-emptive rights with respect to the Series D subscription warrants and bonds being debt instruments convertible or exchangeable into Company shares that may give rise to the obligation to transfer ownership or deliver Company shares, or to transfer ownership or deliver an instrument (including a security) entitling the holder to acquire Company shares, irrespective of any other benefits, including cash payments, issued by the Company, governed by English law, 5/ conversion into book-entry form of the Series L shares issued as part of a conditional share capital increase, conversion into book-entry form of the Series D subscription warrants, seeking admission and introduction of the Series L shares to trading on a regulated market, and authorising the Management Board to take all steps necessary to do so, 6/ amendments to the Company's Articles of Association relating to the conditional increase of the Company's share capital.

The General Meeting passed a resolution to adjourn the Extraordinary General Meeting until September 10th 2021. The reason for the adjournment was that the preparation of documents relating to the bond issue was still in progress.

Following resumption on September 6th 2021, the Extraordinary General Meeting resolved not to vote on draft resolutions pertaining to the conditional share capital increase and the issue of subscription warrants. The decision was in line with an earlier recommendation from the Management Board connected with the expected receipt of funding from PFR as a result of the acquisition of bonds issued by CCC Shoes & Bags Sp. z o.o., as announced by the Company in Current Report No. 58/2021 of September 9th 2021.

Dividend policy

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

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

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

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

None of the CCC Group shares carry any dividend preference.

Dividend history

FINANCIAL YEAR	PAYOUT RATIO (% OF CONSOLIDATED NET PROFIT)	TOTAL DIVIDEND (PLN MILLION)	DIVIDEND PER SHARE
2020	0%	-	-
2019	0%	-	-
2018	35%	19.8	0.5
2017	33%	94.7	2.3
2016	33%	101.4	2.6
2015	33%	86.0	2.2
2014	*27%	115.2	3.0
2013	49%	61.4	1.6
2012	58%	61.4	1.6
2011	50%	61.4	1.6
2010	49%	57.6	1.5
2009	46%	38.4	1.0
2008	37%	38.4	1.0
2007	0%	-	-
2006	72%	38.4	1.0
2005	88%	38.4	1.0

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

The Company complies with the following principles of the Code of Best Practice 2021 regarding general meetings and shareholder relations:

4.1. Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.
The principle is applied by the Company.

4.2. Companies set the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, companies strive to ensure that the cancellation of a general meeting, change of its date or break in its proceedings take place only if justified and do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.
The principle is applied by the Company.

4.3. Companies provide a public real-time broadcast of the general meeting.
The principle is applied by the Company.

4.4. Presence of representatives of the media is allowed at general meetings.
The principle is applied by the Company.

4.5. If the management board becomes aware of a general meeting being convened pursuant to Art. 399.2–4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Art. 400.3 of the Commercial Companies Code.
The principle is applied by the Company.

4.6. To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to the general meeting. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.
The principle is applied by the Company.

4.7. The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.
The principle is applied by the Company.

4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.
The principle is applied by the Company.

4.9. If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:

4.9.1. candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;
The principle is applied by the Company.

4.9.2. candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company.
The principle is applied by the Company.

4.10. Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.
The principle is applied by the Company.

4.11. Members of the management board and the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the last year.
The principle is applied by the Company.

4.12. Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent governing body to set the price prior to the subscription right record date within the timeframe necessary for investors to make decisions.
The principle is applied by the Company.

4.13. Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue shares to selected shareholders or other entities may pass subject at least to the following three criteria:

a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the acquisition of another company, or the shares are to be taken up under an incentive scheme established by the company;

b) the persons granted the pre-emptive right are to be selected according to objective general criteria;

c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.

The principle is applied by the Company.

4.14. Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings subject to any of the following criteria:

a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;

b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;

c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;

d) the company generates insufficient cash flows to pay out dividends;

e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bonds issue;

f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The principle is applied by the Company.

Until June 30th 2021, the Company applied in this respect principles IV.R.1 – IV.Z.18 of the Code of Best Practice 2016.

5. Conflict of interest, related-party transactions

For the purposes of this section, 'related party' is a related party within the meaning of international accounting standards as adopted under Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19th 2002 on the application of international accounting standards

A company and its group should have transparent procedures in place for managing conflicts of interest and executing related-party transactions where a conflict of interest may occur.

The procedures should provide for ways to identify, disclose and manage such cases.

Members of the management board and members of the supervisory board should refrain from professional or other activities which might cause a conflict of interest or adversely affect their reputation as members of the governing bodies of the company, and where a conflict of interest arises - promptly disclose it.

With respect to conflicts of interest and related-party transactions, the Company applies the following principles of the Code of Best Practice 2021:

5.1. Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and should not participate in discussions concerning an issue which may give rise to such a conflict of interest on their part.
The principle is applied by the Company.

5.2. Where a member of the management board or the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that his or her opinion on the issue be recorded separately in the minutes of the meeting of the management board or the supervisory board, as applicable.
The principle is applied by the Company.

5.3. No shareholder should be privileged over any other shareholder in related-party transactions. The foregoing also applies to transactions executed by a company's shareholders with other companies within the same group.
The principle is applied by the Company.

5.4. Companies may buy back their own shares only in a procedure which respects the rights of all shareholders.
The principle is applied by the Company.

5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.
The principle is applied by the Company.

5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred to in principle 5.5.
The principle is applied by the Company.

5.7. If a decision concerning a company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.
The principle is applied by the Company.

Until June 30th 2021, the Company applied in this respect principles V.R.1. – V.Z.6. of the Code of Best Practice 2016.

6. Wages and salaries

A company and its group protect the stability of their management teams, among others by transparent, fair, consistent and non-discriminatory terms of remuneration, including equal pay for women and men.

A company's remuneration policy applicable to members of the company's governing bodies and key management staff should define, in particular, the remuneration form, structure, and the method of determination and payment.

REMUNERATION OF CCC S.A.'S GOVERNING BODIES

Rules of remuneration for management and supervisory staff

The remuneration rules for members of the Management and Supervisory Boards are defined in the Remuneration Policy for Members of the Management Board and Supervisory Board of CCC S.A., adopted by the Annual General Meeting on June 24th 2020 and updated by the next Annual General Meeting on June 22nd 2021. The remuneration policy was introduced in view of the key role of the Management Board and Supervisory Board members at the Company. It aims to support delivery of the Company's business strategy and promote its long-term interests and stability, including by motivating Management and Supervisory Board members to work effectively for the Company, encouraging them to stay with the Company over the long term and linking the interests of the Management Board members to those of the Company. The amount of remuneration for the Management Board and Supervisory Board members is determined taking into account the amount of work necessary to properly perform the functions of individual members of the above bodies and the scope of duties, responsibilities and competencies connected with the performance of those functions. The remuneration amount corresponds to the size of the Company's business and is reasonable in relation to its financial performance.

