CCC
Financial statements

FINANCIAL STATEMENTS OF CCC S.A.
for the 12 months from February 1st 2021
to January 31st 2022

Contents

Statement of comprehensive income

NOTE		February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
		audited	unaudited	audited
	CONTINUING OPERATIONS			
2.1	Revenue	2,408.3	1,601.0	1,822.8
2.2	Cost of sales	-1,604.6	-931.6	-1,094.1
	Gross profit	**803.7**	**669.4**	**728.7**
2.2	Costs of points of purchase	-582.4	-478.0	-527.1
2.2	Other distribution costs	-82.2	-46.9	-51.0
2.2	Administrative expenses	-114.0	-49.2	-52.4
2.3	Other income	48.2	16.4	20.0
2.3	Other expenses	-13.1	-71.7	-72.6
	Operating profit (loss)	**60.2**	**40.0**	**45.6**
2.3	Finance income	511.6	39.3	39.5
2.3	(Recognition) / Reversal of loss allowances	31.2	-511.9	-513.8
2.3	Impairment losses on shares	-74.2	-134.3	-134.3
2.3	Finance costs	-74.4	-82.4	-91.4
	Profit (loss) before tax	**454.4**	**-649.3**	**-654.4**
2.4	Income tax	-12.2	-3.1	-3.1
	NET PROFIT (LOSS)	**442.2**	**-652.4**	**-657.5**
	Other comprehensive income	–	–	–
	Total other comprehensive income, net	**–**	**–**	**–**
	TOTAL COMPREHENSIVE INCOME	**442.2**	**-652.4**	**-657.5**
	Weighted average number of ordinary shares (million)	**54.9**	**49.9**	**49.9**
	Basic earnings (loss) per share (PLN)	**8.05**	**-13.07**	**-13.17**
	Diluted earnings (loss) per share (PLN)	**8.05**	**-13.07**	**-13.17**

[all amounts in PLN million unless stated otherwise]

Statement of financial position

NOTE		January 31st 2022	January 31st 2021
		audited	audited
5.1	Intangible assets	4.7	1.9
5.1.1	Goodwill	48.8	48.8
5.2	Property, plant and equipment – leasehold improvements	258.3	289.8
5.2	Property, plant and equipment – distribution	213.2	223.2
5.2	Property, plant and equipment – other	70.4	48.0
5.3	Right-of-use assets	494.5	595.0
2.4	Deferred tax assets	36.8	24.4
3.2	Loans	853.7	–
3.1	Long-term investments	434.7	377.4
5.3	Lease receivables	71.9	67.4
	Non-current assets	**2,487.0**	**1,675.9**
5.4	Inventories	404.9	360.4
5.5	Trade receivables	75.6	230.1
2.4	Income tax receivable	13.7	–
3.2	Loans	21.5	47.3
5.5	Other receivables	242.5	17.1
5.6	Cash and cash equivalents	126.1	199.5
5.3	Lease receivables	20.8	15.4
	Current assets	**905.1**	**869.8**
	TOTAL ASSETS	**3,392.1**	**2,545.7**
4.2	Liabilities under borrowings and bonds	574.7	247.1
5.8	Provisions	5.0	4.8
5.2	Grants received	15.7	14.0
5.3	Lease liabilities	552.7	674.0
5.7	Oher non-current liabilities	7.4	–
	Non-current liabilities	**1,155.5**	**939.9**
4.2	Liabilities under borrowings and bonds	271.5	210.4
5.7	Trade and other payables	340.4	16.8
5.7	Other liabilities	124.3	102.3
2.4	Income tax liabilities	–	2.3
5.8	Provisions	47.7	266.2
5.2	Grants received	0.6	3.7
5.3	Lease liabilities	204.1	198.3
	Current liabilities	**988.6**	**800.0**
	TOTAL LIABILITIES	**2,144.1**	**1,739.9**
	NET ASSETS	**1,248.0**	**805.8**
	Equity		**–**
4.1	Share capital	5.5	5.5
4.1	Share premium	1,148.0	1,148.0
4.1	Retained earnings	94.5	-347.7
	TOTAL EQUITY	**1,248.0**	**805.8**
	TOTAL EQUITY AND LIABILITIES	**3,392.1**	**2,545.7**

[all amounts in PLN million unless stated otherwise]

Statement of cash flows

		February 1st 2021– January 31st 2022	February 1st 2020– January 31st 2021	January 1st 2020– January 31st 2021
		audited	unaudited	audited
	Profit (loss) before tax	**454.4**	**-649.3**	**-654.4**
2.2	Depreciation	196.9	209.9	231.4
	(Gain)/loss from investing activities	-275.5	5.5	5.5
4.2	Borrowing costs	43.9	25.5	23.3
4.4	Other adjustments to profit before tax	-61.8	725.4	718.4
2.4	Income tax paid	-40.6	-21.8	-24.8
	Cash flow before changes in working capital	**317.3**	**295.2**	**299.4**
	Changes in working capital			
5.4	Change in inventories and inventory write-downs	-67.4	43.6	-14.9
5.5	Change in receivables	-87.0	-226.0	-206.9
5.7	Change in current liabilities, net of borrowings and bonds	362.6	-394.8	-393.9
	Net cash flows from operating activities	**525.5**	**-282.0**	**-316.3**
	Proceeds from sale of property, plant and equipment	1.9	1.7	1.7
	Proceeds from settlement of leasehold improvements with landlords	23.6	8.3	8.3
3.2	Repayment of loans and payment of interest	130.9	251.7	261.7
5.2	Purchase of intangible assets and property, plant and equipment	-113.8	-50.1	-52.9
3.2	Loans	-850.0	-250.9	-250.9
2.3	Other investing expenditure	-70.4	-23.2	-23.2
3.1	Cash transferred as part of OPE	-7.6	–	–
	Acquisition of Modivo S.A. shares from MKK3	-720.0	–	–
	Recapitalisation of CCC Austria GmbH	-72.2	–	–
	Recapitalisation of NG2 Suisse s.a.r.l.	-106.6	–	–
	Recapitalisation of Gino Rossi S.A.	-66.0	–	–
	Purchase of HalfPrice Sp. z o.o.	-0.3	–	–
	Purchase of shares in Xpress Sp. z o.o.	-1.0	–	–
	Payment from A&R Investments Limited and Cyfrowy Polsat for purchase of Modivo S.A. shares from MKK3 Sp. z o.o.	1,000.0	–	–
	Proceeds from sale of NG2 s.a.r.l.	6.8	–	–
	Purchase of investments in associates	–	-44.0	-44.0
	Other cash provided by investing activities	42.1	9.5	8.6
	Net cash flows from investing activities	**-802.6**	**-97.0**	**-90.7**
4.2	Proceeds from borrowings	424.2	250.0	250.0
4.1	Issue of shares	–	506.9	506.9
5.3	Lease payments	-136.6	-87.8	-104.2
4.2	Interest paid	-36.7	-26.7	-27.4
4.2	Repayment of borrowings	-47.2	-111.7	-111.7
	Other financing expenditure	–	-2.6	-2.5
	Net cash flows from financing activities	**203.7**	**528.1**	**511.1**
	TOTAL CASH FLOWS	**-73.4**	**149.1**	**104.1**
	Net increase/decrease in cash and cash equivalents	-73.4	149.1	104.1
	Cash and cash equivalents at beginning of period	**199.5**	**50.4**	**95.4**
	Cash and cash equivalents at end of period	**126.1**	**199.5**	**199.5**

[all amounts in PLN million unless stated otherwise]

Statement of changes in equity

audited	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at February 1st 2021	**5.5**	**1,148.0**	**-347.7**	**805.8**
Net profit (loss) for period	–	–	442.2	442.2
Total comprehensive income	**–**	**–**	**442.2**	**442.2**
Total transactions with owners	**–**	**–**	**–**	**–**
As at January 31st 2022	**5.5**	**1,148.0**	**94.5**	**1,248.0**

unaudited	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at February 1st 2020	**4.1**	**645.1**	**304.7**	**953.9**
Net profit (loss) for period	–	–	-652.4	-652.4
Total comprehensive income	**–**	**–**	**-652.4**	**-652.4**
Issue of shares	1.4	502.9	–	504.3
Total transactions with owners	**1.4**	**502.9**	**–**	**504.3**
As at January 31st 2021	**5.5**	**1,148.0**	**-347.7**	**805.8**

audited	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
As at January 1st 2020	**4.1**	**645.1**	**309.8**	**959.0**
Net profit (loss) for period	–	–	-657.5	-657.5
Total comprehensive income	**–**	**–**	**-657.5**	**-657.5**
Issue of shares	1.4	502.9	–	504.3
Total transactions with owners	**1.4**	**502.9**	**–**	**504.3**
As at January 31st 2021	**5.5**	**1,148.0**	**-347.7**	**805.8**

[all amounts in PLN million unless stated otherwise]

Notes

1. GENERAL INFORMATION

Company name:	CCC Spółka Akcyjna	
Registered office:	ul. Strefowa 6, 59-101 Polkowice, Poland	
Registry court:	District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Division of the National Court Register	
KRS No.:	211692	
Principal business:	The Company's principal business activity according to the European Classification of Business Activities is wholesale and retail trade in clothing and footwear (EKD 5142).	
Management Board:	President and CEO: Vice President: Vice President: Vice President: Vice President: Vice President:	Marcin Czyczerski Karol Półtorak Adam Holewa Igor Matus Kryspin Derejczyk Adam Marciniak

CCC S.A. (the "Company", the "parent") has been listed on the Warsaw Stock Exchange since 2004.

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.

As at the date of authorisation of these financial statements, the Management Board was composed of the persons specified above.
These separate financial statements of CCC S.A cover the 12 months ended January 31st 2022 (in this document, the period is referred to as the financial year 2021) and contain comparative data for the 13 months ended January 31st 2021 (in this document, the period is referred to as the financial year 2020) and as at January 31st 2021, as well as additional data for the 12 months ended January 31st 2021 (the period is referred to as the corresponding period of the previous year).

The separate statement of comprehensive income, the separate statement of cash flows and the separate statement of changes in equity for the 12 months ended January 31st 2021 and the notes to the separate statement of comprehensive income, the separate full-year statement of cash flows and the separate full-year statement of changes in equity for the 12 months ended January 31st 2021 have not been reviewed or audited by an auditor.

For more information on changes in the financial year, see 'Statement of accounting policies' below.

These separate financial statements of CCC S.A. for the 12 months ended January 31st 2022 were authorised for issue by the Management Board on April 20th 2022.

The Company is the parent of the CCC Group (the "CCC Group", the "Group"). The Company has also prepared consolidated financial statements for the 12 months ended January 31st 2022, which were authorised for issue by the Management Board on April 20th 2022. The consolidated financial statements of the CCC Group have been prepared in accordance with International Financial Reporting Standards. The statements are available at the Company's website.

BASIS OF ACCOUNTING

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as approved by the European Union (IFRSs). As at the date of authorisation of these financial statements for issue, given the ongoing process of implementing IFRS in the EU, the IFRSs applicable to these financial statements do not differ from the EU IFRSs.

These financial statements have been prepared on a historical cost basis, except for derivative financial instruments measured at fair value.

The data contained in these financial statements is presented in millions of Polish złoty, unless more accurate information is provided in specific cases. The functional and reporting currency is the Polish złoty (PLN).

GOING CONCERN

These separate financial statements have been prepared on the assumption that the Company will continue as a going concern for the foreseeable future, i.e. for a period of at least 12 months from the reporting date.

Below in this note are presented important issues, including uncertainties concerning circumstances that may pose risks to the Company continuing as a going concern.

As at the reporting date, current liabilities exceeded current assets by PLN 83.5 m.

As presented in Notes 4.1 and 4.2 to these separate financial statements, the Company's operations are financed through financial instruments, including mainly borrowings and bonds, with the debt balance as at the reporting date of PLN 846.2 m.

