

Report on the activities of the Supervisory Board of CCC S.A.

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

CCC | GINO ROSSI



1. Introduction

The Supervisory Board of CCC S.A. acting on the basis of Article 382 § 1 of the Code of Commercial Companies, Articles of Association of the Company and the Rules of Procedure of the Supervisory Board of CCC S.A., as well as the provisions of the Code of Best Practice for WSE Listed Companies 2021, hereby presents to the Ordinary General Meeting the Report on the activities of the Supervisory Board for the financial year from 1 February 2021 to 31 January 2022.

In accordance with the principles of the Code of Best Practice for WSE Listed Companies 2021, the Supervisory Board has assessed:

- 1) situation of the Company on a consolidated basis, including evaluation of internal control systems, risk management, compliance and the internal audit function, together with information on actions taken by the Supervisory Board in order to perform this evaluation;
- 2) application by the Company of the principles of corporate governance and the manner of fulfilling information obligations concerning their application, as specified in the Rules of the Stock Exchange and in the regulations concerning current and periodical information provided by issuers of securities, together with information on actions taken by the Supervisory Board in order to perform this evaluation;
- 3) the reasonableness of the expenses incurred by the Company and its group to support culture, sports, charitable institutions, the media, social organizations, trade unions, etc;
- 4) information on the degree of implementation of the diversity policy with respect to the management board and the supervisory board;
- 5) fulfillment of independence criteria by members of the Supervisory Board.

As part of this report, the Supervisory Board, implementing the principles set out in the Best Practices of Companies Listed on the WSE 2016 and the Best Practices of Companies Listed on the WSE 2021, presents the assessment made and a detailed description of the activities in the financial year 2021, i.e. for the period from 01 February 2021 to 31 January 2022.

2. Information on the term of office of the Supervisory Board, the composition of the Supervisory Board and functions held in it, as well as changes in the composition of the Board during the financial year

According to the Company's Articles of Association, the Supervisory Board consists of five to seven members appointed by the General Meeting for a joint three-year term of office. The members of the Supervisory Board are appointed and dismissed by the General Meeting of Shareholders.

The following table shows the composition of the Supervisory Board of the 8th term as of February 1, 2021.

Table No. 1: Composition of the Supervisory Board of the 8th term as of February 1, 2021.

L.p.	First and last name	Function performed	Holding Period in 2021.
1.	Dariusz Miłek	Chairman of the Supervisory Board	01.02.2021 - 31.01.2022
2.	Wiesław Oleś	Vice Chairman of the Supervisory Board	01.02.2021 - 31.01.2022
3.	Waldemar Jurkiewicz	Member of the Supervisory Board, Member of the Audit Committee	01.02.2021 - 31.01.2022
4.	Filip Gorczyca	Member of the Supervisory Board, Chairman of the Audit Committee	01.02.2021 - 31.01.2022

5.	Zofia Dzik	Member of the Supervisory Board, Member of the Audit Committee	01.02.2021 - 31.01.2022
6.	Henry McGovern	Member of the Supervisory Board	01.02.2021 - 12.07.2021

On July 12, 2021. Mr. Henry McGovern resigned from the Company's Board of Directors for personal reasons, effective July 12, 2021.

As at the balance sheet date, the composition of the Company's Supervisory Board was as follows:

Table No. 2: Composition of the Supervisory Board of the 8th term as of January 31, 2022.

L.p.	First and last name	Function performed	Holding Period in 2021.
1.	Dariusz Miłek	Chairman of the Supervisory Board	01.02.2021 - 31.01.2022
2.	Wiesław Oleś	Vice Chairman of the Supervisory Board	01.02.2021 - 31.01.2022
3.	Waldemar Jurkiewicz	Member of the Supervisory Board, Member of the Audit Committee	01.02.2021 - 31.01.2022
4.	Filip Gorczyca	Member of the Supervisory Board, Chairman of the Audit Committee	01.02.2021 - 31.01.2022
5.	Zofia Dzik	Member of the Supervisory Board, Chairman of the Audit Committee	01.02.2021 - 31.01.2022

Until the end of January 2022, the Board functioned with an unchanged composition.

3. Information on meeting the independence criteria by the Supervisory Board members

At least two members of the Supervisory Board should meet the independence criteria specified in the 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 (2005/162/EC) in line with the Code of Best Practice for WSE Listed Companies.

As of 1 February 2021, in the six-member composition, four members of the Supervisory Board met the independence criteria: Mr Wiesław Oleś, Mr Filip Gorczyca, Mr Henry McGovern, Ms Zofia Dzik - independent members.

Due to the resignation submitted by Mr. Henry McGovern on July 12, 2021, after that date and as at 31 January 2022, in the five-member composition of the Supervisory Board, three of its members met the criteria of independence: Mr Wiesław Oleś, Mr Filip Gorczyca, Ms Zofia Dzik - independent members.

While remaining in the composition of the Supervisory Board until 31 January 2022 None of its members has reported any changes in terms of changes in independence status and personal, factual and organizational relationships with shareholders of CCC S.A.