Bonus rules

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

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

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

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

3) A long-term bonus contingent on an increase in CCC S.A.'s value (understood as an increase in the share price), payable to each Management Board member:

- for the first period from January 1st 2020 to July 31st 2021 as 100,000 x difference between the average price of Company shares in the second quarter of the financial year 2021 (from May 1st 2021 to July 31st 2021) and the issue price of Series I and J shares, payable in two equal parts: by August 31st 2021 and by November 30th 2021, respectively;

- for the second period from August 1st 2021 to July 31st 2024, as 100,000 x difference between the average price of Company shares in the second quarter of the financial year 2024/25 (from May 1st 2024 to July 31st 2024) and the average price of Company shares in the second quarter of the financial year 2021, payable in two equal parts: by September 30th 2024 and November 30th 2024, respectively.

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

Remuneration of CCC S.A. Management Board andbonuses

February 1st 2021–January 31st 2022	Position	Fixed components of remuneration:		Variable components of remuneration:		Total
Gross remuneration of Management Board members		Remuneration under service contract	Additional monetary and non-monetary benefits	Short-term bonus	Long-term bonus (January 1st 2020 - July 31st 2021) *	
Marcin Czyczerski	President of the Management Board	1,200,000.0	8,320.0	600,000.0	8,148,000.0	9,956,320.0
Mariusz Gnych	Vice President	840,000.0	9,100.0	420,000.0	8,148,000.0	9,417,100.0
Karol Półtorak	Vice President	840,000.0	5,200.0	420,000.0	8,148,000.0	9,413,200.0
Adam Holewa	Vice President	630,000.0	-	140,000.0	-	770,000.0
Igor Matus	Vice President	526,200.0	-	-	-	526,200.0
Kryspin Derejczyk	Vice President	420,000.0	-	-	-	420,000.0
Adam Marciniak	Vice President	245,000.0	-	-	-	245,000.0
Total		**4,701,200.0**	**22,620.0**	**1,580,000.0**	**24,444,000.0**	**30,747,820.0**

January 1st 2020–January 31st 2021	Position	Fixed components of remuneration:		Variable components of remuneration:		Total
Gross remuneration of Management Board members		Remuneration under service contract	Additional monetary and non-monetary benefits	Short-term bonus	Long-term bonus (January 1st 2020 - July 31st 2021)	
Marcin Czyczerski	President of the Management Board	1,204,375.0	8,320.0	-	-	1,212,695.0
Mariusz Gnych	Vice President	976,500.0	9,100.0	140,000.0	-	1,125,600.0
Karol Półtorak	Vice President	976,500.0	5,200.0	140,000.0	-	1,121,700.0
Total		**3,157,375.0**	**22,620.0**	**280,000.0**	**-**	**3,459,995.0**

*for 2021 – long-term bonuses for the first period from January 1st 2020 to July 31st 2021.

Remuneration of the Supervisory Board of CCC S.A.

February 1st 2021–January 31st 2022		Fixed components of remuneration:		Total
Gross remuneration of Supervisory Board members	**Position**	**Remuneration under service contract**	**Additional monetary and non-monetary benefits**	
Dariusz Miłek	Chair of the Supervisory Board	-	8,190.0	8,190.0
Wiesław Oleś	Deputy Chair of the Supervisory Board	183,333.0	-	183,333.0
Waldemar Jurkiewicz	Member of the Supervisory Board	146,667.0	-	146,667.0
Filip Gorczyca	Member of the Supervisory Board	165,000.0	-	165,000.0
Zofia Dzik	Member of the Supervisory Board	146,667.0	-	146,667.0
Henry McGovern	Member of the Supervisory Board*	74,000.0	-	74,000.0
Total		**715,667.0**	**8,190.0**	**715,667.0**

January 1st 2020–January 31st 2021		Fixed components of remuneration:		Total
Gross remuneration of Management Board members	**Position**	**Remuneration under service contract**	**Additional monetary and non-monetary benefits**	
Dariusz Miłek	Chair of the Supervisory Board	-	8,190.0	8,190.0
Wiesław Oleś	Deputy Chair of the Supervisory Board	146,667.0	-	146,667.0
Waldemar Jurkiewicz	Member of the Supervisory Board	104,000.0	-	104,000.0
Filip Gorczyca	Member of the Supervisory Board	117,000.0	-	117,000.0
Zofia Dzik	Member of the Supervisory Board	104,000.0	-	104,000.0
Henry McGovern*	Member of the Supervisory Board*	43,429,0	-	43,429.0
Total		**471,667.0**	**8,190.0**	**523,286.0**

*From June 24th 2020 to July 12th 2021

Members of the Management Board receive within the CCC Group other income in addition to that disclosed at CCC S.A. (such other income not being related to their service as Management Board Members).

A report on remuneration of the Management and Supervisory Boards is issued together with this Report. The remuneration report covers the reporting periods which are consistent with the actual financial years of the CCC Group (the years from February 1st 2021 to January 31st 2022 and from January 1st 2020 to January 31st 2021). For the avoidance of any doubt, contrary to the usual practice, the data presented in the Directors' Report has not been restated in this case to a 12-month period (from February 1st 2020 to January 31st 2021).

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

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

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

6.1. The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.
The principle is applied by the Company.

6.2. Incentive schemes should be designed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.
The principle is applied by the Company.

6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.
The principle is applied by the Company.

6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.
The principle is applied by the Company.

6.5. The level of remuneration of supervisory board members should not depend on the company's short-term results.
The principle is applied by the Company.

Until June 30th 2021, the Company applied in this respect principles VI.R.I – VI.Z.4 of the Code of Best Practice 2016.

SHARE CAPITAL AND SHAREHOLDERS

As at February 1st 2022, the share capital of CCC S.A. amounted to PLN 5,486,800.00 and was divided into 54,868,000 shares with a par value of PLN 0.10 per share.