As a result of the outbreak of the COVID-19 pandemic and the imposition of temporary restrictions on retail trade in the countries where the Group operates, a priority task faced by the parent's Management Board was to enter into an agreement with the banks financing the Company's and the Group's operations to ensure a stable level of financing for the duration of the pandemic and beyond.

Following negotiations with the financing institutions, long-term funding was secured for the Company's and the Group's operations through:

- postponement of the bond redemption date for another five years, i.e. to June 29th 2026, which was approved by the bondholders on May 17th 2021 by adopting relevant resolutions;
- execution, on June 2nd 2021, of a New Financing Agreement by Group companies (CCC S.A., CCC.eu sp. z o.o., CCC Shoes & Bags sp. z o.o., CCC Factory sp. z o.o., OFP sp. z o.o.) with a bank syndicate (Bank Handlowy w Warszawie S.A., Bank Millennium S.A., BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring sp. z o.o.), with mBank S.A. acting as the agent and Bank Polska Kasa Opieki S.A. as the security agent (the "New Financing Agreement"), which provides for long-term financing of PLN 886.0m, divided into four-year tranche A and three-year tranche B, plus tranche C, which is additional financing that may be used in the future;
- division of joint financing provided to CCC S.A., CCC.eu S.A., Modivo S.A. (formerly: eobuwie.pl S.A.) and Gino Rossi S.A. by PKO BP S.A., whereby the limit of PLN 161.6m was separated and allocated exclusively to Modivo S.A., with the maturity date falling on November 21st 2022.

For the New Financing Agreement to be signed and enter into force, the CCC Group was obliged to extend the maturity date of the bonds (described above) and, among other things, prepay its existing debt of PLN 450.0m (related mainly to a reduction in reverse factoring exposure and repayment of credit facilities at CCC.eu Sp. z o.o.).

In order to secure access to long-term financing for the Company and the Group, and to effect ownership changes at Modivo S.A., the Company and the Group entered into an agreement on early repurchase of 20% of Modivo S.A. shares from its minority shareholder for a total amount of PLN 720.0m, and then sold the shares to new investors, i.e. Cyfrowy Polsat S.A. and A&R Investments (each of which acquired 10% of the shares) for a total amount of PLN 1,000.0m.

The repurchase of Modivo S.A. shares was partly financed with proceeds from the issue of PLN 360m worth of bonds, subscribed for by PFR Inwestycje Fundusz Inwestycyjny Zamknięty, with the subscription divided into two tranches: the first tranche of PLN 170m subscribed for in September 2021 and the second tranche of PLN 190 m transferred to an escrow account, to be released to the CCC Group after the conditions precedent are met (which were met in October 2021).

Furthermore, following negotiations, on July 2nd 2021 Modivo S.A. entered into a Subscription and Investment Agreement with a SoftBank Group company, concerning investment in Modivo S.A., which sets out the terms and conditions of the company investing PLN 500.0 m in Modivo S.A. by subscribing for unsecured bonds convertible into Modivo S.A. shares.

In August 2021, Modivo S.A. entered into amendments to the financing agreements with PKO BP S.A. and PEKAO S.A., which did not increase the credit limits at those banks, but was only a formal consequence of the division of the available financing between CCC and Modivo. In September 2021, Modivo S.A. increased its reverse factoring limit from PLN 120.0 m to PLN 250.0m (Pekao Faktoring Sp. z o.o. – PLN 50.0 m, secured by BGK, PKO Faktoring S.A. – PLN 80.0 m).

As the final stage of securing new financing, on September 21st 2021 the Group obtained PLN 71.3m in the form of a preferential loan from PFR (Polish Development Fund) under the government programme 'Polish Development Fund's Financial Shield for Micro, Small and Medium-Sized Enterprises'. PLN 51.0m of debt under the loan was forgiven after certain contractual conditions had been met, and the balance of PLN 20.3m was repaid in December 2021.

Execution of the New Financing Agreement and related documents, as well as the additional financing documents referred to above, between CCC S.A., its subsidiaries, Modivo S.A. and financial institutions, was the final stage of the CCC Group's debt refinancing efforts aimed at ensuring a stable long-term financing level for the Group, consistent with the business objectives under the GO.22 strategy and key strategic projects covered by that strategy.

Under the financing agreements concluded by the Company and the Group, the Company and the Group are required to comply with certain financial covenants, separately for the CCC business unit and for the Modivo business unit, which were complied with in the financial year ended January 31st 2022 and as at that date. Based on the 2022 budget prepared by the Management Board, the Company and the Group expect to meet the financial covenants set forth in those agreements, including in particular with respect to the reported EBITDA for individual interim periods, as well as the net debt/EBITDA and DSCR ratios as at the end of the following financial year.

Swiss companies (NG2, KVAG) were restructured and sold on June 3rd 2021, their sale accounted for in these separate financial statements.

In response to material developments in the Group's business environment in 2020 and 2021 following the outbreak of the COVID-19 pandemic, the Management Board decided to prepare an update of the CCC Group's GO.22 strategy, first adopted in January 2020. The updated GO.25 Everything Fashion. Omnichannel Platform strategy was adopted and released in November 2021, and its key objectives to be delivered by 2025 are discussed at length in the annual Directors' Report on the Group's operations in the 'CCC Group's strategy' section. Execution and growth plans

The new strategy includes a budget, defined in greater detail for 2022 as the Group's budget, which focuses mainly on:

- sales growth in the CCC and Modivo segments,
- margin improvement in the CCC segment,
- opening of new HalfPrice and CCC stores,
- cost discipline and optimisation of labour costs,
- improvement of cost efficiency in logistics, marketing and IT,
- strict monitoring of cash flows.

The budget was prepared on the assumption that there would be no closures of shopping malls and no restrictions on retail operations, without factoring in the effect of the war in Ukraine on the operation of stores located in Russia and on sales on the Ukrainian market through franchisees.

Implementation and delivery of all the measures, objectives, plans and financial projections described above are subject to numerous future risks and uncertainties.

In December 2021 and January 2022, the Company and the Group saw a decline in sales performance due to the persistently high COVID-19 incidence rates, which affected footfall rates in shopping malls as well as sales figures generated in the last months of the financial year.

Moreover, after the reporting date, i.e. on February 24th 2022, Russia's aggression against Ukraine started, leading to a slowdown in sales in February and March 2022.

The Company has no operations in Ukraine or Russia. For more details on the impact of the situation on the CCC Group, see the Group's consolidated financial statements.

In Ukraine the Group operates via a franchise model, and hence the Group's assets other than trade receivables allocated to that market as at the reporting date were immaterial. In Russia the Group has 39 stores operated by a subsidiary. In 2021, combined sales in Ukraine and Russia accounted for 2.37% of the CCC Group's overall revenue.

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. This event, occurring after the reporting date, does not necessitate any adjustments to be made as at January 31st 2022 and its potential impact on the data for 2022 is disclosed in Note 6.3 to these separate financial statements.

The Management Board of the CCC Group has identified the following as factors which may bear on the implementation of the Group's budget for 2022, e.g. in the light of volatility on the financial markets or as a result of possible changes in consumer behaviour:

- further developments in Ukraine and Russia, which could have a significant, yet still difficult to predict, impact on many aspects of the business and its external environment described below;
- macroeconomic risks, including higher commodity prices and higher salaries affecting the purchase prices of goods, capital expenditure amounts, as well as higher operating expenses, in particular in transport and logistics;
- Decline in consumer demand for products offered by the Group as a result of changing macroeconomic conditions (rising inflation, interest rates, etc.), as well as the Group's potential decisions to raise the prices of merchandise;
- higher interest rates due to inflationary trends;
- exchange rate movements affecting the performance of foreign operations and the cost of goods purchase;
- steps taken by the Group's competitors that will adversely affect its performance;
- occurrence of unplanned and/or unforeseen changes in fashion trends and weather conditions;
- changes in consumer behaviour due to the COVID-19 pandemic and the migration crisis, or postponement of purchasing decisions;
- delivery of worse-than-expected results relative to plans and projections, including failure to achieve the assumed levels of sales and margins in individual months,
- materialisation of operational risks;
- occurrence of non-business factors, including further impact of the COVID-19 pandemic;
- volatility on the financial markets, which may prevent the initial public offering of Modivo S.A. shares to be carried out as planned;

The risks and extraordinary circumstances identified above are a source of significant uncertainty regarding the delivery of the financial plans for 2022, including compliance with the financial covenants under the agreements financing the Company's and the Group's operations, and thus also the Company's and the Group's ability to continue as going concerns.

Accordingly, the Management Board prepared a detailed, multi-scenario analysis of the financial model's sensitivity over the next 12 months along with a list of alternative measures to be taken.

The key element of that analysis were parameters that could cause underperformance relative to the objectives set out in the 2022 budget and failure to achieve the financial covenants that the Group, including separately for the CCC business unit and for the Modivo business unit, is required to comply with under its financing agreements.

As part of the analysis, a list was prepared describing alternative measures that could be taken depending on how the situation develops, including the adoption and implementation of final decisions related to withdrawal from the Russian market, and impact of the geopolitical events on consumer behaviour. The key possible measures include discussions with the Company's and the Group's lenders about the effect of the intended discontinuation of the Russian operations on the terms of financing provided to the Company and the Group. The Management Board expects the first binding arrangements to be made at the end of April 2022.

In the Management Board's opinion, a number of measures are also available to offset the adverse effect of the risks listed above on the Company's and the Group's financial performance. They may include cost savings in relation to the budget as well as other measures.

In the Management Board's opinion, they are sufficient to ensure that the financial objectives set out in the budget for 2022 and in the financing agreements for the Company and the Group, including the CCC business unit, are duly met, and that the Company and the Group, including its individual business units (CCC and Modivo), retain liquidity even if their sales and/or margins come in below the target levels.

Should such measures prove insufficient for delivering the objectives set out in the budget, the Management Board may take steps to procure dividend payments from subsidiaries, which would enable the achievement of target performance and compliance with the financial covenants under the credit facility agreements.

In conclusion, despite the risks mentioned above, the Company's Management Board, based on the budget for 2022, including the analyses and list of alternative measures described above, and considering the execution of the New Financing Agreement and other agreements for the financing of the Company's and the Group's operations, is absolutely convinced that adequate preventive measures have been taken or prepared to ensure that these risks are fully mitigated and that the Company's and the Group's plans are carried out, and has therefore drawn up the attached separate financial statements on a going concern basis.

EFFECT OF THE COVID-19 EPIDEMIC ON THE BUSINESS OF THE COMPANY

Since the fourth quarter of 2019 the COVID 19 pandemic has been spreading worldwide. The COVID-19 pandemic had a very significant negative impact on the global economy and the economies of individual countries, including those related to the operations of the Group. In response to the pandemic, governments of individual countries have taken specific countermeasures to mitigate its negative effects

Retail outlets were closed at various times during both previous and current financial year. After the lockdown periods, there was a slow return of customers to shopping in offline stores, with some customers shifting to the digital channel. This was also the time of after-season sales, which involved discounts. Seasonal declines in sales were recorded corresponding to the successive waves of new infections and many people kept in isolation or quarantine.

The COVID-19 pandemic also had a negative impact on the supply chain. Many of the Group's major suppliers are located in Asia. In all phases of the pandemic, the start of production in China was delayed, affecting production levels and delivery. However, COVID-induced disruptions gradually affected other countries, including India and Bangladesh, where the Group's suppliers are located. As a result of the measures taken, during the financial year and as at the date of these financial statements, the Group had secured deliveries of merchandise.

In response to the pandemic, the Group prepared a comprehensive stabilisation plan, covering the operational, financing and strategic aspects of the business. The key measures included steps taken to secure continuity of the Group's operating processes in an environment of widespread remote working, to strengthen digital logistics processes, to accelerate the launch of digital 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, to negotiate payment terms with some suppliers, and to apply for and receive support from available public assistance programmes subsidising labour and other costs.