4. Information on significant issues dealt with by the Supervisory Board, number of meetings held and resolutions passed during the financial year ended 31 January 2022.

The Supervisory Board exercises permanent supervision over the Company's activity and performs its tasks on the basis of specific rights granted to the Supervisory Board by the Company's Articles of Association, Supervisory Board Regulations and resolutions of the General Meeting, taking into account the Best Practices of WSE Listed Companies, performing its functions at meetings. According to the Regulations, the Board meets as needed, at least three times per financial year. Its sessions are convened by the Chairman of the Supervisory Board.

In the period from 01 February 2021 to 31 January 2022 The Supervisory Board of CCC S.A. held 6 meetings through the means of direct remote communication (remote): March 29th, May 24th, August 2nd, September 16th, October 11th and January 12th, 2022 and adopted 46 resolutions.

Within the scope of its activities, the Supervisory Board actively supported the Management Board in the realization of the Company's strategic objectives, considered the Management Board's motions concerning issues requiring the Supervisory Board's approval and familiarized itself with the Company's current economic and financial results, periodic financial statements as well as periodic information of the Company's Management Board concerning the current and planned activity. The members of the Supervisory Board held meetings with the certified auditor. The main issues handled by the Supervisory Board in the reporting period are presented below.

Table No. 3 Major issues addressed by the Board during the fiscal year ended January 31, 2022.

1.	Increasing the number of members of the Board of CCC S.A. 6th term.
2.	Appointment of Mr. Adam Holewa, Mr. Igor Matus and Mr. Kryspin Derejczyk to the Management Board for the 6th term of office and giving them the function of Vice Presidents of the Board of CCC S.A.
3.	Determining the amount of basic salary for newly appointed members of the Management Board of CCC S.A.: Mr. Adam Holewa, Mr. Igor Matus and Mr. Kryspin Derejczyk.
4.	Determining the amount of severance pay for Vice Presidents of the Board of CCC S.A.
5.	Approve individual short-term goals for Management Board members for the first half of 2020 and short-term goals common to the entire Management Board for 2021.
6.	Abandonment and closure of the 2017-2019 Incentive Scheme, adopted by resolution of the Ordinary General Meeting of Shareholders No. 21/ZWZA/2017 of 08.06.2017.
7.	Issuing an opinion on the consent granted by the Management Board of CCC S.A. to the subsidiary company CCC S&B Sp. z o.o. to conclude agreements with investors for the sale of shares in the company eobuwie.pl S.A. and signing the binding agreement for the sale of shares in eobuwie.pl with MKK3 Sp. z o.o.
8.	Opinion on the issues to be discussed at the Extraordinary General Meeting of CCC S.A. planned on 11.06.2021 (consent to the conclusion of a pledge agreement and establishment of a registered pledge (registered pledges) on a set of property and rights constituting an organizational whole with variable composition, forming part of the Company's enterprise, to secure the claims arising from, inter alia, the loan agreement)
9.	Adoption of the statement of the Supervisory Board of CCC S.A. concerning the assessment of the statements of CCC S.A. and CCC S.A. Capital Group for the period from 01.01.2020 to 31.01.2021.
10.	<i>Evaluation of the Standalone Financial Statements of CCC S.A. for the period from 01.01.2020 to 31.01.2021 and the Report on Operations for the period from 01.01.2020 to 31.01.2021.</i>
11.	<i>Evaluation of the Consolidated Financial Statements of the CCC S.A. Capital Group for the period from 01.01.2020 to 31.01.2021.</i>
12.	Evaluation of the Management Board's proposal to cover the loss for 2020 from the Company's reserve capital.
13.	Recommendation to grant discharge to the members of the Management Board for the performance of their duties in the period from 01.01.2020 to 31.01.2021.
14.	<i>Adoption of the Supervisory Board Report on the results of the assessment of the individual and consolidated financial statements, the activity report of CCC S.A. and CCC S.A. Capital Group and the Board's motion to cover the loss for the period from 01.01.2020 to 31.01.2021.</i>
15.	<i>Adoption of the Report on the activity of the Supervisory Board for the period from 01.01.2020 to 31.01.2021, containing, inter alia: the assessment of the Company's situation including the assessment of the internal control system, risk management, compliance and the internal audit function, the assessment of the manner in which the Company fulfils its informational obligations concerning the application of the principles of corporate governance, the assessment of the rationality of the Company's policy on sponsorship, charities or other similar</i>