SERIES/ISSUE	TYPE OF SHARES	TYPE OF PREFERENCE	NUMBER OF SHARES	PAR VALUE OF THE SERIES/ISSUE (PLN)	FORM OF PAYMENT FOR SHARES
„A1"	registered voting preference	registered voting preference	6,650,000.0	665,000.0	cash
„A2"	ordinary bearer shares	ordinary bearer shares	13,600,000.0	1,360,000.0	cash
B	ordinary bearer shares	ordinary bearer shares	9,750,000.0	975,000.0	cash
C	ordinary bearer shares	ordinary bearer shares	2,000,000.0	200,000.0	cash
D	ordinary bearer shares	ordinary bearer shares	6,400,000.0	640,000.0	cash
E	ordinary bearer shares	ordinary bearer shares	768,000.0	76,800.0	cash
H	ordinary bearer shares	ordinary bearer shares	2,000,000.0	200,000.0	cash
I	ordinary bearer shares	ordinary bearer shares	6,850,000.0	685,000.0	cash
J	ordinary registered shares	ordinary registered shares	6,850,000.0	685,000.0	cash
Total			**54,868,000.0**	**5,486,800.0**	

Following a request from Ultro s.à r.l. of Luxembourg, a shareholder in CCC S.A. holding all Series J ordinary registered shares in CCC S.A., to convert all Shares into ordinary bearer shares, on October 7th 2021 The CCC S.A.'s Management Board passed a resolution to convert 6,850,000 Series J ordinary registered shares in CCC S.A. into ordinary bearer shares and take steps to have them assimilated with the other ordinary bearer shares in CCC S.A. and have them admitted and introduced to trading on the regulated market operated by the Warsaw Stock Exchange. By Resolution No. 1097/2021 of October 29th 2021, the Management Board of the Warsaw Stock Exchange (the "WSE") admitted and introduced to trading on the main market, with effect from November 8th 2021, all Series J ordinary bearer shares in CCC S.A. On November 3rd 2021, the Central Securities Depository of Poland (the "CSDP") resolved to assimilate 6,850,000 Series J ordinary bearer shares with effect from November 8th 2021.

As at January 31st 2022, the share capital of CCC S.A. amounted to PLN 5,486,800.00 and was divided into 54,868,000 shares with a par value of PLN 0.10 per share.

SERIES/ISSUE	TYPE OF SHARES	TYPE OF PREFERENCE	NUMBER OF SHARES	PAR VALUE OF THE SERIES/ISSUE (PLN)	FORM OF PAYMENT FOR SHARES
„A1"	registered voting preference	registered voting preference	6,650,000.0	665,000.0	cash
„A2"	ordinary bearer shares	ordinary bearer shares	13,600,000.0	1,360,000.0	cash
B	ordinary bearer shares	ordinary bearer shares	9,750,000.0	975,000.0	cash
C	ordinary bearer shares	ordinary bearer shares	2,000,000.0	200,000.0	cash
D	ordinary bearer shares	ordinary bearer shares	6,400,000.0	640,000.0	cash
E	ordinary bearer shares	ordinary bearer shares	768,000.0	76,800.0	cash
H	ordinary bearer shares	ordinary bearer shares	2,000,000.0	200,000.0	cash
I	ordinary bearer shares	ordinary bearer shares	6,850,000.0	685,000.0	cash
J	ordinary bearer shares	ordinary bearer shares	6,850,000.0	685,000.0	cash
Total			**54,868,000.0**	**5,486,800.0**	

Agreements concerning potential changes in the shareholding structure.

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

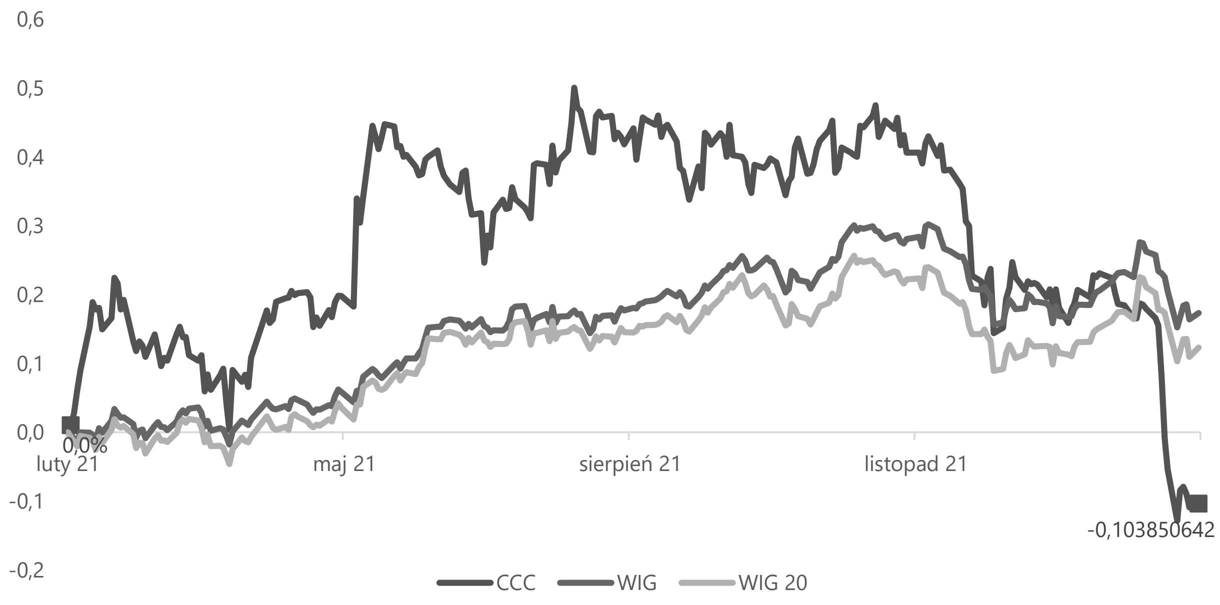
CCC shares on the Warsaw Stock Exchange

CCC stock price

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

As at January 31st 2022, the price of one CCC share was PLN 76.80, which translated into the CCC Group's market capitalisation in excess of PLN 4.5bn. The highest price in the year (closing price) was PLN 128.60, while the lowest price was PLN 74.68. The maximum transaction price in 2021 was PLN 130.00, while the minimum price was PLN 72.56.

CCC share price from February 1st 2021 to January 31st 2022



The Annual General Meeting held on June 22nd 2021 approved the Directors' Reports on the operations of the Company and the CCC Group, and the financial statements for 2020. The Annual General Meeting passed a resolution to cover the loss for 2020 of PLN 657,696,959.45 from statutory reserve funds.

Selected information on the price of CCC shares in 2020–2021:

DATA	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	*CHANGE (%)
	AUDITED	UNAUDITED	UNAUDITED
Consolidated net profit (loss) attributable to owners [PLNm]	-221.0	-909.0	-74.8%
Separate net profit attributable to owners [PLNm]	442.2	-652.4	<-100%
Consolidated earnings per share [PLN]	-4.0	-22.1	-81.1%
Separate earnings per share [PLN]	8.1	-15.8	<-100%
High [PLN]	128.6	115.9	11.0%
Low [PLN]	74.7	25.0	>100%
Share price at end of period [PLN]	76.8	82.7	-7.1%
Average share price in the period [PLN]	109.9	62.2	76.6%
Average P/E ratio	-27.5	-2.8	>100%
P/E ratio at end of period	-19.2	-3.7	>100%
Weighted average number of free float shares at end of period	54,868,000.0	41,168,000.0	33.3%
Free float at end of period	0.5	0.5	-
Capitalisation at end of period [PLNm]	4,537,583,600.0	3,991,237,600.0	13.7%
Dividend paid per share [PLN]	-	-	-