In terms of financing, the Group held 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 provide financial support for the Group's business. The Group secured additional financing backed with a guarantee from the BGK Liquidity Guarantee Fund, entered into the New Financing Agreement, and raised financing from the investment fund PFR Inwestycje Fundusz Inwestycyjny Zamknięty represented by Polski Fundusz Rozwoju S.A. and from the Softbank Group.

On the strategic level, the Group intends to reduce and reallocate capital expenditure, while upholding and adding to the objectives of the GO.22 strategy under the updated GO.25 strategy.

In the medium to long term, the Group expects: continuing recovery in the value of the footwear market in 2022 (assuming no administrative closures of stores are reimposed in 2022), an increase in the share the digital channel in total revenue, and a shift in demand towards goods with the best possible price/quality ratio due to the decline in consumers' disposable incomes.

EFFECT OF CHANGES IN THE ECONOMIC SITUATION ON THE VALUATION OF ASSETS AND LIABILITIES OF CCC S.A.

Inventory write-downs
For more information, see Note 5.4.

Impairment losses on shares
As at January 31st 2022, the Company made a detailed assessment (taking into account the impact of the COVID-19 pandemic) whether there is any indication that any of its investments in subsidiaries and associates could be impaired. Where such indications were found to exist, the Company tested the assets for impairment.
For more information, see Notes 2.3 and 3.1.

Expected credit losses (ECL)
As at January 31st 2022, the Company carried out a detailed analysis of the impact of COVID-induced changes in the economic environment on the amount of expected credit losses in terms of the potential need to modify the assumptions made in its estimates and to account for the additional element of risk associated with the current economic situation and forecasts for the future.

The Company's business mainly involves retail and digital operations, and therefore the amount of trade receivables from unrelated parties in the retail and digital segments is not significant. The general economic situation in the financial year 2021 and efforts made by the Management Board led to an increase in retail and digital sales. The Company expects that the recoverability of the receivables disclosed in the statement of financial position as at January 31st 2022, maturing in the coming months, will remain substantially unchanged. The Company estimates that despite the coronavirus pandemic, the risk of non-payment of receivables by its trading partners has not changed significantly.

Another group of assets exposed to credit losses are loans. The Company identified the risk of default on those assets and thus recognised an impairment loss of PLN 163.7 m as at the reporting date (January 31st 2021: PLN 252.0 m). The Company also measures the risk under sureties issued (financial guarantees). The Company recognised an allowance for expected credit losses (ECL) on financial guarantees of PLN 44.3m (January 31st 2021: PLN 133.9m).
For more information on the recognised impairment losses and loss allowances, see Notes 3.2, 5.8 and 6.1.

Impairment of property, plant and equipment, intangible assets, goodwill and rights-of-use assets
As at January 31st 2022, the Company made a detailed assessment (taking into account material changes in the operating and economic conditions caused by the COVID-19 pandemic) whether there are any indications that any of the items of property, plant and equipment, intangible assets with finite useful lives, goodwill and right-of-use assets could be impaired. Where such indications were found to exist, the Company tested the assets for impairment.

The Company also performed an annual impairment test with respect to goodwill.
For details of the assessment and tests, see Notes 5.1.1, 5.2 and 5.3.

Renegotiation of commercial space lease contracts
The COVID-19 pandemic has significantly affected the retail property market. As a result of renegotiation of lease contracts in 2021, the value of right-of-use assets and lease liabilities changed – for more information, see Note 5.3.

Other accounting matters and issues
As at the date of these separate financial statements, the Company did not identify any material risks related to potential breach of the terms of its existing trade and supply contracts, with the exception of those pertaining to the Ukrainian and Russian markets, which are being monitored on an ongoing basis.

As a result of the execution of financing agreements with banks, bondholders and other institutions, the Company is required to meet a number of covenants, which will be calculated and tested in subsequent reporting periods, as described in detail in the Directors' Report on the Group's operations in the section entitled 'Management of financial resources and liquidity'.

As at January 31st 2022, in the opinion of the Management Board none of the covenants were breached during the reporting period and until the date of authorisation of the financial statements for issue.

Based on its financial projections for subsequent reporting periods, the Company believes that the recognised deferred tax asset is recoverable.

During the financial year, the Company received subsidies to salaries and employee benefits of PLN 7.9m, as described in Note 2.2.

STATEMENT OF ACCOUNTING POLICIES

The accounting policies applied by CCC S.A. did not change relative to those applied in the full-year financial statements for the financial year January 1st 2020 − January 31st 2021, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after February 1st 2021.

On September 26th 2019, the Extraordinary General Meeting of CCC S.A. passed a resolution on the basis of which the Company's financial year was changed from the calendar year to a period of 12 consecutive months from February 1st to January 31st of the following calendar year.

The change was prompted by the natural cycle in the fashion industry, where new collections are launched in February and the sales period ends in January.

The parent and other Group companies were established for an indefinite period.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

Preparation of financial statements in accordance with IFRSs requires using certain significant accounting estimates. It also requires the Management Board to exercise its own judgement in the application of the accounting policies applied by the Company. Significant estimates made by the Management Board are presented in the individual notes.

The applied accounting policies and significant estimates and judgements for particular items of the statement of comprehensive income and the statement of financial position are presented below.

New and amended accounting standards applied by the Group

The amended standards and interpretations which apply for the first time in 2021 do not have a material impact on the Company's financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Reference Rate Reform – Phase 2;
- Amendments to IFRS 4: *Insurance Contracts*: Deferral of the Effective Date of IFRS 9;
- Amendments to IFRS 16: *COVID-19-related Rent Concessions* beyond June 30th 2021 (the Company did not elect to apply the practical expedient introduced as part of the amendments to IFRS 16).

The Company did not elect to early adopt any of the standards, interpretations or amendments that have been issued but are not yet effective in accordance with the European Union regulations.

Issued standards and interpretations which are not yet effective and have not been adopted early by the Company

The following are the standards and interpretations that have been issued by the International Accounting Standards Board but are not yet effective. As assessed by the Management Board, they would not have any significant impact on the financial statements if applied by the Company as at the reporting date.

- IFRS 14 *Regulatory Deferral Accounts* (issued on January 30th 2014) − pursuant to the European Commission's decision, the process leading to the approval of a preliminary version of the standard will not be initiated until the issue of its final version (not endorsed by the EU by the date of authorisation of these financial statements for issue) ; effective for annual periods beginning on or after January 1st 2016;
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on September 11th 2014) − work leading to the approval of the amendments has been deferred by the EU for an indefinite period; effective date has been deferred by the IASB for an indefinite period;
- IFRS 17 Insurance Contracts (issued on May 18th 2017), including Amendments to IFRS 17 (issued on June 25th 2020) – effective for annual periods beginning on or after January 1st 2023;
- Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of the Effective Date (issued on January 23rd 2020 and July 15th 2020, respectively); not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after January 1st 2023;
- Amendments to IFRS 3: *Reference to the Conceptual Framework* (issued on May 14th 2020); effective for annual periods beginning on or after January 1st 2022;
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (issued on May 14th 2020) – effective for annual periods beginning on or after January 1st 2022;
- Amendments to IAS 37: Onerous contracts – Cost of Fulfilling a Contract (issued on May 14th 2020) – effective for annual periods beginning on or after January 1st 2022;
- Annual Improvements to IFRS Standards 2018–2020 (issued on May 14th 2020); effective for annual periods beginning on or after January 1st 2022;
- Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosure of Accounting Policies* (issued on February 12th 2021) – effective for annual periods beginning on or after January 1st 2023;
- Amendments to IAS 8: *Definition of Accounting Estimates* (issued on February 12th 2021) – effective for annual periods beginning on or after January 1st 2023;
- Amendments to IAS 12: *Deferred Tax related to Assets and Liabilities Arising from a Single Transaction* (issued on May 7th 2021) – not yet endorsed by EU as at the date of authorisation of these financial statements; effective for annual periods beginning on or after January 1st 2023;
- Amendments to IFRS 17 *Insurance Contracts*: Initial Application of IFRS 17 and IFRS 9 – *Comparative Information* (issued on December 9th 2021) – not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after January 1st 2023;

The effective dates are those specified in the text of the standards issued by the International Accounting Standards Board. The effective dates of the standards in the European Union may differ from those specified in the text of the standards and are announced on approval of a standard by the European Union.

As at the reporting date of January 31st 2022, the Company analysed the IFRIC's decision *Costs Necessary to Sell Inventories*, issued in June 2021. This decision indicates that when determining the net realisable value of inventories in accordance with IAS 2 Inventories, an entity estimates the costs necessary to sell them. When estimating the costs necessary to sell inventories, the entity uses its judgement while considering specific facts and circumstances (including the nature of the inventories), but such costs should not be limited to only those that are incremental to the sale. For analysis of the effect of the decision on the inventory measurement policy applied by the Group, see Note 5.4.

1.1 SEGMENTS

The Company applies the exemption for segment disclosures under IFRS 8 par. 4, therefore the analysis of the Company's operating segments was presented in the consolidated financial statements of the Group.

2. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

2.1 REVENUE

Accounting policy

Revenue

IFRS 15 establishes a five-step model for recognition of revenue under contracts with customers.

In accordance with the standard, revenue is recognised at the amount of consideration to which the entity is entitled in exchange for the transfer of promised goods or services to the customer.

The Company recognises revenue at the moment of handing over the goods to the customer in the amount reflecting the price expected by the entity in return for the handover of those goods and services.

Revenue includes revenue from sales of merchandise and products generated in the ordinary course of business. Revenue is recognised at the fair value of the consideration received or due from sale of merchandise, finished goods and services in the ordinary course of the Company’s business. Revenue is presented net of value added tax, refunds, rebates and discounts.

Revenue from the sale of gift cards is recognised at the time when goods paid for with such card are delivered to the customer. Until that time, gift cards paid but not realised are recognised in the statement of financial position as liabilities under contracts with customers.

The Management Board of the Company carried out a comprehensive analysis to determine whether a particular entity acts as an agent or principal, taking into account the cooperation agreements concluded between the Company and its subsidiary CCC.eu Sp. z o.o. (“CCC.eu”) and the actual business model described below. In line with the business model, CCC.eu supplies goods to CCC S.A. which then sells the goods in stores in Poland.
Elements which may indicate that the Company could be treated as an intermediary are the following conditions resulting from the concluded contracts:

- in accordance with the adopted settlement model, the Company is guaranteed to earn a fixed operating margin;
- goods which the Company has failed to sell in a given season may be returned to the CCC.eu, while CCC.eu may demand that the Company returns the goods, and the costs of such return are borne by CCC.eu;
- CCC.eu defines standards and supports the Company in terms of the pricing policy, promotion and pricing in stores, including recommendations on retail prices, rules for reductions and price increases, as well as discounts and promotions for customers;
- CCC.eu makes decisions concerning the sales mix and quantities of goods supplied to the Company;
- the Company accepts refunds from retail customers and considers after-sales complaints, while the costs of these complaints are fully covered by CCC.eu.

In the opinion of the Management Board of the Company, other aspects of the cooperation between the Company and CCC.eu are more important and prevail in the assessment of the Company's role. In the opinion of the Management Board, the Company does not act as an intermediary because it is exposed to significant risks of the business and benefits from the sale of goods purchased from CCC.eu. This assessment of the Company's role is corroborated by the following terms of mutual cooperation:

- the Company is primarily responsible for the delivery of goods to the customer and the Company is responsible for the acceptability of products purchased by the customer, the Company sells goods purchased from CCC.eu in its own name and on its own account, purchases from CCC.eu on a CPT basis (transfer of ownership at the time of loading on the means of transport);
- The Company bears the risks related to inventories before and after an order is placed by the customer, in the course of delivery or returns, the inventories held by the Company are owned by the Company, and the Company bears the risk of any loss;
- the Company receives only recommendations from CCC.eu regarding pricing, bonus, or discount policies, and has full pricing discretion;
- the Company bears the entire credit risk of its customers;
- the Company bears full reputational risk related to the quality of the goods sold, and potential customer complaints may have an adverse effect on the Company's situation.
  Therefore, in the opinion of the Management Board CCC S.A. should not be treated as an agent within the meaning of IFRS 15. The entire revenue from sales is disclosed by the Company.