	activities, and the assessment of the fulfilment of the independence criteria by members of the Supervisory Board.
16.	Approval of the Report of the Chairman of the Supervisory Board on the independent performance of certain supervisory activities in the period from 01.01.2020 to 31.01.2021.
17.	Approval of the Report on the remuneration of the members of the Company's Management Board and Supervisory Board for the period from 01.01.2019 to 31.01.2021.
18.	Adoption of amended Regulations of the Supervisory Board of CCC S.A.
19.	Approval of the amended Regulations of the Management Board of CCC S.A.
20.	Opinion on changes to the <i>Policy of remuneration of members of the Management Board and the Supervisory Board of CCC S.A.</i>
21.	Approval of amendments to regulations on the selection and use of audit firms
22.	The extension of cooperation with the auditing company E&Y Audyt Polska Sp. z o.o. to conduct a review of the semi-annual financial statements of the Company CCC S.A. and semi-annual consolidated financial statements of the Capital Group CCC S.A. for the periods from 01.02.2022 to 31.07.2022 and from 01.02.2023 to 31.07.2023, as well as auditing the annual standalone financial statements of CCC S.A. and annual consolidated financial statements of the Capital Group of CCC S.A. for the years ending 31.01.2023 and 31.01.2024.
23.	Providing an opinion on the draft resolutions for the Ordinary General Assembly of CCC S.A. convened on June 22nd, 2021.
24.	Granting consent to refinancing of existing indebtedness including conclusion of a new loan agreement, granting of sureties and establishment of collaterals.
25.	Giving the consent to conclude a transaction with a related entity (conclusion of the loan agreement between CCC S.A. and CCC.eu Sp. z o.o. and between CCC S.A. and OFP Sp. z o.o.).
26.	Establishing the uniform text of the Articles of Association of CCC S.A.
27.	To give consent to the transfer of an organized part of the enterprise of CCC S.A. (CCC S.A. Warsaw Branch) and to give an opinion on the following draft resolutions for the Extraordinary General Assembly of CCC S.A. scheduled for August 3, 2021: <ol style="list-style-type: none"> 1. Resolution on the sale of CCC S.A. Branch in Warsaw as ZCP; 2. Resolution on (i) the issuance of series 1/2021 bonds convertible into series K shares, (ii) depriving the Company's shareholders of all pre-emptive rights to series 1/2021 convertible bonds, (iii) a conditional increase in the Company's share capital through the issuance of series K shares, (iv) depriving the Company's shareholders of all pre-emptive rights to series K shares, and (v) an amendment to the Company's Articles of Association.
28.	Getting acquainted with the information presented by the Company's Management Board concerning the results for the second quarter of 2022 and the current financial and economic situation of the Company.
29.	Granting a long-term money bonus for the President of the Management Board of CCC S.A.
30.	Granting long-term money bonuses for Vice Presidents of the Management Board of CCC S.A.: Mr. Mariusz Gnych and Mr. Karol Półtorak
31.	Establishing the uniform text of the Articles of Association of CCC S.A.
32.	Acceptance of the terms and conditions and actions concerning the conclusion of documentation and performance of other legal or factual acts in connection with the issue by CCC Shoes & Bags Sp. z o.o. of up to 360 ordinary bonds with a nominal value of PLN 1,000,000 per unit, secured, dematerialized, designated as Series A/2021
33.	Increase the number of members of the Company's Management Board.
34.	Appointment of Mr. Adam Marciniak to the Management Board and giving him the function of Vice President of the Management Board of CCC S.A.
35.	Determining the amount of basic salary for newly appointed members of the Management Board of CCC S.A. Mr. Adam Marciniak.
36.	Approving the achievement of the Management Board's individual short-term goals for H1 2021 and award cash bonuses to Board members for H1 2021.
37.	Approval of individual short-term goals for the Management Board for the second half of 2021
38.	Approval of amended Regulations of the Audit Committee
39.	Approval of Individual Reporting Standard (ISR) of CCC S.A.
40.	Getting acquainted with the information presented by the Management Board concerning the results for the first half of 2022 and the current financial and economic situation of the Company.
41.	Opinion on CCC Group strategy for 2021-2025 "GO.25 EVERYTHING FASHION, OMNICHANNEL PLATFORM"
42.	Reviewing the information presented by the Company's Management Board on the preliminary results for the fourth quarter of 2021 and the current financial and economic situation of the Company.

5. Information on adoption by the General Meeting of the Company of resolutions relating to the activities of the Supervisory Board

On June 22, 2021 at the Ordinary General Meeting of CCC S.A. the Report on the activity of the Supervisory Board for the period from January 1, 2020 to January 31, 2021 was presented, containing, inter alia: the assessment of the Company's situation taking into account the evaluation of internal control systems, risk management, compliance and internal audit function, evaluation of the fulfillment by the Company of the disclosure obligations concerning the application of corporate governance principles, evaluation of the rationality of the Company's policy on sponsorship, charity or other similar activities, and assessment of the fulfillment of independence criteria by members of the Supervisory Board, as well as the Report of the Supervisory Board on the results of the evaluation of individual and consolidated financial statements, a report on activity of CCC S.A. and the Capital Group of CCC S.A. and the motion of the Management Board concerning the coverage of the loss for the period from January 1st, 2020 to January 31st, 2021 from the part of the reserve capital. The General Meeting also granted, through the adoption of the relevant resolutions, discharge of duties in 2020 to the members of the Supervisory Board.