Research coverage of CCC stock

INSTITUTION	ANALYST	CONTACT PERSONS
Bank of America Merrill Lynch	Ilya Ogorodnikov	ILYA.OGORODNIKOV@BAML.COM
Citi	Rafał Wiatr	RAFAL.WIATR@CITI.COM
DM BOŚ S.A.	Sylwia Jaśkiewicz	S.JASKIEWICZ@BOSSA.PL
Santander	Tomasz Sokołowski	TOMASZ.SOKOLOWSKI@SANTANDER.PL
Dom Maklerski BDM S.A.	Anna Madziar	ANNA.MADZIAR@BDM.PL
MBANK	Paweł Szpigiel	PAWEŁ.SZPIGIEL@MBANK.PL
Erste Group	Krzysztof Kawa	KRZYSZTOF.KAWA@ERSTEGROUP.COM
Haitong	Konrad Księżopolski	KKSIEZOPOLSKI@HAITONGIB.PL
HSBC	Bulent Yurdagul	BULENTYURDAGUL@HSBC.COM.TR
Ipopema	Marek Szymański	MAREK.SZYMANSKI@IPOPEMA.PL
JP Morgan	Elena Jouronova	ELENA.JOURONOVA@JPMORGAN.COM
PKO BP	Adrian Skłodowski	ADRIAN.SKLODOWSKI@PKOBP.PL
Raiffeisen Centrobank AG	Jakub Krawczyk	JAKUB.KRAWCZYK@RCB.AT
Trigon	Grzegorz Polański	GRZEGORZ.KUJAWSKI@TRIGON.PL
UBS	Michał Potyra	MICHAL.POTYRA@UBS.COM
Wood&Company	Łukasz Wachełko	LUKASZ.WACHELKO@WOOD.COM
VTB Capital	Alexander Gnusarev	ALEXANDER.GNUSAREV@VTBCAPITAL.COM

Shareholders with major holdings

According to the information available to the Company, shareholders holding 5% or more of total voting rights in CCC S.A. as at January 31st 2022 were:

1) ULTRO S.a.r.l. (a subsidiary of Dariusz Miłek), which held 17,077,465 Company shares, representing 31.13% of the share capital and 38.33% of total voting rights;

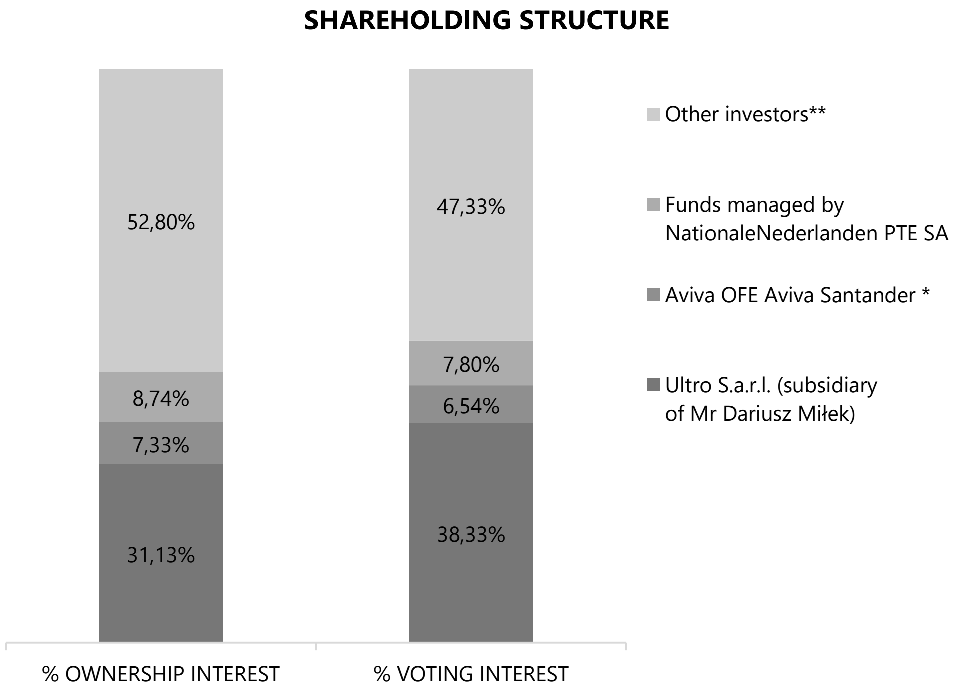
2) Funds managed by Nationale-Nederlanden PTE SA, which held 4,796,000 Company shares, representing 8.74% of the share capital and 7.80% of total voting rights;

3) Aviva OFE Aviva Santander, which held 4,022,697 Company shares, representing 7.33% of the share capital and 6.54% of total voting rights.

SHAREHOLDER	NUMBER OF SHARES HELD	% OWNERSHIP INTEREST	NUMBER OF VOTING RIGHTS	% VOTING INTEREST
Ultro S.a.r.l. (subsidiary of Mr Dariusz Miłek)	17,077,465	31.13%	23,577,465	38.33%
Aviva OFE Aviva Santander*	4,022,697	7.33%	4,022,697	6.54%
Funds managed by Nationale-Nederlanden PTE S.A.	4,796,000	8.74%	4,796,000	7.80%
Other investors**	28,971,838	52.80%	29,121,838	47.33%
Total	**54,868,000**	**100.00%**	**61,518,000**	**100.00%**

* As per the list of shareholders entitled to participate in the Extraordinary General Meeting on September 6th 2021.

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



Shares in the parent and in related entities held by managing and supervising persons

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

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

Company shareholders holding special control rights

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

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

SHAREHOLDER	NUMBER OF SHARES HELD	% OWNERSHIP INTEREST	NUMBER OF VOTING RIGHTS	% VOTING INTEREST
ULTRO Sp. z o.o., subsidiary of Dariusz Miłek	6,500,000	11.85%	13,000,000	21.13%
Lech Chudy	50,000	0.09%	100,000	0.16%
Renata Miłek	50,000	0.09%	100,000	0.16%
Mariusz Gnych	50,000	0.09%	100,000	0.16%
Total	**6,650,000**	**12.12%**	**13,300,000**	**21.62%**

Restrictions on voting rights attached to existing shares

There are no restrictions on the exercise of voting rights.

Restrictions on transfer of ownership rights to securities

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

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

Members of the Company's Management Board are appointed and removed by the Supervisory Board. The Company's Management Board consists of one to seven members, including the President. The other members serve as Vice Presidents. Members of the Management Board are appointed for a joint three-year term of office.
The powers and rules of procedure for the Management Board of CCC S.A. are set out in the following regulations:

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

The powers and responsibilities of the Management Board:

1) establishing internal rules and regulations of the Company;
2) submitting proposals on allocation of profit and coverage of loss to the Supervisory Board;
3) entering into employment contracts with the Company's employees other than Management Board members;
4) granting commercial powers of attorney;
5) passing resolutions to establish and close Company branches;
6) submitting proposals on any other matters to the Supervisory Board and the General Meeting;
7) calling General Meetings.