Revenue – retail

The Company sells footwear, handbags, shoe care accessories and small clothing accessories through its own chain of stores in Poland and abroad. Revenue is recognised when the goods are released to the customer in the store. Retail sales are usually made for cash or using payment cards. The Company operates a 14-day customer return policy. For members of the CCC Club, the return policy is as follows:

- CCC Standard – 30 days,
- CCC Silver – 60 days,
- CCC Gold – 120 days.

In order to estimate the volume of returns, the historical rate of returns to the volume of sales is used. The estimate is used to adjust the amount of revenue. Past experience is used to estimate the amount of refunds and provisions.

Revenue from sales of merchandise – digital

The Company sells footwear, handbags, shoe care accessories, clothes and small clothing accessories through online stores operating in the Polish and foreign markets. Revenue from sales is recognised at the time of release of goods to the courier and adjusted accordingly as at the reporting date taking into account the date of receipt of the delivery by the customer. The Company operates a customer return policy. As at the reporting date, the amount of potential returns resulting from the consumer's right of withdrawal in distance and off-premises contracts was also estimated. Past experience is used to estimate the amount of refunds and provisions.

Loyalty Programme

The Company operates the 'CCC Club' Loyalty Programme aimed at promoting and advertising CCC S.A. and the CCC Group companies by making them more widely known and encouraging customers to buy their products and use their services. In accordance with the Programme rules, after joining the CCC Club the Company's customers are entitled to dedicated benefits during a one-year period, with the value of the benefits depending on how much they have spent on their purchases. The one-year period is counted from the date of making a purchase or exceeding a fixed value threshold for a particular group of benefits ('Standard' for purchases of up to PLN 399, 'Silver' for purchases worth between PLN 400 and PLN 899, and 'Gold' for purchases of more than PLN 899). The Company's customers participating in the Programme are offered discounts for their next purchases. Detailed rules of the Programme are available on the Company's website.
The Company measured the liability under the Programme as at the reporting date and recognised it as liability under contracts with customers, making a relevant adjustment to revenue.
Additional benefits, such as discounts from the Programme partners, are not liabilities of the Company and therefore their disclosure in the Company's financial statements is not subject to IFRS 15. The 'priority to buy dedicated collections' is not a 'substantial right' of a Programme participant, as the Programme rules do not guarantee the right to purchase dedicated collections at preferential prices.

[all amounts in PLN million unless stated otherwise]

Revenue from contracts with customers by category is presented below.

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Revenue			
Footwear	1,633.1	1,111.1	1,282.4
Bags	98.8	73.7	75.6
Other [1]	104.8	92.2	112.4
CCC retail	**1,836.7**	**1,276.9**	**1,470.4**
Footwear	362.8	207.2	224.2
Bags	25.5	10.1	11.4
Other [1]	6.0	3.3	4.7
Digital CCC	**394.3**	**220.6**	**240.3**
Footwear	10.1	–	–
Clothing	23.4	–	–
Other [1]	6.7	–	–
HalfPrice	**40.2**	**–**	**–**
Services	137.1	103.5	112.1
Total	**2,408.3**	**1,601.0**	**1,822.8**

[1] Other includes primarily (by value) clothing, shoe cosmetics, insoles, belts, wallets, socks, jewellery and accessories.

The Company conducts retail and digital sales to retail customers, and sales to none of the customers exceeded 10% of total revenue.

In the financial year 2021, the Company's CCC retail revenue rose 44%year on year. In assessing the revenue growth, note should be taken of the low base effect of the previous year, caused by the temporary closure of offline stores due to the spread of the COVID-19 pandemic. In 2021 the total lockdown period (during which retail locations remained closed) was shorter than in 2020. After the lockdown periods, customers slowly returned to shopping in offline stores (retail traffic recovery), with some customers moving to the digital channel. This was also the time of after-season sales, which involved discounts.

The Company reported a strong (79%) year-on-year increase in CCC's digital revenue in the financial year 2021. The growth was driven, among other things, by the roll-out of the omnichannel model at the Company and the expansion of the range of products available.

Also, in the financial year 2021, the Group began to roll out a new off-price format (the project was officially launched on May 4th 2021) by expanding its chain of offline stores and deploying an online platform under the HalfPrice brand. The stores offer branded products at attractive prices. The sales mix includes fashion as well as cosmetics, sports equipment, home accessories and much more.

On August 4th 2021, an organised part of the enterprise comprising assets of the HalfPrice segment was spun off and transferred to HalfPrice Sp. z o.o. The contributed assets comprised property, plant and equipment, right-of-use assets, cash and inventories of stores operating under the HalfPrice business line. Since the date of that event, sales made through channels operating under the HalfPrice business line have not been recognised by CCC S.A. For more information, see Note 3.1 to these financial statements.

In the financial year 2021, the Company adopted the CCC Club Loyalty Programme, whose rules are available at https://ccc.eu/pl/klub-ccc. The Programme is aimed at promoting and advertising the Company and the CCC Group companies by making them more widely known and encouraging customers to buy their products and use their services. In view of the above, the Company reduced its revenue by PLN 10.6m, recognising a liability under contracts with customers being CCC Club members.

2.2 COSTS BY NATURE OF EXPENSE

Accounting policy

Cost of sales

The Company recognises as cost of sales:
- cost of merchandise sold,
- cost of packaging used in sales,
- cost of merchandise sold,
- inventory write-downs,

Costs of points of purchase

Costs of points of purchase include costs of operating the stores and other retail facilities. This item includes mainly:
- salaries and wages of in-store personnel,
- depreciation of property, plant and equipment (leasehold improvements),
- depreciation of right-of-use assets,
- costs of services (including utility costs),
- variable lease payments (including sales-based rents).
- retail tax.

Other distribution costs

Other distribution costs include distribution costs which cannot be directly allocated to store operations and are incurred by sales support functions. This item includes mainly:
- costs of salaries of employees of sales support units,
- depreciation of property, plant and equipment,
- cost of services,
- other expenses,
- low value and short-term leases.

Administrative expenses

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

Grants

For information on government grants, see Note 2.3 to these financial statements 'Other income and expenses, finance income and costs'.

[all amounts in PLN million unless stated otherwise]

February 1st 2021–January 31st 2022	COST OF SALES	COSTS OF POINTS OF PURCHASE	OTHER DISTRIBUTION COSTS	ADMINISTRATIVE EXPENSES	TOTAL
audited					
Cost of merchandise sold	-1,601.2	–	–	–	-1,601.2
Raw material and consumables used	–	-15.6	-2.0	-5.3	-22.9
Inventory write-downs	-3.4	–	–	–	-3.4
Salaries, wages and employee benefits	–	-223.5	-21.7	-42.5	-287.7
Transport services	–	–	-28.7	-0.1	-28.8
Other rental costs – utilities and other variable costs	–	-115.9	-1.3	-2.1	-119.3
Other services	–	-26.4	-7.1	-54.8	-88.3
Depreciation	–	-185.1	-7.7	-5.5	-198.3
Taxes and charges	–	-15.8	-3.8	-1.5	-21.1
Other expenses	–	-0.1	-9.9	-2.2	-12.2
Total	**-1,604.6**	**-582.4**	**-82.2**	**-114.0**	**-2,383.2**

February 1st 2020–January 31st 2021	COST OF SALES	COSTS OF POINTS OF PURCHASE	OTHER DISTRIBUTION COSTS	ADMINISTRATIVE EXPENSES	TOTAL
unaudited					
Cost of merchandise sold	-932.9	–	–	–	-932.9
Raw material and consumables used	–	-13.7	-0.6	-4.4	-18.7
Inventory write-downs	1.3	–	–	–	1.3
Salaries, wages and employee benefits	–	-155.5	-14.1	-11.2	-180.8
Transport services	–	-0.9	-18.7	-0.1	-19.7
Other rental costs – utilities and other variable costs	–	-83.0	-0.1	-3.6	-86.7
Other services	–	-22.0	-2.6	-22.9	-47.5
Amortisation	–	-202.9	-7.0	-3.6	-213.5
Taxes and charges	–	–	-3.2	-0.9	-4.1
Other expenses	–	–	-0.6	-2.5	-3.1
Total	**-931.6**	**-478.0**	**-46.9**	**-49.2**	**-1,505.7**

January 1st 2020–January 31st 2021	COST OF SALES	COSTS OF POINTS OF PURCHASE	OTHER DISTRIBUTION COSTS	ADMINISTRATIVE EXPENSES	TOTAL
audited					
Cost of merchandise sold	-1,090.9	–	–	–	-1,090.9
Raw material and consumables used	–	-15.4	-0.8	-4.5	-20.7
Inventory write-downs	-3.2	–	–	–	-3.2
Salaries, wages and employee benefits	–	-173.7	-16.2	-12.5	-202.4
Transport services	–	-0.9	-19.5	-0.1	-20.5
Other rental costs – utilities and other variable costs	–	-90.0	-0.2	-3.8	-94.0
Other services	–	-23.3	-3.2	-23.8	-50.3
Amortisation	–	-223.8	-7.4	-4.2	-235.4
Taxes and charges	–	–	-3.2	-0.8	-4.0
Other expenses	–	–	-0.5	-2.7	-3.2
Total	**-1,094.1**	**-527.1**	**-51.0**	**-52.4**	**-1,724.6**

[all amounts in PLN million unless stated otherwise]

Cost of sales grew 72.25% year on year, while revenue rose 50%. The increase was due mainly to the recovery of sales in CCC's retail channel, development of the digital channel and the launch of sales in the HalfPrice segment, as well as a shorter period of forced store closures during the lockdown in the current year.

Costs of points of purchase increased by 21.84% year on year, driven mainly by:

- PLN 68.0m 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 32.9m increase in other rental costs (sales-based 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, and expansion of the sales channels;
- lower depreciation expense on right-of-use assets (down PLN 17.8m) due to renegotiation of lease contracts;
- introduction of the retail tax (PLN 15.8m), which has been levied since January 2021.

In the reporting period, the total amount of public aid (subsidies to salaries and employee benefits) was PLN 7.9 m, vs PLN 16.9 m in the comparative period.

The year-on-year growth in other distribution costs was attributable to a significant rise in transport costs (PLN 10.0 m) driven by growing sales through the digital channel, a PLN 9.3 m increase in other expenses, as well as a PLN 7.6 m increase in salaries, wages and employee benefits.

The year-on-year increase in administrative expenses was led by a rise in other services (up PLN 31.9 m), reflecting higher costs of outsourcing and advisory services, and an increase in salaries and wages and employee benefits (up PLN 31.3 m), mainly driven by bonuses for the Management Board, as described in detail in Note 6.2 to these financial statements.

Components of employee benefits are presented below.

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Wages and salaries	-215.3	-151.8	-162.8
Social security contributions	-37.9	-24.6	-32.1
Other employee benefit expenses	-8.1	-4.1	-7.1
Costs of contributions to PPK	-0.6	-0.3	-0.4
Costs of incentive scheme	-25.8	–	–
Total:	**-287.7**	**-180.8**	**-202.4**

[all amounts in PLN million unless stated otherwise]

2.3. OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

Accounting policy

Other income and expenses

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, penalties and fines, donations, grants, etc.

Finance income and costs

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

Grants

Government grants are recognised using the income method (they reduce expenses). If a grant relates to a specific cost item, it is recognised as a reduction of the costs the grant is intended to compensate. Where a grant relates to an asset, its fair value is recognised as deferred income (presented in the line item 'Grants received' in equity and liabilities in the statement of financial position), and is then gradually released to profit or loss over the expected useful life of the asset in equal annual instalments as other income.