The General Meeting, acting pursuant to Article 90g item 6 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005, has issued a positive opinion on the Reports on the remuneration of members of the Company's Management Board and Supervisory Board for the period from 1 January 2019 to 31 January 2021.

In addition, acting on the basis of the content of Articles 90c-90f of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies, pursuant to Resolution No. 19/ZWZA/2021 of 22 June 2021, the Annual General Meeting adopted amendments to the Remuneration Policy for the Members of the Management Board and the Supervisory Board of CCC S.A. adopted on June 24, 2020 by Resolution No. 18/ZWZA/2020 of the Ordinary General Meeting of CCC S.A.

By Resolution No. 20/ZWZA/2021, the Ordinary General Meeting adopted a change in the rules of remuneration of the Members of the Supervisory Board of CCC S.A. Thus, Resolution No. 24/ZWZA/2019 of the Ordinary General Meeting of CCC S.A. of 18 June 2019 became invalid.

6. Performance of duties by the Audit Committee

During the reporting period, the Audit Committee of the third term, appointed on August 8, 2019 from among the members of the Supervisory Board, in accordance with the requirements of the Act of May 11, 2017 on auditors, audit firms and public supervision, continued to perform its duties with an unchanged composition, i.e. : Filip Gorczyca - Audit Committee Chairman, Zofia Dzik - Audit Committee Member and Waldemar Jurkiewicz - Audit Committee Member.

While remaining in the composition of the Audit Committee during the reporting period, none of its members reported any changes in their independence status as defined in Article 129(3) of the Act on Statutory Auditors, Audit Firms and Public Supervision dated May 11, 2017.

The Audit Committee functioned during the reporting period in accordance with generally applicable regulations and the Audit Committee Bylaws dated October 6, 2017, as amended to reflect the amendments adopted on May 28, 2020 and September 16, 2021.

According to the Regulations, the tasks of the Audit Committee include in particular:

- 1) support to the Supervisory Board in the performance of its statutory control duties and supervision in the area of:
 - a) monitoring the financial reporting process in CCC S.A. and its Capital Group,
 - b) monitoring the effectiveness of internal control systems in the CCC S.A. Capital Group and risk management systems,

- c) monitoring the effectiveness of the internal audit function in the CCC S.A. Capital Group, including in terms of financial reporting,
 - d) monitoring the proper functioning of risk identification and management systems,
 - e) monitoring the independence of internal and external auditors,
 - f) monitoring the auditing process.
- 2) As part of its supervisory activities regarding financial reporting, the Audit Committee in particular:
- a) monitors the financial reporting process, including giving its opinion on the accounting policy adopted by the Company and on the principles applied in the preparation of financial statements,
 - b) reviews annual, semi-annual and quarterly financial statements with the Company's governing bodies,
 - c) monitors the performance of financial audit activities, in particular the audit conducted by the audit firm, taking into consideration all the conclusions and findings of the Audit Oversight Committee arising from the audit conducted at the audit firm, including discussing the results of the audit of the annual standalone and consolidated financial statements,
 - d) informs the Supervisory Board about the results of the audit and explains how the audit contributed to the reliability of financial reporting in CCC S.A., as well as what was the role of the Audit Committee in the audit process,
 - e) submits recommendations to ensure the integrity of the financial reporting process in CCC S.A.,
 - f) evaluates the Management Board's reports on its activities and presents the Supervisory Board with recommendations concerning their evaluation
 - g) gives its opinion on important financial information published by the Company;
- 3) Within the framework of supervision activities regarding internal control, the Audit Committee in particular:
- a) examines the adequacy of systems maintained by the Management Board to identify, monitor and mitigate risks to the Company's operations,
 - b) monitors the effectiveness of the Company's internal control system, including the effectiveness of any corrective actions taken,
 - c) oversees the operation of internal audit, including by monitoring its work plans and the results of that work and assessing resources,
 - d) monitors the Company's compliance with laws and other regulations;
- 4) As part of its oversight of risk management, the Audit Committee in particular:
- a) monitors the effectiveness of the system for managing risks that have a material impact on the Company's operations,
 - b) gives its opinion on the draft principles of prudent and stable management and acceptable levels of risk in the areas of the Company's activity,
 - c) reviews drafts of significant regulations and amendments to the Company's compliance policies, including the compliance risk policy,
 - d) evaluates the performance of the Company's whistleblowing procedure by the relevant units of the Company;
- 5) In ensuring the independence of the external auditors, the Committee specifically:
- a) makes recommendations to the Supervisory Board on the selection of the Company's auditor, as well as its replacement and remuneration,
 - b) controls and monitors the independence of the auditor and the audit firm, in particular, when services other than audit are provided to CCC S.A. by the audit firm,
 - c) expresses its opinion on the engagement of the external auditor to perform services other than the audit of the Company's financial statements and presents its position on the Company's policy in this respect,

- d) evaluates the auditor's independence and approves the provision of permitted non-audit services by the auditor in CCC S.A. and entities controlled by CCC S.A,
- e) develops a policy for selecting an audit firm to conduct the audit,
- f) develops a policy for the provision of permitted non-audit services by the audit firm, by affiliates of the audit firm, and by a member of the audit firm's network,
- g) determines the procedures for the selection of the audit firm by CCC S.A,
- h) reviews the effectiveness of the external audit process and the Board's response to the external auditor's recommendations.