The Management Board is required to perform all its duties and obligations prescribed by applicable laws and the Company's Articles of Association. The President of the Management Board directs the work of the Management Board, particularly by coordinating, supervising and organising the work of individual Management Board members.

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

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

Rules governing amendments to the Company's Articles of Association

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

Amendments to the Articles of Association require a resolution of the General Meeting adopted by a majority of ¾ of the votes and an entry to the National Court Register. When authorised to do so by the General Meeting, the Supervisory Board of the Company may determine the consolidated text of the amended Articles of Association or make other editorial changes specified in the respective resolution of the General Meeting.

A resolution to amend the Articles of Association takes effect from the date of entry in the Business Register.

INFORMATION ON NON-COMPLIANCE WITH CORPORATE GOVERNANCE RULES

CCC S.A. has complied with the recommendations and principles set out in the Code of Best Practice 2016, in force until June 30th 2021, and the principles set out in the new Code of Best Practice 2021, as stated in the report on compliance with the Code of Best Practice 2021, published on July 30th 2021, pursuant to Section 29.3 of the Rules of the Warsaw Stock Exchange.
For information on the Company's compliance with the principles set out in the Code of Best Practice for WSE Listed Companies 2021, see the corporate website, corporate governance section:
https://corporate.ccc.eu/lad-korporacyjny.

Non-financial statement

A separate non-financial report of the CCC Group for 2021, prepared in accordance with Art. 49b.9 of the Accounting Act, was published together with the Directors' Report on the CCC Group's operations and posted on the Company's website at https://corporate.ccc.eu/lad-korporacyjny

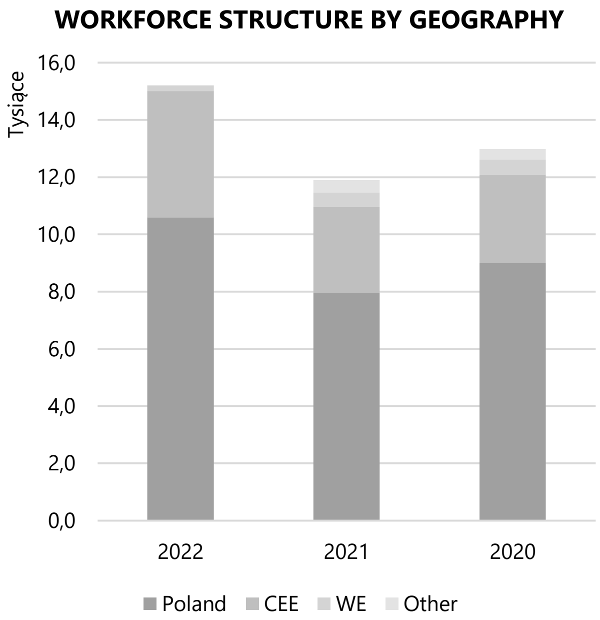
EMPLOYEES OF THE CCC GROUP

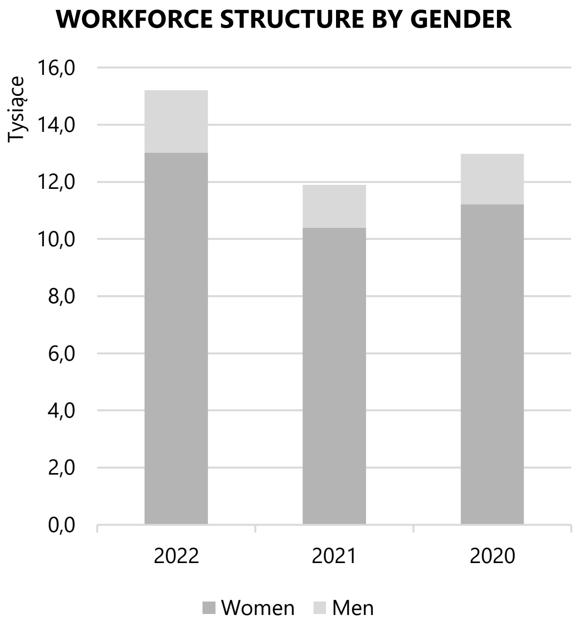
The CCC Group's employees are a vital asset of the organisation – every day they work towards the achievement of the objectives set out in the Group's strategy, enhancing its growth potential. Employee commitment and efficiency translates into our Customers' and Shareholders' satisfaction.

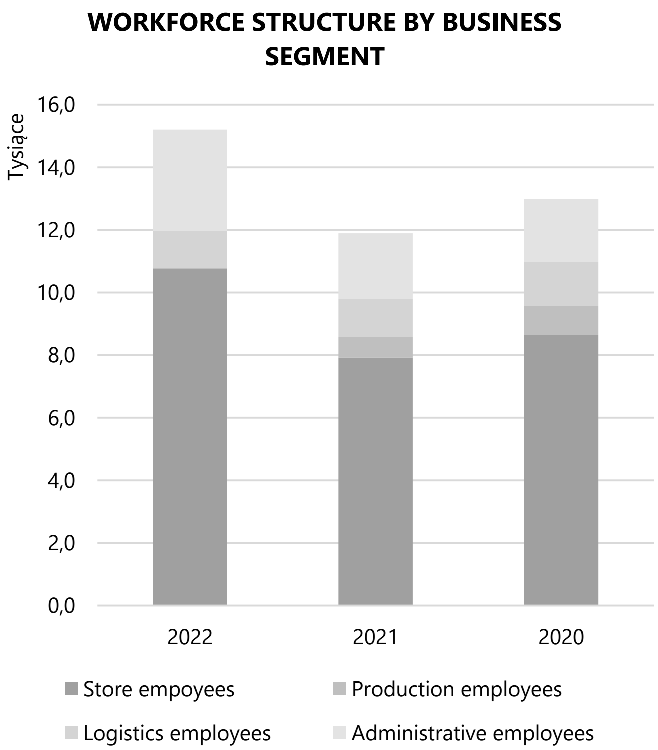
WORKFORCE STRUCTURE

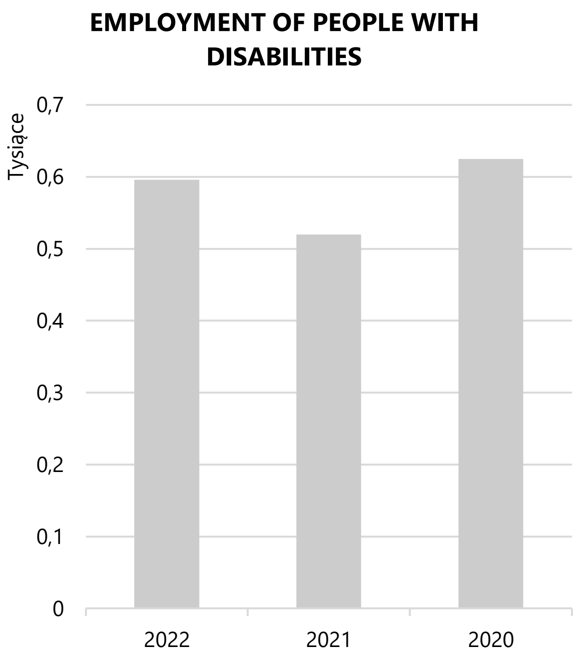
As at the reporting date, the CCC Group's headcount was 15,205. As a result of the expansion of the Halfprice chain and sales recovering after the pandemic, employment increased by 3,312 persons year on year. Store personnel continue to be the largest employee category (accounting for about 71% of total workforce), with administrative staff accounting for just under 21% and logistics and production personnel representing the smallest share of total workforce.