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Other expenses			
Loss on disposal of property, plant and equipment	-11.2	-5.5	-5.5
Recognised provisions	–	-36.6	-36.6
Other expenses	-1.9	-29.6	-30.5
Total other expenses	**-13.1**	**-71.7**	**-72.6**

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Other income			
Foreign exchange gains on items other than debt	0.3	0.1	0.1
Compensation	0.3	2.0	2.0
PFRON wage subsidies	3.1	3.1	3.1
Grants	1.5	3.7	4.0
Gain on settlement of contracts with landlords	15.5	–	–
Gain on settlement of lease contracts	18.6	–	–
Other income	8.9	7.5	10.8
Total other income	**48.2**	**16.4**	**20.0**

The increase in other income was mainly attributable to the gain (loss) on early termination of lease contracts and a change in the scope of lease contracts of PLN 18.6m (PLN 6.3m in the previous year), presented under 'Other income'. This item also includes income from settlement of leasehold improvements with landlords, which is presented in the statement of financial position under other liabilities as a result of unrecognised right-of-use assets (contracts based on turnover rent, etc.). This income amounted to PLN 9.7m.

[all amounts in PLN million unless stated otherwise]

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Finance costs			
Interest on borrowings and bonds	-30.0	-2.2	-6.7
Interest on leases	-17.8	-16.8	-16.8
Foreign exchange gains (losses)	-9.1	-38.7	-43.6
Commission fees paid	-8.4	-2.3	-2.3
Sureties received	-4.5	-6.2	-6.2
Valuation of HRG option	–	-13.3	-13.3
Guarantees received	-4.3	-2.4	-2.4
Other finance costs	-0.3	-0.5	-0.1
Total finance costs	**-74.4**	**-82.4**	**-91.4**

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Finance income			
Dividend received	200.0	–	–
Interest income on cash in current account and other interest income	18.1	3.5	3.5
Interest income on the HR Group loan	–	16.3	16.3
Gain (loss) on sale of Modivo S.A. shares	280.0	–	–
Gain (loss) on sale of NG2 Suisse s.a.r.l. shares	6.8	–	–
Guarantees and sureties provided	5.7	14.8	14.8
Other finance income	1.0	4.7	4.9
Total finance income	**511.6**	**39.3**	**39.5**

On August 13th 2021, the Annual General Meeting of CCC Factory Sp. z o.o. passed a resolution on the payment of dividends from reserve funds created from profits for the years 2004–2019 to CCC S.A.

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
(Recognition) / reversal of provisions for sureties provided for credit facilities used by subsidiaries	19.3	-133.9	-133.9
(Recognition) / reversal of impairment losses on loans and other financial receivables	-24.7	-250.7	-252.6
(Recognition) / reversal of provisions for guarantee of trade payables of subsidiary	36.6	-127.3	-127.3
(Recognition) / reversal of total loss allowances	**31.2**	**-511.9**	**-513.8**

The reversal of the provisions for sureties provided for credit facilities used by subsidiaries was due to changes in the exposure to guaranteed credit facilities (decrease in the subsidiaries' debt).

The reversal of the provisions for guarantees of trade payables of PLN 36.6m pertained to the unused portion of the provisions.

[all amounts in PLN million unless stated otherwise]

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Impairment losses on shares	-74.2	-134.3	-134.3
Total impairment losses on shares	**-74.2**	**-134.3**	**-134.3**

The COVID-19 pandemic significantly affected Karl Voegele AG's operating performance in 2020 and its prospects for the future. The business process optimization started after the acquisition of the company did not bring the expected results. Therefore, strategic options were reviewed with respect to Karl Voegele AG of Uznach, Switzerland ("Karl Voegele", "KVAG") and NG2 Suisse s.a.r.l., owned by CCC S.A. In the previous financial year, the Management Board decided to sell the shares in NG2 Suisse s.a.r.l. and, indirectly, the interest in Karl Voegele AG. On May 26th 2021, the Company sold 100% of shares in NG2 Suisse s.a.r.l. to cm.shoes GmbH and GA Europe Coöperatief U.A. Following the execution of relevant agreements, cm.shoes GmbH became the indirect owner of all shares in Karl Voegele AG, which had been owned indirectly by the Company. At the time of the sale, the parties entered into an agreement whereby CCC may continue to provide selected services and supply goods to Karl Voegele for up to two years, with the balance of trade receivables towards CCC capped at EUR 8,5m.

The agreements contain earn-out clauses for the benefit of CCC in case the new owners sell Karl Voegele shares to another entity in the future (additional contingent payment to the Company as consideration for the shares). Since the probability of the earn-out clauses being performed is low, the Company did not recognise any assets in relation to this payment.

Prior to the sale of shares in NG2 Suisse s.a.r.l., the Company restructured the entities to be sold, which led to provisions and impairment losses having been recognised by the Company as at January 31st 2021. In the previous reporting year, the Company recognised:

- an impairment loss of PLN 46.3m for the full value of the shares held in NG2 Suisse s.a.r.l. The recoverable amount of NG2 Suisse S.à.r.l. was measured at fair value less costs to sell.
- As a significant risk had been identified of non-recovery of the loans granted by CCC S.A. to Karl Voegele AG and NG2 Suisse s.a.r.l., an impairment loss was recognised. This led to a change in the classification of the loans by the Management Board, from Level 1 to Level 3 under IFRS 9. As a result, allowances were recognised of PLN 75.9m and PLN 8.5m, respectively, covering 100% of the loans' amount.
- A loss allowance for financial guarantees provided to Karl Vogele AG of PLN 70.4m (covering the entire amount of the guarantees) and a PLN 127.3m provision for a guarantee for trade payables were recognised.

In the reporting period, the following events occurred as part of the sale preparation process:

- Repayment of the PLN 70.4m credit facility by CCC S.A., as a result of which the provision for a surety (financial guarantee) of PLN 70.4m was used,
- Transfer and repayment of the subsidiary's trade receivables of PLN 66.1m to CCC S.A., as a result of which the provision for a guarantee for trade payables of PLN 66.1m was used,
- Share capital increase of NG2 Suisse s.a.r.l. by PLN 238.3m; all the new shares were subscribed for by CCC S.A. and settled by converting the existing receivables under recourse to Karl Voegele AG in connection with repayment of bank debt and trade payables totalling PLN 131.7m and a cash contribution of PLN 106.6m,
- The funds received were used to repay loans granted by CCC S.A. of PLN 81.8m and trade payables of PLN 24.7m, covered by the provision for guarantees for payables at CCC S.A. The provision for a guarantee for trade payables was used in a total amount of PLN 90.8m while the balance was reversed.

Prior to the sale of NG2 Suisse s.a.r.l., NG2 Suisse s.a.r.l. had acquired 30% of Karl Voegele AG shares from PhiRam Holding AG for CHF 1. Following this transaction, NG2 Suisse s.a.r.l. owned 100% of Karl Voegele AG shares.
The Company earned income from the sale of shares in NG2 Suisse s.a.r.l. of PLN 6.8m (the carrying amount of the shares as at the transaction date was PLN 0.0m due to impairment losses recognised).

On March 31st 2021, CCC S.A. and its subsidiary CCC Shoes & Bags Sp. z o.o. entered into a share purchase commitment agreement with MKK3 Sp. z o.o. ("MKK3", minority shareholder of Modivo S.A.) and its shareholders, with the participation of Modivo S.A. to purchase from MKK3 2,000,000 ordinary and preference shares in Modivo S.A., representing 20% of the share capital of Modivo S.A., for a total price of PLN 720.0m, to be effected by September 30th 2021. In addition, the Group made an irrevocable offer to MKK3 to purchase the remaining 5.01% of Modivo S.A. shares held by MKK3 (the "Put Option") for a total price of PLN 180.0m, substantially valid from January 1st 2023 to December 31st 2025, with the option expiring if Modivo S.A. carries out an initial public offering of its shares. The agreement also grants the right of first refusal to acquire the remaining 5.01% of shares in Modivo S.A. from MKK3 Sp. z o.o.

At the same time, on March 31st 2021, the Group concluded two conditional preliminary share purchase agreements for shares in Modivo S.A. with Cyfrowy Polsat S.A. ("CPSA") and A&R Investments Limited ("A&R"), a shareholder in the company organised under Luxembourg law InPost S.A., setting out the terms and conditions for the sale to each Investor of two minority holdings of Modivo S.A. shares, each representing 10% of the share capital, for a price of PLN 500m per shareholding, that is for a total amount of PLN 1,000m for both shareholdings.

On June 22nd 2021, CCC acquired from MKK3 Modivo S.A. shares representing 10% of the share capital for PLN 360.0m, which it subsequently sold to CPSA for PLN 500.0m. At the same time, CCC and A&R entered into a conditional disposal agreement for the transfer to A&R of the ownership of Modivo S.A. shares representing 10% of the share capital for PLN 500.0m. On the date of the conditional disposal agreement, A&R paid PLN 500.0m to CCC towards the purchase price. The transaction was completed on September 23rd 2021.

Given that the exercise of the option for the remaining 5.01% of Modivo shares referred to above is subject to the condition that there is no initial public offering of Modivo shares, and considering the Group's plans and activities undertaken to carry out such offering, the probability of the option being assessed was assessed as very low and therefore the Company did not recognise in its financial statements a liability corresponding to the option price (PLN 180m), considering the fair value of the liability as immaterial.

Gain earned by the Company on the transaction with Cyfrowy Polsat S.A. and A&R Investment Limited was PLN 280.0m.

The COVID-19 pandemic also adversely affected the business of Gino Rossi S.A. Gino Rossi S.A. reports operating losses and negative operating cash flows. At the same time, the Management Board of the Company does not expect any significant improvement in this respect in the foreseeable future. Accordingly, in the previous year indications of impairment of the interest in the company were identified. In the previous financial year, the Management Board decided to recognise an impairment loss for the entire amount of the shares (PLN 88.0m) as at January 31st 2021. The recoverable amount of shares in Gino Rossi S.A. was measured at fair value less costs to sell. Additionally, an impairment loss of PLN 36.0m was recognised on loans to Gino Rossi S.A. as at January 31st 2021. There was a change in the classification of the loans from Level 1 to Level 3 under IFRS 9.

In the financial year 2021, Gino Rossi S.A.'s share capital was increased in exchange for cash by PLN 66.0m. At the same time, proceeds of the share capital increase were used by Gino Rossi S.A. to repay a loan from the Company at the nominal amount of PLN 66.0m. By a decision of the Management Board, the new shares were carried at nil value (with an impairment loss recognised for their full amount). The transaction had no effect on the Company's statement of comprehensive income.

The COVID-19 pandemic significantly affected CCC Austria GmnH's operating performance in 2021 and its prospects for the future. In connection with plans announced by the Group to restructure its presence in Western Europe, maintain strategic focus on operations in Central and Eastern Europe, and develop the digital segment, indications of impairment of the interest in the company were identified as at January 31st 2022. In the reporting period, the company's share capital was increased by PLN 72.2m. The proceeds of the share capital increase were used by the company to repay its liabilities and finance its day-to-day operations. On June 16th 2021, an agreement was concluded with Pepco Poland Sp. z o.o. concerning the takeover of 29 out of 46 retail space lease contracts concluded by CCC Austria GmbH. In the case of 14 locations leased by CCC Austria GmbH and not covered by the agreement, CCC will take steps to terminate the lease contracts. The remaining three CCC stores in key locations are planned to be converted into HalfPrice flagship stores. In view of the above, in the reported financial year Management Board of the parent decided to recognise an impairment loss for the entire amount of the shares (PLN 74.1m). The recoverable amount of shares in CCC Austria GmbH was measured at fair value less costs to sell.

For detailed information on the loans and sureties, broken down by gross carrying amount, credit exposure and impairment losses, see Note 6.1. In the case of impairment losses on shares in CCC Austria GmbH and Gino Rossi S.A., the Company determined the recoverable amount corresponding to the fair value less costs to sell – Level 3 of the fair value hierarchy (inputs to measure an asset or liability that are not based on observable market data (unobservable inputs)). In terms of estimating the fair value of these shares, the projected cash flows are a significant element of the estimate; under IFRS 13, these are unobservable inputs, i.e. Level 3 inputs in the fair value hierarchy. The valuation technique did not change relative to that applied in the previous year.