During the period from February 01, 2021 to January 31, 2022. The Audit Committee held 11 meetings by means of direct remote communication (remote) and adopted 6 resolutions.

As part of its audit work, the Audit Committee reviewed the Company's 2021 financial statements, the independent auditor's report on the audit of the annual financial statements and the audit of the annual consolidated financial statements, and the additional report to the Audit Committee.

The Audit Committee monitored the financial reporting process, met with the auditor along with the Supervisory Board and monitored the audit process. The Audit Committee conducted periodic monitoring of the auditor's independence, and based on the auditor's confirmation of independence received by the Audit Committee and the Company's Management Board, the Audit Committee assessed that the audit firm, the auditors delegated to audit the financial statements of CCC S.A. and the consolidated financial statements of CCC S.A. Capital Group for the period from February 1, 2021 to January 31, 2022, are independent of the Group companies.

Systematic reporting by the Audit Committee to the Supervisory Board on the results of its supervisory and monitoring activities with respect to the financial reporting and audit processes has contributed to increased understanding of these areas, improved communication between management and supervisory bodies and, as a result, to an increase in the quality of the financial reporting process.

The Audit Committee concluded that the financial statements prepared by the Company contain reliable information about the Company's operations and have been prepared in accordance with applicable requirements.

Thus, the Audit Committee recommended that the Supervisory Board give a positive opinion on the annual financial statements for the period from 1 February 2021 to 31 January 2022.

Regardless of the monitoring of the financial reporting process, the Audit Committee, within the scope of its powers and responsibilities, constantly supervised the areas of the Company's activity, reviewing the information submitted by the Management Board and individual units within their scope of competence, inter alia, in the following areas

- 1) liquidity situation and the refinancing project of CCC Group;
- 2) risk management system and risk map;
- 3) internal audit activities
- 4) compliance
- 5) IT information security;
- 6) compliance system, including a review of the most significant litigation issues;
- 7) personnel strategy;
- 8) organizational structure and division of responsibilities among the members of the Management Board.

Supervisory activities of the Audit Committee also included subsidiaries of CCC S.A., including issues related to the company Modivo S.A. (formerly eObuwie.pl S.A.)

7. Evaluation of the Supervisory Board's work

The Supervisory Board of CCC S.A. exercised permanent supervision over the activities of the Company and the work of the Management Board in accordance with the obligations and powers defined in the Code of Commercial Companies and other laws, the provisions of the Articles of Association and the Regulations of the Supervisory Board, taking into account the principles contained in the Good Practice of Companies Listed on the WSE.

Based on the assessment, the Supervisory Board concludes that the Company fulfils the obligations imposed on it by the provisions of the Commercial Companies Code, other generally applicable provisions of law relating to the operation of a public joint stock company, as well as fulfils its obligations arising out of under the statutory regulations.

All members of the Board have exercised due diligence in the performance of their duties in the Board, using with dedication their best knowledge and experience in running and supervising commercial law companies.

In addition, on August 29, 2019, the Supervisory Board delegated, for the duration of the Board's 8th term of office, the Chairman of the Board to independently perform certain supervisory activities in overseeing certain areas of the Company's operations. The information provided by the Chairman to the Supervisory Board on an ongoing basis, provided a source of reliable information on aspects of the operations of the areas supervised by the Chairman. Moreover, the delegation granted serves both to utilize the knowledge and skills possessed by the Chairman and intensive development of the Company's operations in these areas, translating into the interest of the Company and its Shareholders.

In the opinion of the Board, the obligations imposed on the Board both by generally applicable laws, as well as internal regulations of CCC Group S.A. are carried out by it in accordance with applicable laws and good practices concerning the above mentioned body. In view of the above, the Supervisory Board requests that its members be granted a discharge of their duties for the financial year ended January 31, 2022.

8. Assessment of the Company's standing, including evaluation of the internal control systems, risk management, compliance and the internal audit function, together with information on actions taken by the Supervisory Board in order to perform this evaluation

1) Implementation of the Company's strategy

The assessment of the Company's situation was prepared on the basis of the documents submitted by the Management Board, discussions held at meetings of the Supervisory Board with the participation of the Management Board, statutory auditor, internal auditor, as well as taking into account the financial statements and reports on the Company's operations for the financial year ended 31 January 2022 and based on the conclusions of the auditor's examination of the Company's books of account.