	January 31st 2022		January 31st 2021		January 31st 2020	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Poland						
Store employees	6,571	621	4,179	219	4,852	250
Production personnel	7	3	555	94	764	153
Logistics employees	832	305	753	424	801	566
Administrative staff	1,356	904	1,204	513	1,107	512
Total	**8,766**	**1,833**	**6,691**	**1,250**	**7,524**	**1,481**
Central and Eastern Europe						
Store employees	3,215	190	2,738	167	2,827	179
Production personnel	-	-	-	-	-	-
Logistics employees	27	13	-	3	-	2
Administrative staff	857	110	89	18	68	21
Total	**4,099**	**313**	**2,827**	**188**	**2,895**	**202**
Western Europe						
Store employees	151	23	458	30	465	32
Production personnel	-	-	-	-	-	-
Logistics employees	-	-	-	-	-0	-
Administrative staff	13	7	15	1	12	-
Total	**164**	**30**	**473**	**31**	**477**	**32**
Other countries						
Store employees	-	-	124	12	42	6
Production personnel	-	-	-	-	-	-
Logistics employees	-	-	21	9	21	11
Administrative staff	-	-	258	9	257	36
Total	**-**	**-**	**403**	**30**	**320**	**53**
All employees						
Store employees	9,937	834	7,499	428	8,186	467
Production personnel	7	3	555	94	764	153
Logistics employees	859	318	774	436	822	579
Administrative staff	2,226	1,021	1,566	541	1,444	569
All employees	**13,029**	**2,176**	**10,394**	**1,499**	**11,216**	**1,768**









EMPLOYMENT OF PEOPLE WITH DISABILITIES

The working conditions enable employment of people with disabilities. As at January 31st 2022, the Group employed 596 people with disabilities, accounting for nearly 4% of total workforce.

CCC S.A. EMPLOYEES

WORKFORCE STRUCTURE

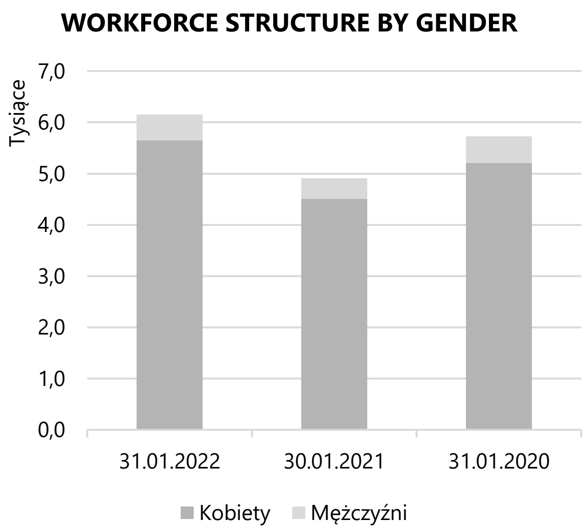
As at January 31st 2022, CCC S.A. employed 6,152 staff, an increase of 1,242 year on year. The increase in employment at CCC S.A. was partly attributable to the expansion of Halfprice and e-commerce business, and to the reopening of brick and mortar stores.

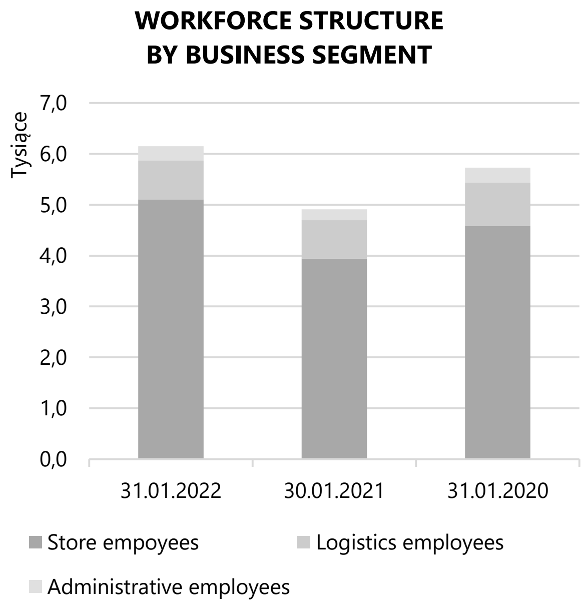
CCC S.A.'s workforce includes mainly store employees, who accounted for 83% of all employees in the last financial year. Logistics employees represent 12% of the total workforce, while administrative staff – only 5%. Year on year, the number of employees increased by 25%. Details are provided in the table below.

	January 31st 2022		January 31st 2021		January 31st 2020	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Store employees	4,944	161	3,834	109	4,428	157
Logistics employees	532	230	524	230	552	296
Administrative staff	170	115	149	64	227	71
All employees	**5,646**	**506**	**4,507**	**403**	**5,207**	**524**

EMPLOYMENT OF PEOPLE WITH DISABILITIES

The working conditions at CCC S.A. enable employment of people with disabilities. As at January 31st 2022, the Company employed 388 people with disabilities, representing approximately 6% of its total workforce.