2.4 TAXATION

Regulations on value added tax, corporate income tax, and social security contributions are subject to frequent changes, with the effect being lack of appropriate points of reference, conflicting interpretations, and scarcity of established precedents which could be followed. Furthermore, the applicable tax laws lack clarity, which leads to differences in opinions and diverse interpretations of tax regulations, both between various public authorities and between public authorities and businesses.

Tax settlements and other areas of activity (e.g. customs or foreign exchange control) may be subject to inspections by the authorities that are entitled to impose high fines and penalties, and any additional tax liabilities resulting from such inspections must be paid with high interest. Consequently, tax risk in Poland is higher than in countries with more mature tax systems.

The amounts presented and disclosed in the financial statements may therefore change in the future as a result of a final decision by a tax inspection authority.

Whenever there is uncertainty as to whether and to what extent a tax authority would accept a tax settlement, the Company discloses such settlement taking into consideration the assessed uncertainty.
On January 7th 2021, the Management Board of CCC S.A. made a decision to establish the CCC Tax Group (the "CCC Tax Group"). The CCC PGK consists of the following companies:

- CCC Spółka Akcyjna, which will be the parent of the CCC Tax Group;
- CCC Shoes & Bags Spółka z ograniczoną odpowiedzialnością, which will be a subsidiary.

The agreement establishing the CCC Tax Group was concluded for a period of three fiscal years, i.e. for the tax years beginning on March 1st 2021, February 1st 2022 and February 1st 2023.

ACCOUNTING POLICY

Mandatory charge on profit comprises current income tax (CIT) and deferred income tax. Current tax expense is calculated on taxable profit for the reporting period in the countries where the company and its subsidiaries operate and generate taxable income, at the rates applicable in that country. Changes in estimates relating to previous years are recognised as an adjustment to the charge for the current year.

Uncertainty over recognition of income tax

If, in the opinion of the Company, it is probable that the Company's approach to a tax issue or group of tax issues will be accepted by the tax authority, the Company determines the taxable income (tax loss), tax base, unused tax losses, unused tax credits and tax rates taking into account the approach to taxation planned or applied in its tax return. In assessing this probability, the Company assumes that the tax authorities with the power to audit and challenge the tax treatment will conduct such an audit and will have access to all information. If the Company determines that it is not probable that the tax authority will accept the Company's treatment of a tax issue or group of tax issues, the Company reflects the effect of the uncertainty in the accounting treatment of the tax in the period in which it determines it. The Company recognises an income tax liability using one of the following two methods, whichever better reflects the way in which the uncertainty is likely to materialise:

- the Company determines the most likely scenario – this is a single amount from among possible outcomes or
- the Company recognises the expected amount – the sum of probability-weighted amounts from a range of possible outcomes.

Deferred tax assets and liabilities are recognised due to differences between the carrying amounts of assets and liabilities and their corresponding tax bases and on unused tax losses. Such differences arise where depreciation/amortisation is accounted for differently for accounting and tax purposes, and also due to the accounting treatment of assets (which for tax purposes will be realised as tax depreciation in future periods) or provisions (which for tax purposes will be recognised when the relevant costs are incurred). Differences (other than acquisitions) related to the initial recognition of an asset or liability that do not affect the taxable profit or loss at the time of recognition of the asset are excluded.

Temporary differences also arise in intra-Group acquisitions and reorganisations. In the case of acquisitions of third parties, temporary differences arise from the measurement of assets and liabilities to their fair value without affecting the tax base of those assets and liabilities – the deferred tax liability or assets arising from those differences adjust goodwill (gain from bargain purchase). In the case of intra-Group reorganisations, deferred tax assets or liabilities arise as a result of recognition of change in the carrying amount of assets or liabilities for tax purposes (e.g. trademark) without their simultaneous recognition in the statement of financial position due to the elimination of the result on intra-group transactions – the effects of recognising the related deferred tax assets and liabilities are taken to profit or loss for the period, unless the related transactions affected other comprehensive income or equity. Taxable temporary differences relating to goodwill are excluded, but if the tax base of goodwill arising in a transaction is higher than its carrying amount then deferred tax assets are recognised on initial recognition of goodwill if it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are calculated using current (or practically effective) tax rates. Deferred tax assets and liabilities are offset at individual units that have the right to settle current tax on a net basis.

Deferred tax assets are recognised to the extent that it is highly probable that taxable profit will be available to realise deductible temporary differences and tax losses, or when taxable temporary differences are expected to be realised simultaneously. Only amounts in excess of this amount are disclosed.

The Company carefully evaluates the nature and extent of evidence supporting the conclusion that it is highly probable that sufficient future taxable profit will be available to allow the deduction of unused tax losses, unused tax credits or other deductible temporary differences.

When assessing whether it is highly probable that future taxable profit will be achieved (probability above 50%), the Company takes into account all available evidence, both that supporting the existence of probability and that supporting the absence of probability.

[all amounts in PLN million unless stated otherwise]

AMOUNTS OF INCOME TAX RECOGNISED IN PROFIT OR LOSS AND THE STATEMENT OF CASH FLOWS

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Current income tax expense	-17.4	-15.5	-17.9
Adjustments to current income tax for prior years	-7.2	–	–
Deferred tax	12.4	12.4	14.8
Income tax recognised in statement of comprehensive income	**-12.2**	**-3.1**	**-3.1**
Current tax recognised in profit or loss	24.6	15.5	17.9
Balance of CIT liabilities/(receivables) at beginning of period	2.3	9.3	9.2
Balance of CIT receivables/(liabilities) at end of period	13.7	-2.3	-2.3
Tax paid recognised in statement of cash flows	**40.6**	**22.5**	**24.8**

TAX RATES APPLIED AND RECONCILIATION OF INCOME TAX EXPENSE

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Poland	19.00%	19.00%	19.00%
Weighted average rate of income tax	**19.00%**	**19.00%**	**19.00%**

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Profit (loss) before tax	**454.4**	**-649.3**	**-654.4**
Weighted average tax rate	19.00%	19.00%	19.00%
Tax calculated at weighted average tax rate	-86.3	123.4	124.4
Tax effects of the following items:			
Costs not deductible for tax purposes (impairment loss on shares in subsidiaries)	-26.6	4.2	3.5
Other costs not deductible for tax purposes	-0.2	-130.7	-131.0
Gain (loss) on CCC Shoes and Bags sp. z o.o.	1.1	–	–
Realisation of the temporary difference for which no deferred tax was recognised	53.9	–	–
Dividend received	38.0	–	–
Reversal of provisions and impairment losses which were treated as permanent differences	13.1	–	–
Adjustment to current income tax for prior years	-7.2	–	–
Costs excluded under Art. 15e of CIT Act	-3.2	–	–
Non-capitalised capital loss	3.3	–	–
Other taxable income	1.9	–	–
Income tax expense	**-12.2**	**-3.1**	**-3.1**

[all amounts in PLN million unless stated otherwise]

BALANCES OF AND CHANGES IN DEFERRED TAX

Changes in deferred tax assets and liabilities during the year are presented below.

audited	January 31st 2022	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	February 1st 2021
Assets			
Impairment of assets: inventories and receivables	1.1	0.2	0.9
Provisions for liabilities	10.6	5.8	4.8
Other	0.3	–	0.3
Accelerated tax depreciation of property, plant and equipment	0.7	0.7	–
Tax losses	0.3	0.3	–
Measurement of lease contracts	29.1	1.4	27.7
Total before offset	**42.1**	**8.4**	**33.7**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	3.9	-1.4	5.3
Other	1.4	-2.6	4.0
Total before offset	**5.3**	**-4.0**	**9.3**
Offset	-5.3	4.0	-9.3
Deferred tax balances as disclosed in statement of financial position			
Assets	36.8	12.4	24.4
Liabilities	–	–	–

audited	January 31st 2021	RECOGNISED / (CHARGED) ON PROFIT OR LOSS	January 1st 2020
Assets			
Impairment of assets: inventories and receivables	0.9	–	0.9
Provisions for liabilities	4.8	-0.5	5.3
Other	0.3	-0.4	0.7
Measurement of lease contracts	27.7	23.2	4.5
Total before offset	**33.7**	**22.3**	**11.4**
Liabilities			
Accelerated tax depreciation of property, plant and equipment	5.3	4.8	0.5
Other	4.0	2.7	1.3
Total before offset	**9.3**	**7.5**	**1.8**
Offset	-9.3	-7.5	-1.8
Deferred tax balances as disclosed in statement of financial position			
Assets	24.4	14.8	9.6
Liabilities	–	–	–

[all amounts in PLN million unless stated otherwise]

3. LONG-TERM INVESTMENTS, LOANS AND RELATED-PARTY TRANSACTIONS

3.1. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

ACCOUNTING POLICY

Subsidiaries in are those entities over which the Company exercises control. Investments in subsidiaries are measured at cost less impairment losses.

Transaction costs related to the acquisition of investments increase the carrying amount of the investment.

Impairment tests are performed when there are indications of impairment by calculating the recoverable amount as the higher of the fair value less costs to sell and value in use. An impairment loss is the excess of the carrying amount over the recoverable amount.

Associates are companies over which the Company has significant influence but does not exercise control. Investments in associates are measured at historical cost net of impairment.

The Company holds interests in the following subsidiaries and associates:

COMPANY NAME	REGISTERED OFFICE/COUNTRY	PRINCIPAL BUSINESS	CARRYING AMOUNT			
			INTEREST	INCENTIVE SCHEME	INTEREST	INCENTIVE SCHEME
			January 31st 2022		January 31st 2021	
			audited		audited	
SUBSIDIARIES						
CCC Austria Ges.m.b.H	Graz, Austria	trade	–	–	0.4	1.5
CCC Czech s.r.o.	Prague, Czech Republic	trade	38.0	2.1	38.0	2.1
CCC Factory Sp. z o.o.	Polkowice, Poland	production	15.0	9.7	15.0	9.7
CCC Hrvatska d.o.o.	Zagreb, Croatia	trade	2.9	0.2	2.9	0.2
CCC Hungary Shoes Kft.	Budapest, Hungary	trade	0.1	1.2	0.1	1.2
C-AirOp Ltd (formerly: CCC Isle of Man Ltd)	Douglas, Isle of Man	trade	–	–	–	–
CCC Obutev d.o.o.	Maribor, Slovenia	trade	2.0	0.2	2.0	0.2
CCC Russia OOO	Moscow, Russia	trade	–	0.1	–	0.1
CCC Shoes & Bags d.o.o. Beograde	Belgrade, Serbia	trade	6.4	–	6.4	–
CCC Shoes & Bags Sp. z o.o.	Polkowice, Poland	investments	280.7	–	280.7	–
CCC Shoes Ayakkabycylyk Ticaret Limited Sirketi	Istanbul, Turkey	trade	0.1	–	0.1	–
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	trade	0.2	0.3	0.2	0.3
CCC Slovakia s.r.o.	Bratislava, Slovakia	trade	–	0.4	–	0.4
CCC.eu Sp. z o.o.	Polkowice, Poland	trade	–	15.4	–	15.4
Modivo S.A.**	Zielona Góra, Poland	trade	–	0.5	–	0.5
NG2 Suisse s.a.r.l.*	Zug, Switzerland	trade	–	–	–	–
HalfPrice Sp. z o.o.***	Polkowice, Poland	trade	58.2	–	–	–
Gino Rossi S.A.	Słupsk, Poland	trade	–	–	–	–
Xpress Sp. z o.o.	Wrocław, Poland	services	1.0	–	–	–
Associates			**–**	**–**	**–**	**–**
HR Group Holding s.a.r.l.	Luxembourg	trade	–	–	–	–
Pronos Sp. z o.o.	Wrocław, Poland	services	–	–	–	–

Total	**404.6**	**30.1**	**345.8**	**31.6**

*For details of the sale of NG2 Suisse s.a.r.l., see Note 2.3 to these financial statements.