Taking into account the changes taking place within the Group, but also in its environment, and in particular the intensifying trends in commerce and the evolution of consumer behavior, in November the Company published the strategy GO.25 Everything Fashion. Omnichannel Platform. GO.25 builds on and is a natural continuation of its predecessor, as a result of the apt definition of the industry's direction, reinforced in 2020-21 by the coronavirus pandemic. The new strategy defines individual goals for each business line, which aggregate to several key KPIs planned to be achieved in 2025:

- 1) tripling of Group revenue compared to Q3'21 LTM;
- 2) EBITDA profitability (IFRS16) >12%;
- 3) 1/3 share of new product categories in sales;

- 4) 60% share of e-commerce in the Group's revenue;
- 5) improvement in Net Promoter Score for each Group sign/brand by 10 points. (vs 2020).

The new strategy also includes numerous and precise targets from the Group's priority ESG area.

2) Key results of the Company

Sales revenues in the reporting period amounted to PLN 7,591.5 million, which represents an increase by PLN 2,344.5 million (+44.7%) as compared to the corresponding period last year.

Dynamic revenue growth (close to 50%) was observed in all geographical segments. The most significant impact on the result in terms of value had the change in revenues from sales in Poland (PLN +1,240.7 million / +46.7%), while in percentage terms it was in Central and Eastern Europe (PLN +927.2 million / +50.0%).

Taking into account the distribution channel, the greatest impact on the result in terms of value was exerted by the increase in sales revenues in the CCC omnichannel segment (PLN +981.0 million / +37.3%) and eobuwie omnichannel (PLN +833.6 million / +41.3%). In percentage terms, the largest revenue increase occurred in Modivo omnichannel (PLN +300.0m / >100%).

Revenues are impacted by the change in sales at existing stores and changes resulting from retail openings and closings, as well as the implementation of a new off-price format and expansion of the available product mix.

More information on the analysis of the financial results of CCC S.A. and CCC S.A. Group is contained in the Report of the Supervisory Board on the results of the assessment of the separate and consolidated financial statements and the Report of the Management Board on the activities of CCC S.A. Group for the period from 01 February 2021 to 31 January 2022.

The Supervisory Board states that in the reporting period in question, the Company consistently pursued its development path and, despite the unfavourable conditions of the COVID-19 pandemic, flexibly adapted to the changing environment, taking effective measures to limit losses and maintain financial liquidity. In the opinion of the Supervisory Board and taking into account the auditor's comments contained in the auditor's report on the separate and consolidated financial statements, currently there are no other threats which could adversely affect the functioning and implementation of investment plans in the future.

3) Evaluation of the internal control system

The process of preparing reports is covered by an internal control system and a risk management system, which contributes to maintaining the credibility and reliability of financial reporting, and compliance with the law and internal regulations.

In the process of preparing the Company's financial statements, one of the basic elements of control is the verification of the financial statements by an independent certified auditor. The auditor's tasks include in particular: review of semi-annual financial statements and preliminary and fundamental audit of annual reports. The accounting policy developed in accordance with the International Financial Reporting Standards ("IFRS") approved by the EU is in force in the CCC Company.

The system of internal control includes:

- 1) control activities carried out by employees of CCC Group companies within the scope of tasks and responsibilities entrusted to them,
- 2) functional control implemented through supervision of subordinate organizational units by all employees in managerial positions,
- 3) control performed by internal audit, the purpose of which is to make an independent and objective assessment of the risk management and internal control systems.

Risk management in the process of preparing financial statements is based on identifying and assessing risks along with defining and taking actions to minimize them or eliminate them altogether.

4) Evaluation of the Company's risk management system in 2021

Risk management in the process of preparing financial statements is based on identification and assessment of risk together with defining and taking actions aimed at their minimization. As part of the controlling activities, periodical management reporting is evaluated in terms of the reasonableness of the information contained therein, in particular in the context of the analysis of deviations from the assumptions made in financial plans. The risk management process begins at the lowest levels of the Group, so as to ensure that the objectives set are met. Risk management in the CCC Group is a process supervised by the Management Board and key management personnel. In addition, independent internal audits of financial and accounting processes are conducted. The correctness of the preparation of financial statements is also verified by members of the Audit Committee. In order to confirm that the data contained in the financial statements is consistent with the facts and the accounting records kept by the Company, the statements are audited by an independent statutory auditor, who issues opinions on the matter. All actions undertaken by the Company are aimed at ensuring compliance with the legal requirements and actual state of affairs, as well as timely identification and elimination of potential risks so that they do not affect the reliability and accuracy of the presented financial data.

The Supervisory Board also reviewed the significant risks and threats along with the Company's exposure to them, as well as CCC's risk management system.

The main objectives of risk management are to ensure the safety of the Company's operations and to make effective decisions aimed at maximizing profits at an acceptable risk level.

The Company has a formalized CCC Group Risk Management Policy, which sets out the assumptions, principles, risk factors and ways to mitigate them so as to ensure maximum control over risks that could adversely affect the CCC Group's operations. This policy is required and followed by all CCC Group companies. The risk management policy is reviewed from time to time and updated with detailed regulations covering particular risk areas existing in the Group.