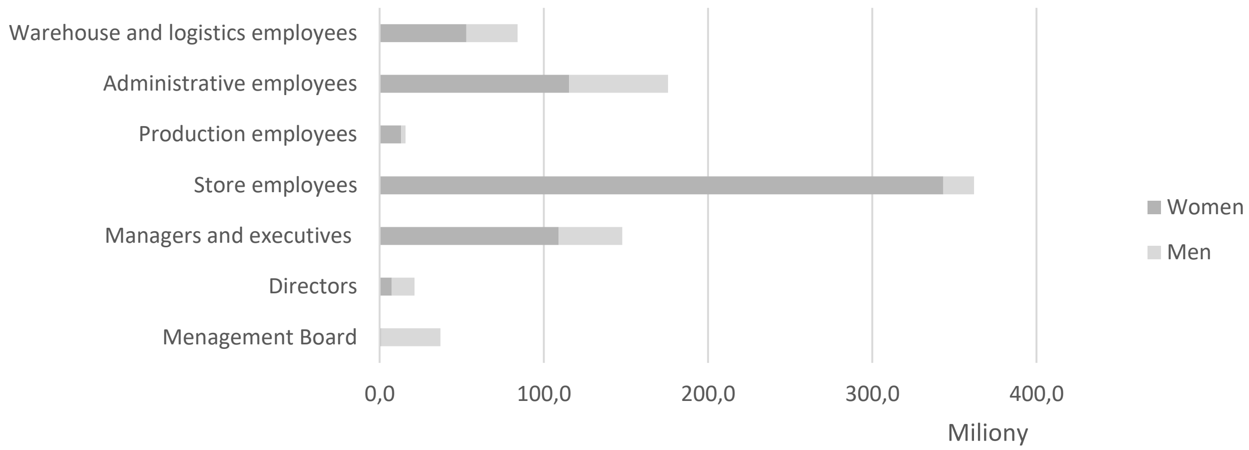




REMUNERATION POLICY FOR ALL CCC GROUP EMPLOYEES

The Group's remuneration policy is based on the principle of equality, which means the amount of remuneration depends on an employee's skills, competencies, and dedication.

In 2021, the relative shares of remuneration in the CCC Group were as follows:



DEVELOPMENT PROGRAMMES FOR EMPLOYEES

Leading organisations are made up of outstanding employees. This is the case with the CCC Group, so Employee Development is one of the key promoted values.

The first edition of the First Time Manager programme was run in the financial year 2021. The programme is dedicated to young talent and leaders preparing to become managers. The entire programme was carried out internally and comprised six thematic modules, each complemented by e-learning content.

In addition to programmes for leaders and talent, training courses were also held to strengthen the core competencies relating to the Group's values. Each skill was developed according to the following model: two meetings with the trainer + asynchronous work of the participant supported by e-learning exercises and materials. The skills developed this year included communication, cooperation, decision-making, team management, change management, and management by objectives. All workshops and meetings with the trainer were held remotely using up-to-date tools allowing participants to take active part in the meeting and effectively develop their skills.

The CCC Group quickly and flexibly responded to the new COVID reality by adapting its activities and development models.

To ensure the safety and health of employees and to adapt to the hybrid work model, it carried out all its development activities online,

which was facilitated by an earlier effort to digitalise the Learning & Development area. During the first lockdown in 2020, the Group successfully launched its Home Development Academy targeted at sales department personnel.

Development programmes for CCC store employees

Sales Master:

In 2021, we continued our Sales Master development programme. The participants focused on strengthening their sales skills.

In addition to training modules, weekly inspirational meetings were held with Sales Masters to discuss key topics related to sales campaigns for the coming week.

International cooperation – CCC International L&D Brief

In 2021, international collaborations in L&D were launched. Regular meetings with people involved in learning and development initiatives help create shared solutions that contribute to efficient delivery of tasks.

CCC app

Early March 2021 saw the launch of an application for CCC Club Members, with relevant training provided to employees to showcase the benefits of the CCC Club in its new format, to share key information on the app and the Club, and to reinforce the topic.

The following training tools were used:

- Inspirational video
- Webinar sessions with Q&A panel
- Comic strips
- E-learning.

OMS:

In November, the OMS project was launched, whereby all stores can serve as warehouses for customers, which has significantly increased product availability.

Training sessions related to the project were delivered to acquaint our employees with the service.

Webinars and instructional videos were some of the training techniques used for this purpose.

One of the tools helping to share the knowledge of the OMS service were in-store training visits.

BACK TO SCHOOL, HALLOWEEN AND BLACK FRIDAY

These are sales and marketing campaigns that include training activities to support sales teams in strengthening their business awareness.

CCC RSM ACADEMY

In June 2021, the annual development programme dedicated to Regional Sales Managers was completed. In addition to enhancing their managerial skills, workshop participants worked in teams on a design thinking business project.

BRIEF MEETINGS

Brief meetings are a programme of short management-employee meetings launched in 2020. Their purpose is to keep the team up to date on latest developments and to drive high team performance every day. In 2021, the meeting format continued to be improved in line with the changing environment and business needs. All improvements were based on employee feedback, which we sought after each new change. The meetings were improved through introduction of new team games, which helped raise business awareness, product knowledge, and sales skills. Briefing meetings, although not a development and learning activity, effectively support cooperation and enhance knowledge across teams.

Development programmes for CCC Group administrative staff

Based on information collected during regular development conversations, relating to both competencies and objectives of individual administrative staff members, training programmes were developed and implemented to strengthen competencies in relevant areas.

Training delivered in 2021

During 2021, training was delivered to support the development of social and interpersonal skills. The Group also provided technology and highly specialised training, covering project management, tax training, DIMAQ academy and management reporting, and training to enhance the efficiency of work of remote and distributed teams.

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

ATTRACTING AND RECRUITING TALENT

As the CCC Group invests in employees to retain them for the long term, it values their experience and commitment, promoting internal recruitment and succession. Outside employees are only recruited if no members of the Group's own staff meet the requirements of a job.

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

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

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

The CCC Group also focuses on the development of young talent – in 2021 it organised FashionTech Summer Camp, paid summer work placements for the best students and graduates in the areas of e-commerce, IT, CRM, marketing, product, HR, finance and strategy. 65% of the trainees decided to stay with us for longer.

COMMUNICATION

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

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

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

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

For more information on employee matters, see the 'Employee' section of the Non-Financial Report.

CCC GROUP COMMITMENT

NON-FINANCIAL INFORMATION

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

REPRESENTATIONS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Representation of the Management Board on accuracy of the financialstatements

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

Representation of the Supervisory Board and information on the auditor

Pursuant to Par. 70.1.7 and Par. 71.1.7 of the Minister of Finance’s Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018, the Supervisory Board of CCC S.A. represented that:

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

70.1.14 and Par. 71.1.12 of the Minister of Finance’s Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018, and pursuant to Art. 382.3 of the Commercial Companies Code, the Supervisory Board of CCC S.A. represented that: Pursuant to Par.

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

Directors' Report on the operations of the Company and the CCC Group in 2021

Separate financial statements of CCC S.A. for 2021,

Consolidated financial statements of the CCC Group for 2021.

Following the assessment, the Supervisory Board determined that the Directors' Report on the Company's and the Group's operations in 2021 meets, in all material respects, the requirements set out in Art. 49 and Art. 55.2a of the Accounting Act and in the Minister of Finance’s Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018, and the information contained therein is consistent with the information presented in the audited separate financial statements of the Company and the consolidated financial statements of the CCC Group for 2021.

Furthermore, the Supervisory Board has ascertained that the separate financial statements for the financial year 2021, the consolidated financial statements for the financial year 2021, and the Directors' Report on the Company's and the Group's operations in 2021, submitted by the Company’s Management Board, present fairly and clearly all information which is necessary and relevant to the assessment of the

Company's and the Group's assets and financial position at January 31st 2022, and are consistent with the underlying accounting records, documents and facts.