**The Modivo Group comprises eobuwie.pl Logistics Sp. z o.o., eschuhe.de GmbH, eschuhe.CH GmbH, eobuv.cz s.r.o., Branded Shoes and Bags Sp. z o.o. and EPANTOFI MODIVO s.r.l. (EPANTOFI MODIVO s.r.l. was established on July 9th 2021 and the share capital was fully paid up on September 6th 2021). Modivo S.A. holds 100% of shares in each of these companies. Modivo S.A. holds 100% of shares in each of these companies. Modivo S.A. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (74.99%). The amount presented in the table above represents the value of the incentive scheme.

*** 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 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.

Shares as at January 31st 2022	**% ownership interest**	**Gross carrying amount**	**Impairment loss**	**Net carrying amount**
audited				
CCC Austria Ges.m.b.H	100%	74.1	-74.1	–
CCC Czech s.r.o.	100%	40.1	–	40.1
CCC Factory Sp. z o.o.	100%	24.7	–	24.7
CCC Hrvatska d.o.o.	100%	3.1	–	3.1
CCC Hungary Shoes Kft.	100%	1.3	–	1.3
C-AirOp Ltd (formerly: CCC Isle of Man Ltd)	50%	–	–	–
CCC Obutev d.o.o.	100%	2.2	–	2.2
CCC Russia OOO	70%	0.1	–	0.1
CCC Shoes & Bags d.o.o. Beograde	100%	6.4	–	6.4
CCC Shoes & Bags Sp. z o.o.	100%	280.7	–	280.7
CCC Shoes Ayakkabycylyk Ticaret Limited Sirketi	100%	0.1	–	0.1
CCC Shoes Bulgaria EOOD	100%	0.5	–	0.5
CCC Slovakia s.r.o.	100%	0.4	–	0.4
CCC.eu Sp. z o.o.	100%	15.4	–	15.4
Modivo S.A.**	74.99%	0.5	–	0.5
NG2 Suisse s.a.r.l.*	0%	–	–	–
Gino Rossi S.A.	100%	154.0	-154.0	–
HalfPrice Sp. z o.o.***	100%	58.2	–	58.2
HR Group Holding s.a.r.l.	30.55%	–	–	–
Xpress Sp. z o.o.	0.5%	1.0	–	1.0
Total		**662.8**	**-228.1**	**434.7**

*For details of the sale of NG2 Suisse s.a.r.l., see Note 2.3 to these financial statements.

**The Modivo Group comprises eobuwie.pl Logistics Sp. z o.o., eschuhe.de GmbH, eschuhe.CH GmbH, eobuv.cz s.r.o., Branded Shoes and Bags Sp. z o.o. and EPANTOFI MODIVO s.r.l. (EPANTOFI MODIVO s.r.l. was established on July 9th 2021 and the share capital was fully paid up on September 6th 2021). Modivo S.A. holds 100% of shares in each of these companies. Modivo S.A. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (74.99%). The amount presented in the table above represents the value of the incentive scheme.

*** 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 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.

[all amounts in PLN million unless stated otherwise]

Shares as at January 31st 2021 audited	% ownership interest	Gross carrying amount	Impairment loss	Net carrying amount
CCC Austria Ges.m.b.H	100%	1.9	–	1.9
CCC Czech s.r.o.	100%	40.1	–	40.1
CCC Factory Sp. z o.o.	100%	24.7	–	24.7
CCC Hrvatska d.o.o.	100%	3.1	–	3.1
CCC Hungary Shoes Kft.	100%	1.3	–	1.3
C-AirOp Ltd (formerly: CCC Isle of Man Ltd)	50%	–	–	–
CCC Obutev d.o.o.	100%	2.2	–	2.2
CCC Russia OOO	70%	0.1	–	0.1
CCC Shoes & Bags d.o.o. Beograde	100%	6.4	–	6.4
CCC Shoes & Bags Sp. z o.o.	100%	280.7	–	280.7
CCC Shoes Ayakkabycylyk Ticaret Limited Sirketi	100%	0.1	–	0.1
CCC Shoes Bulgaria EOOD	100%	0.5	–	0.5
CCC Slovakia s.r.o.	100%	0.4	–	0.4
CCC.eu Sp. z o.o.	100%	15.4	–	15.4
Modivo S.A.	74.99%	0.5	–	0.5
NG2 Suisse s.a.r.l.*	100%	46.3	-46.3	–
Gino Rossi S.A.	100%	88.0	-88.0	–
HalfPrice Sp. z o.o.	0%	–	–	–
HR Group Holding s.a.r.l.	30.55%	–	–	–
Total		**511.7**	**-134.3**	**377.4**

*For details of the sale of NG2 Suisse s.a.r.l., see Note 2.3 to these financial statements.

On May 31st 2021, Gino Rossi S.A., a subsidiary, and CCC S.A. signed an agreement for the sale of 100% shares in Gino Rossi S.A. for PLN 0.3m. 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 – PLN 72.5m.

The contributed assets comprised property, plant and equipment, cash and inventories of stores operating under the HalfPrice business line (see the table below for details). Contracts for the lease of retail space for the stores were also transferred.

Carrying amount of net assets of the organised part of enterprise transferred by CCC S.A.	Value (PLNm)
Property, plant and equipment	42.0
Cash	7.6
Inventories	22.9
Total transferred assets (in accordance with the division plan)	**72.5**
Net assets under lease contracts transferred	-14.7
Change in HalfPrice Sp. z o.o. shares	**57.8**

Net assets under the retail space lease contracts transferred represent the difference between the right-of-use asset of PLN 68.4m and lease liability of PLN 83.1m relating to the contracts transferred.
In accordance with the adopted accounting policy, the Company's investment in a subsidiary was recognised at an amount equal to the carrying amount of net assets transferred as a contribution towards the new shares in HalfPrice Sp. z o.o.

The rapid growth of digital across both existing and new platforms and markets and the opening of off-price stores under the new HalfPrice concept led to increased demand for logistic and warehousing services. For this reason, reorganisation, restructuring and business measures were taken at CCC Factory Sp. z o.o. as a result of which its manufacturing activities were discontinued with the delivery of the last collection. In the second half of the financial year 2021, CCC Factory Sp. z o.o. intends to change its business profile to the provision of logistic and warehousing services to other companies of the CCC Group. Analyses of the planned business model did not identify any indications of impairment of the interest held in that entity.

[all amounts in PLN million unless stated otherwise]

Given an indication of impairment in the form of negative net assets of the subsidiary CCC Shoes & Bags d.o.o. Beograd, as at the reporting date the value of the shares was tested for impairment.

The valuation model was based on financial projections, which for 2022 were derived from the official budget approved by the Supervisory Board for the market, while the basis for 2023–2026 was the GO.25 strategy. The recoverable amount was determined based on the value in use. The main assumptions include:

- WACC – 12.1%
- Positive cash flows will continue to be generated in significant amounts over the coming years on the back of the retail channel expansion;
- Improvement of the Group's margin in 2023 and 2024 driven by a reduced share of promotional offers, increased sales of high-margin products and sales optimisation;
- Increase in administrative expenses and other distribution costs in 2023 and 2024 due to higher sales;
- Conservative 2% perpetual growth rate assumed beyond the forecast period;
- Capex in 2022–2026 in line with current growth plans.

The projected financial results and the analysis of future cash flows performed on their basis do not point to the need to recognise an impairment loss on shares in CCC Shoes & Bags d.o.o. Beograd as at the reporting date.

January 31st 2022	CCC Shoes & Bags d.o.o. Beograde
Discount rate	12.1%
Average EBITDA margin	8.9%
Expected EBITDA CAGR	7.6%
Residual growth rate	2.0%

[all amounts in PLN million unless stated otherwise]

3.2. LOANS

ACCOUNTING POLICY

Loans advanced are initially measured at fair value and as at subsequent reporting dates at amortised cost through profit or loss.

Impairment of financial assets

As at each reporting date, the Company assesses whether financial assets have been impaired. For the purposes of this assessment, the Management Board analyses the risk of repayment of loans, taking into account the Company's current financial condition.

The Company measures the allowance for expected credit losses in an amount equal to 12-month expected credit losses. If the credit risk has increased significantly since initial recognition, the Company measures the loss allowance in an amount equal to lifetime expected credit losses.

	February 1st 2021–January 31st 2022	January 1st 2020–January 31st 2021
	audited	audited
At beginning of period	**47.3**	**250.6**
Granting of loans	850.0	250.9
Interest accrued	19.7	19.0
Repayment of loans with interest	-130.9	-261.7
Recognition of impairment loss	-24.7	-252.0
Other changes related to the restructuring of loans to Gino Rossi S.A. and Karl Voegele AG	113.0	–
Foreign exchange gains (losses)	0.8	12.2
Other changes	–	28.3
At end of period	**875.2**	**47.3**
- short-term	21.5	47.3
- long-term	853.7	–

[all amounts in PLN million unless stated otherwise]

January 31st 2022	CCC Obutev d.o.o.	CCC HRVATSKA d.o.o.	CCC Shoes Bulgaria	CCC Shoes &Bags Beograd-Stari	Modivo S.A.	CCC.eu Sp. z o.o.	DeeZee Sp. z o.o.	NG2 Suisse s.a.r.l.	Karl Vogele AG	Gino Rossi S.A.	Total
At beginning of period	**1.8**	**1.1**	**10.1**	**1.5**	**0.1**	**32.7**	**–**	**–**	**–**	**–**	**47.3**
Granting of loans	–	–	–	–	–	840.0	10.0	–	–	–	850.0
Interest accrued	–	–	0.6	0.1	–	18.6	0.1	–	0.3	–	19.7
Repayment of loans with interest	–	–	-1.4	-0.1	-0.1	-11.1	–	-81.9	-0.1	-36.2	-130.9
Recognition of impairment loss	–	–	-0.1	–	–	-31.8	-0.3	1.3	6.2	–	-24.7
Other changes related to the restructuring of loans to Gino Rossi S.A. and Karl Voegele AG	–	–	–	–	–	–	–	7.6	69.4	36.0	113.0
Foreign exchange gains (losses)	0.1	–	0.1	–	–	3.2	–	3.5	-6.1	–	0.8
Assignment	–	–	–	–	–	–	–	69.5	-69.5	–	–
At end of period	**1.9**	**1.1**	**9.3**	**1.5**	**–**	**851.6**	**9.8**	**–**	**0.2**	**–0,2**	**875.2**
- short-term	1.9	1.1	9.3	1.5	–	7.6	0.1	–	0.2	-0.2	21.5
- long-term	–	–	–	–	–	844.0	9.7	–	–	–	853.7

In the reporting period, repayment of loans in the amount of PLN 130.9m related mainly to repayment of the PLN 32.6m loan advanced to Gino Rossi plus interest of PLN 3.6m and repayment by NG2 Suisse s.a.r.l of the PLN 82.0m loan advanced to KVAG, as well as payment of interest on the PLN 11.1m loan advanced to CCC.eu Sp. z o.o. See Note 2.3 for details.
Other changes related to the restructuring of loans from Gino Rossi S.A. and Karl Voegele AG included the use of an impairment loss on the PLN 36m loan advanced to Gino Rossi S.A., as well as the use of an impairment loss on loans advanced to Karl Voegele AG and NG2 Suisse s.a.r.l. For more information, see Note 2.3.