The Supervisory Board and the Audit Committee exercise continuous supervision over the Company's activities also with respect to the assessment of the internal control system and risk management and take decisions which affect the efficient and effective conduct of the Company's business in order to achieve the strategic objectives.

The Supervisory Board concludes that the Company conducts analyses of the foreign exchange markets on an ongoing basis, actively manages its liquidity, defined as its ability to pay its obligations on time and to raise funds to finance its current operations and investment needs, which meets its respective functional needs.

5) Compliance

In CCC S.A. Company, bearing in mind the need to ensure proper supervision over the compliance of activities with the law, there is a Compliance Officer. The responsibility of the Compliance area includes, among others:

- developing, reviewing and updating compliance risk policies, standards and procedures,
- identification and assessment of the Company's compliance risk,
- analyzing and providing opinions on new or updated internal regulations in terms of their compliance with legal regulations, internal regulations and market standards,
- organizing the process of reporting violations of the Code of Ethics and ensuring proper reporting,
- supporting compliance risk management in CCC Capital Group companies,

- developing and presenting compliance risk reports to the Company's Management Board, Audit Committee and Supervisory Board.

The Company has internal compliance policies in place, including a compliance policy, a procedure for reporting irregularities, a conflict of interest procedure, a procedure for preventing money laundering and the financing of terrorism, and a Code of Ethics. All employees are obliged to comply with the aforementioned regulations. The Supervisory Board and the Audit Committee periodically held meetings with the Compliance Officer with regard to the analysis of key new legal regulations and the compliance system, including the review of the most significant disputable issues and the compliance management system with regard to anti-corruption and whistleblower protection system - AML.

6) Internal audit

The Company has an internal audit function that performs an independent and objective assessment of the business processes carried out by CCC Group companies in terms of implementing effective and adequate risk management, control and corporate governance systems.

In the CCC S.A. Group, the internal audit carries out its tasks through long-term and annual audit plans covering CCC S.A. and its subsidiaries from CCC S.A. Capital Group. The main objective is to plan and implement the audit activities of an advisory nature. The basic functions and tasks of internal audit include: the analysis and assessment of the correctness and effectiveness of the applied financial and operational controls, the implementation of solutions to improve the quality and adequacy of the controls carried out, operational improvements to ensure that the correct controls are carried out in the companies and communication with employees and management at all levels in order to learn and analyze the processes, and to assess the effectiveness of internal controls carried out within these processes.

Audit plans are prepared on the basis of risk analysis, which may be subject to modification in connection with ad hoc audits ordered by the Company's Management Board. The audit plan is submitted to the Supervisory Board for approval. The results of the internal audit work in terms of recommendations issued as well as the status of their implementation are periodically reported to the Audit Committee.

In the opinion of the Supervisory Board, control mechanisms operating in the Company provide an adequate level of security of the Company's activities, as well as allow for active risk management, particularly those which may have a negative impact on the functioning of the CCC Group.

9. Evaluation of the application by the Company of the principles of corporate governance and the manner of fulfilling information obligations concerning their application, specified in the Rules of the Stock Exchange and regulations concerning current and periodical information submitted by issuers of securities, together with information on actions taken by the Supervisory Board in order to perform this evaluation

Until 30 June 2021. The Company was subject to the "Best Practices for Companies Listed on the WSE" (hereinafter: Best Practices 2016), which were introduced by Resolution No. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange (WSE) of 13 October 2015. CCC S.A. complied with the recommendations and principles contained in the Good Practices 2016.

Since July 1, 2021. CCC S.A. is subject to the new rules of corporate governance adopted by the Stock Exchange Council by Resolution No. 13/1834/2021 of 29 March 2021 on the adoption of the "Code of Best Practice for WSE Listed Companies 2021" (hereinafter: Best Practices 2021).

The obligations concerning the application of the corporate governance principles are specified in § 29 of the Warsaw Stock Exchange Rules and § 91 section 5 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information (...). With regard to the 2016 Best Practices, on October 20, 2017, the Company submitted a report via the EBI system on updating the scope of application of the 2016 Best Practices, informing that all principles are applied by the Company. In relation to the adoption by the Exchange Board of the Good Practices 2021, the Company filed a report through the EBI system on July 30, 2021 regarding the status of the Company's application of the principles contained in the set of Good Practices of Companies Listed on the WSE 2021, informing that all principles are applied by the Company.

The Supervisory Board, before making the report, analyzed and appropriately assessed the fulfillment of individual principles by the Company. In the opinion of the Supervisory Board of CCC S.A., in the financial year ended January 31, 2022 The Company properly fulfilled its information obligations relating to the application of the principles of corporate governance.

10.To assess the reasonableness of expenses incurred by the Company and its group to support culture, sports, charitable institutions, media, social organizations, trade unions, etc.

The Company conducts sponsoring activities based on the adopted Sponsoring Policy, in accordance with the strategic and marketing assumptions of CCC S.A. Capital Group. The goal of the Policy is to build a positive image, increase brand awareness and popularization of the trademark, through directing sponsoring activities to appropriate target groups. The implementation of the sponsoring assumptions contributes to ensuring mutual benefits, both for the sponsor and the sponsored entity.