The Supervisory Board gave a positive opinion on the separate financial statements for the financial year 2021, the consolidated financial statements for the financial year 2021, and the Directors' Report on the Company's and the Group's operations in 2021, based on:

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

• reports prepared by the independent auditor, i.e. Ernst & Young Audyt Polska Sp. z o.o. sp. k. of Warsaw, on the audit of the Company's separate financial statements and the CCC Group's consolidated financial statements as at January 31st 2022, as well as the additional report for the Audit Committee, prepared pursuant to Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, and in accordance with the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017;

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

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

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

AUDITOR'S FEES	**February 1st 2021–January 31st 2022**	**February 1st 2020–January 31st 2021**	**January 1st 2020–January 31st 2021**
CCC GROUP AND CCC S.A.	**AUDITED**	**UNAUDITED**	**AUDITED**
Audit and reviews of financial statements	1.1	1.1	1.1
Other services	0.7	0.1	0.1
TOTAL	**1.8**	**1.2**	**1.2**

OTHER INFORMATION

Parent’s branches (establishments)

As at the reporting date, the parent had no branches (establishments).

Major R&D achievements

Not applicable.

Key capital and equity investments within the Group in the financial year.

The subsidiaries did not make any significant capital or equity investments in the reporting period. Any cash surplus is used to repay debt under overdraft facilities.

Basis of preparation of the Directors’ Report

This Directors' Report on the operations of the CCC Group and CCC S.A. covers the reporting period from February 1st 2021 to January 31st 2022, and comparative periods from January 1st 2020 to January 31st 2021 and from February 1st 2020 to January 31st 2021. The Directors' Report was prepared in compliance with the separate financial statements as well as current and periodic reports. The Directors’ Report is consistent with Par. 71.3 and Par. 71.4 of the Minister of Finance’s Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018, and contains elements required under Par. 68.5-6 applicable to issuers of securities in the manufacturing, construction, trade, and services sectors. Art. 55.2.5 in conjunction with Art. 49.2, Art. 49.3 and Art. 63d. of the Accounting Act of September 29th 1994 also apply. In the case of the Rules of the Warsaw Stock Exchange, Sections 29.1, 29.2, 29.3 and 29.5 apply.

Contracts/agreements between the Company and the management staff

On October 28th 2020, the Management Board members (indemnified persons) and CCC S.A. (Guarantor) entered into liability risk allocation agreements (indemnification agreement). In 2021, the same agreements were signed with the new Management Board members.

Pending litigation, arbitration or administrative proceedings

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

Share buy-back

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

Restrictions on voting rights at the Company

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

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

The Group operates through franchisees in Ukraine, which fell victim to Russia’s armed invasion on February 24th 2022. As at the reporting date, assets other than trade receivables attributable to the Ukrainian market (approximately PLN 7.6m) did not represent any material value. Trade receivables from intermediaries in deliveries to franchisees amounted to approximately PLN 20.0m. After the reporting date, an agreement was concluded extending the due date of these receivables and, in the Management Board’s opinion, they can be collected.

In Russia the Group has 39 stores operated by a subsidiary. As at the reporting date, the Group’s net assets in Russia amounted to approximately PLN 17.6m. As a result of analyses carried out by the Management Board, a decision was made to discontinue supplies to the Russian market and to suspend further development of the CCC Group’s business in Russia by abandoning its expansion plans and consistent downscaling of the planned operations.

In 2021, combined sales in Ukraine and Russia accounted for 2.37% of the CCC Group’s overall revenue.

The Group is taking steps to exit the Russian market, including through sale of its shareholding in the Russian company. In the event of discontinuation of Russian operations and complete exit from that market, the estimated loss would be in the range of PLN 30–50m (effect on net profit or loss). Depending on the scenario, this amount includes loss on disposal of the subsidiary or costs related to its liquidation, including, but not limited to, potential costs related to penalties for early termination of lease contracts and termination of employment, as well as impairment losses on assets.
Having occurred after the reporting date, the event did not result in any adjustments as at January 31st 2022 but it does require disclosure and assessment of its impact on the CCC Group's business, although it will not affect the CCC Group's going concern basis of accounting.

On March 31st 2022, the Management Board of CCC S.A., representing the majority shareholder of Modivo S.A., announced that CCC S.A. executed an amendment to the agreement with the President of the Management Board of Modivo S.A., Mr Damian Zapłata, under which CCC S.A. agreed to enable Mr Zapłata to invest PLN 100m in Modivo shares, with the value of 100% of Modivo shares equal to PLN 6bn. The investment will consist in the acquisition of existing shares or subscription for new shares, at the discretion of CCC S.A. and subject to obtaining relevant approvals, including corporate approvals and approvals from the General Meeting of Modivo S.A. and the entities financing CCC S.A. At the same time, Damian Zapłata agreed to acquire the shares on the terms and conditions set out above. The amendment to the agreement was executed following CCC's failure to obtain, until the annex date, the necessary approvals from financial institutions to enable Mr Zapłata to invest in new Modivo shares with the value and based on the valuation initially specified in the agreement. The failure to obtain the necessary approvals from the financial institutions could pose a risk of a breach of financing agreements and related collateral agreements binding on the CCC Group. Accordingly, the investment date specified in the agreement, i.e. March 30th 2022, was changed to May 30th 2022.

After the reporting date, the parent registered new subsidiaries in Lithuania, Latvia and Estonia, each of them wholly owned by the parent. In March 2022, a document was signed setting out general terms of the acquisition of assets from the Group's existing franchisees (i.e. Sabiedrība ar ierobežotu atbildību CCC Baltija of Latvia, OÜ CCC Baltija of Estonia and UAB CCC Baltija of Lithuania). Their assets would be acquired by the newly established local subsidiaries so as to enable the new CCC entities to continue to operate the existing stores at the same locations on a continuous basis. The transaction would involve a total of 12 stores and the business model of the new subsidiaries would be similar to that of the other trade companies of the CCC Group. The purpose of the transaction is to simplify the structure of the CCC Group's business in Lithuania, Latvia and Estonia. Assets to be acquired include primarily inventories, retail space lease contracts, contracts with employees and other assets necessary to conduct the business. The Group estimates the acquisition price at approximately EUR 650 thousand (the price for the acquired assets may be revised following an inventory count).

The Directors' Report on the operations of the CCC Group and CCC S.A. was authorised for issue by the parent's Management Board on April 20th 2022 and signed on its behalf by:	
Signatures of all Management Board members:	
Marcin Czyczerski	President of the Management Board
Karol Półtorak	Vice President
Adam Holewa	Vice President
Igor Matus	Vice President
Kryspin Derejczyk	Vice President
Adam Marciniak	Vice President