In the year 2021 CCC S.A. company assigned about 170 thousand PLN for donations in the social area including donation of 674 pairs of shoes, 3100 pieces of clothing, 334 backpacks and 934 accessories.

The company MODIVO S.A. was also actively involved in providing assistance, which in the financial year 2021 made in-kind and financial donations in the social area of a total amount of over PLN 500 thousand, including, among others, clothing and footwear, computer equipment and other gifts.

In fiscal year 2021 and in 2020 and 2019, the CCC Group did not financially support political organizations. In 2021, the CCC Group continued its cooperation with UNICEF POLSKA, whose main objective was to save the lives of children around the world and support education in developing countries.

In the opinion of the Supervisory Board, in the reporting period the Company rationally pursued its sponsorship activities, contributing to the increase of its brand value and image benefits.

11.Information on the degree of implementation of the diversity policy with respect to the Management Board and Supervisory Board.

Since 2020, CCC Group has had a CCC Group Diversity Policy, which includes 8 key principles that demonstrate the commitment of all employees to building an open and welcoming work environment. The goal of diversity management in the CCC Group is to create a work environment in which every employee feels respected and valued, and in which they can fully realize their potential, thus contributing to the success of the company. The Company has implemented a Code of Ethics, which defines the basic values of the company, such as the highest quality and teamwork, values related to respect for others and openness to diversity of employees. The Company provides employees with equal opportunities in access to professional development and promotion regardless of skin color, religion, gender, age, nationality, sexual orientation, citizenship, marital status, having children, political views, disability or other legally protected status. Decisions regarding the employment of

employees as well as the election of members of the Management Board and the Supervisory Board are made on the basis of objective criteria.

CCC S.A. strives to ensure the versatility and diversity of the Company's bodies, especially in the area of gender, education, age and professional experience, with the main selection criteria being high qualifications, professionalism and competence of the candidate to perform a particular function. The Diversity Policy is aimed at eliminating discrimination in the workplace and building an organisational culture open to diverse employees, which leads to building a market position and competitive advantage in the market.

Decisions regarding the selection of the members of the Management Board and Supervisory Board are made on the basis of objective criteria. According to the adopted Policy of Diversity in relation to the Company's authorities and its key managers, CCC S.A. makes every effort to ensure the versatility and diversity of the Company's authorities, especially in the field of gender, education, age and professional experience. The main selection criteria are high qualifications, professionalism and competence of the candidate to perform a particular function. In selecting the members of the bodies, CCC S.A. is guided by equality and inclusiveness.

A member of the Supervisory Board should also have appropriate education, professional and life experience, represent a high level of morality and be able to devote the necessary amount of time to properly perform his/her duties in the Supervisory Board. Candidates for members of the Supervisory Board should be proposed and justified in detail so as to enable an informed choice. In accordance with the Company's Articles of Association and the Code of Best Practice of the WSE, at least two members of the Supervisory Board should meet the criteria of independence. A candidate for a Supervisory Board member is also obliged to submit to the Company a written declaration that he/she meets the criteria for independence specified in the applicable laws.

12. Evaluation in terms of CCC's non-financial report for the fiscal year ended January 31, 2022.

In accordance with the requirements of the Accounting Act and taking into account the principles of sustainable development policy in its strategy, the CCC Group prepared a report containing key non-financial information. The non-financial report of the CCC Group (Sustainability Report), collects information on the Group's business model, key non-financial performance indicators related to the Group's activities, policies applied by the Group with respect to social, labor, environmental, human rights and anti-corruption issues, together with a description of the results of their application, as well as due diligence procedures. The report covers data for the period from February 1, 2021 to January 31, 2022. In line with In accordance with good international and Polish market practice, the publication was prepared in accordance with the latest Global Reporting Initiative (GRI) Standard in the Core option. Also meeting the requirements of EU Directive 2014/95 and the resulting amendments made to the Accounting Act with respect to non-financial disclosures, the Report covers the entire CCC Group. In line with the regulatory requirement, the key figures are presented separately on a consolidated basis and for CCC S.A. The list of key topics for the CCC Group from the perspective of sustainable development and responsible business includes: fighting climate change, responsible use of resources and improving energy efficiency and reducing greenhouse gas emissions, effective supply chain management and building lasting relationships with partners.

The report also outlines the risks associated with the Group's operations and how they are managed.

In the opinion of the Supervisory Board, the information collected in the non-financial report can serve the Group's key stakeholders as a source of reliable information on non-financial aspects of CCC Group's activities.

Polkowice, 28 April 2022

Chairman of the Supervisory Board	-	Dariusz Miłek
Vice Chairman of the Supervisory Board	-	Wiesław Oleś
Member of the Supervisory Board	-	Waldemar Jurkiewicz
Member of the Supervisory Board	-	Zofia Dzik
Member of the Supervisory Board	-	Filip Gorczyca