The table below presents the carrying amount of loans as at the reporting date, by borrower:

January 31st 2022 audited	Gross carrying amount	Impairment loss	Net carrying amount	Level
CCC Obutev d.o.o.	1.9	–	1.9	1
CCC HRVATSKA d.o.o.	1.1	–	1.1	1
CCC Shoes Bulgaria	9.4	-0.1	9.3	1
CCC Shoes &Bags Beograd-Stari	1.5	–	1.5	1
CCC.eu Sp. z o.o.	884.7	-33.1	851.6	1
DeeZee Sp. z o.o.	10.1	-0.3	9.8	1
HR Group Holding s.a.r.l	102.1	-102.1	–	3
HR Group GmbH &Co.KG	28.1	-28.1	–	3
Total	**1,038.9**	**-163.7**	**875.2**	

[all amounts in PLN million unless stated otherwise]

January 31st 2021	**Gross carrying amount**	**Impairment loss**	**Net carrying amount**	**Level**
audited				
CCC Obutev d.o.o.	1.8	–	1.8	1
CCC HRVATSKA d.o.o.	1.1	–	1.1	1
CCC Shoes Bulgaria	10.3	-0.2	10.1	1
CCC Shoes &Bags Beograd-Stari	1.4	–	1.4	1
CCC.eu Sp. z o.o.	34.0	-1.2	32.8	1
NG2 Suisse s.a.r.l.	8.5	-8.5	–	3
Modivo S.A.	0.1	–	0.1	1
Karl Vogele AG	75.9	-75.9	–	3
Gino Rossi S.A.	36.0	-36.0	–	3
HR Group Holding s.a.r.l	102.1	-102.1	–	3
HR Group GmbH &Co.KG	28.1	-28.1	–	3
Total	**299.3**	**-252.0**	**47.3**	

Impairment losses on loans	**February 1st 2021–January 31st 2022**	**January 1st 2020–January 31st 2021**
	audited	audited
At beginning of period	**-252.0**	**–**
Recognised	-24.7	-252.0
Other changes related to the restructuring of loans to Gino Rossi S.A. and Karl Voegele AG	113.0	–
At end of period	**-163.7**	**-252.0**

Credit sureties provided as at January 31st 2022	**Maximum exposure**	**Level**	**Provision**
audited			
CCC.eu Sp. z o.o.	1,159.8	1	42.9
CCC Factory Sp. z o.o.	41.4	1	1.2
CCC Hungary Shoes Kft.	6.7	1	0.2
Total	**1,207.9**		**44.3**

Credit sureties provided as at January 31st 2021	**Maximum exposure**	**Level**	**Provision**
audited			
Karl Voegele AG	70.3	3	70.3
CCC.eu Sp. z o.o.	1,327.0	1	47.9
CCC Russia OOO	55.2	2	14.1
Gino Rossi S.A.	0.1	3	0.1
Modivo S.A.	180.0	1	1.3
CCC Factory Sp. z o.o.	4.6	1	0.1
CCC Hungary Shoes Kft.	6.0	1	0.1
Total	**1,643.2**		**133.9**

[all amounts in PLN million unless stated otherwise]

As at January 31st 2022, the Company recognised an impairment loss on loans advanced of PLN 163.7m. The significant decrease in the impairment loss was mainly attributable to the two transactions involving Karl Voegele A.G. and Gino Rossi S.A. described below, which took place in the reporting period.
As disclosed in Note 2.3, in connection with the debt restructuring at NG2 Suisse s.a.r.l., impairment losses on loans advanced to Karl Voegele AG and NG2 Suisse s.a.r.l. were used. The loans were fully covered by an impairment loss recognised in the previous year as a result of the planned sale of shares in NG2 Suisse s.a.r.l. (as at January 31st 2021, this also led to a change in the classification of the loans advanced to these entities from Level 1 to Level 3).
As disclosed in Note 2.3, in the reporting period, as a result of the recapitalisation of Gino Rossi S.A., a loan was repaid. As at January 31st 2021, the loan was fully covered by an impairment loss as a result of the material impact of the COVID-19 pandemic on the company's operations and strategic plans (as at January 31st 2021, this led to a change in the classification of loans advanced to that entity from Level 1 to Level 3).

As at January 31st 2022, the Company recognised a provision for credit risk related to sureties provided of PLN 44.3m (January 31st 2021: PLN 133.9m), which mainly covered sureties provided by the Company for credit facilities used by the subsidiary CCC.eu Sp. z o.o. of PLN 42.9m (as at January 31st 2021: PLN 47.9m). The significant decrease in the provision was mainly attributable to the two transactions described below, which took place in the reporting period.

As disclosed in Note 2.3, prior to the sale of shares in NG2 Suisse s.a.r.l. its debt was restructured. As a result, the Company used the provision recognised in the previous year for the credit surety provided to Karl Voegele AG, repaying the related liability to the bank.
In the reporting period, CCC Russia OOO incurred an intragroup loan from CCC.eu Sp. z o.o., which was used to repay external financing. As a result, the surety provided by the Company to CCC Russia OOO expired and the related provision was reversed.
With respect to other loans and sureties, in the Company's opinion there has been no significant increase in credit risk since initial recognition and the Company recognises the loss allowance in an amount equal to 12-month expected credit losses.
Interest rates on the loans are based on a variable WIBOR rate plus margin (PLN-denominated loans) or fixed interest rates provided for in the respective loan agreements (loans denominated in EUR and other currencies). For further analysis of the interest rate risk and credit risk, see Note 6.1.
The loans are exposed to credit risk, interest rate risk, and currency risk.

The table below shows the current terms of loans advanced as at January 31st 2022.

BORROWER	AGREEMENT DATE	MATURITY DATE	LIMIT [MILLION]	CURRENCY	INTEREST RATE
CCC.eu Sp. z o.o.	June 22nd 2021	June 1st 2026	1,000.0	PLN	3.6%
CCC.eu Sp. z o.o.	December 17th 2014	June 1st 2026	9.3	USD	1.5%
CCC Bulgaria	December 4th 2014	January 31st 2023	4.0	BGN	6.0%
CCC Shoes&Bags d.o.o. Beograd	September 22nd 2016	January 31st 2023	0.1	EUR	4.0%
CCC Shoes&Bags d.o.o. Beograd	November 18th 2016	January 31st 2023	0.1	EUR	4.0%
CCC Shoes&Bags d.o.o. Beograd	December 9th 2016	January 31st 2023	0.1	EUR	4.0%
CCC Obutev d.o.o	February 18th 2019	February 28th 2022	0.8	EUR	1.3%
CCC Obutev d.o.o	April 21st 2020	April 30th 2022	0.3	EUR	1.3%
CCC Hrvatska d.o.o.	February 28th 2019	February 28th 2022	3.8	HRK	1.3%
HR Group GmbH & Co. KG	February 17th 2020	March 31st 2023	6.2	EUR	3.0%
DeeZee Sp. z o.o.	August 17th 2021	July 26th 2026	11.0	PLN	3.6%
HalfPrice Sp. z o.o.	June 22nd 2021	June 1st 2026	200.0	PLN	3.6%

[all amounts in PLN million unless stated otherwise]

The table below shows the current terms of loans advanced as at January 31st 2021.

BORROWER	AGREEMENT DATE	MATURITY DATE	AMOUNT [MILLION]	CURRENCY	INTEREST RATE
CCC.eu Sp. z o.o.	December 17th 2014	December 31st 2021	9.3	USD	1.5%
CCC Shoes Bulgaria EOOD	December 14th 2014	December 31st 2021	4.0	BGN	6.0%
CCC Shoes&Bags d.o.o. Beograd	September 22nd 2016	December 31st 2021	0.1	EUR	4.0%
CCC Shoes&Bags d.o.o. Beograd	November 18th 2016	December 31st 2021	0.1	EUR	4.0%
CCC Shoes&Bags d.o.o. Beograd	December 9th 2016	December 31st 2021	0.1	EUR	4.0%
NG2 Suisse s.a.r.l.	August 29th 2018	December 31st 2021	2.0	CHF	0.5%
Karl Vogele AG	January 2nd 2019	April 30th 2021	10.0	CHF	0.8%
Karl Vogele AG	March 19th 2019	April 30th 2021	8.0	CHF	0.8%
HR Group Holding s.a.r.l.	January 31st 2019	December 31st 2019	41.5	EUR	8.0%
CCC Obutev d.o.o	February 18th 2019	February 17th 2021	0.8	EUR	1.3%
CCC Obutev d.o.o	April 21st 2020	April 30th 2021	0.3	EUR	1.3%
CCC Hrvatska d.o.o.	February 28th 2019	February 27th 2021	3.8	HRK	1.3%
HR Group GmbH & Co. KG	February 17th 2020	March 31st 2023	6.2	EUR	3.0%
Gino Rossi S.A.	December 18th 2018	May 20th 2022	22.1	PLN	3M WIBOR + 1.65%
Gino Rossi S.A.	December 18th 2018	October 31st 2021	0.4	PLN	1M WIBOR + 1.4%
Gino Rossi S.A.	December 18th 2018	October 31st 2021	31.4	PLN	1M WIBOR + 1.3%
Gino Rossi S.A.	December 18th 2018	October 31st 2021	9.5	PLN	1M WIBOR + 1.4%

The loan agreements specified in the table above do not provide for any collateral.

During the financial year, the estimation techniques and material assumptions did not change relative to those underlying the separate financial statements of the Company for the year ended January 31st 2021.

[all amounts in PLN million unless stated otherwise]

3.3. RELATED-PARTY TRANSACTIONS

In the presented periods, the Company entered into the following transactions with its subsidiaries:

SUBSIDIARIES				
	Liabilities to related parties (including financing liabilities)	**Receivables from related parties (including loans)**	**Sales to related parties (operating activities, other operating activities, financing activities)**	**Purchases from related parties (operating activities, other operating activities, financing activities)**
	January 31st 2022	**January 31st 2022**	**February 1st 2021–January 31st 2022**	**February 1st 2021–January 31st 2022**
	audited	**audited**	**audited**	**audited**
CCC Austria G.m.b.H	–	–	1.5	–
CCC Czech s.r.o.	0.4	0.1	–	–
CCC Factory Sp. z o.o.	16.7	–	0.3	1.7
CCC Hrvatska d.o.o.	0.1	1.1	0.1	0.1
CCC Hungary Shoes Kft.	–	–	0.1	–
CCC Obutev d.o.o.	–	1.9	0.1	–
CCC Russia OOO	–	–	0.4	–
CCC Shoes & Bags d.o.o. Beograde	–	1.3	0.1	–
CCC Shoes & Bags Sp. z o.o.	364.3	0.5	0.7	13.0
CCC Shoes Bulgaria EOOD	–	9.5	0.7	–
CCC.eu Sp. z o.o.	287.0	1,122.9	146.9	1,674.4
DeeZee Sp. z o.o.	–	10.1	0.1	–
Modivo Group	0.9	3.4	19.1	18.5
Gino Rossi S.A.	16.6	–	31.2	0.8
Shoe Express S.A.	–	–	0.2	–
HalfPrice Sp. z o.o.	2.2	1.5	1.9	1.4
Total	**688.2**	**1,152.3**	**203.4**	**1,709.9**

[all amounts in PLN million unless stated otherwise]

SUBSIDIARIES				
	Liabilities to related parties (including financing liabilities)	**Receivables from related parties (including loans)**	**Sales to related parties (operating activities, other operating activities, financing activities)**	**Purchases from related parties (operating activities, other operating activities, financing activities)**
	January 31st 2021	**January 31st 2021**	**January 1st 2020–January 31st 2021**	**January 1st 2020–January 31st 2021**
	audited	**audited**	**audited**	**audited**
CCC Austria G.m.b.H	–	–	0.3	–
CCC Czech s.r.o.	–	–	–	0.9
CCC Factory Sp. z o.o.	–	–	1.1	6.5
CCC Hrvatska d.o.o.	–	1.1	0.1	–
CCC Hungary Shoes Kft.	–	–	0.1	–
CCC Obutev d.o.o.	–	1.9	0.1	–
CCC Russia OOO	–	0.1	0.3	–
CCC Shoes & Bags d.o.o. Beograde	–	1.5	0.1	
CCC Shoes & Bags Sp. z o.o.	–	–	–	2.6
CCC Shoes Ayakkabicilik Limited	–	–	–	–
CCC Shoes Bulgaria EOOD	–	10.5	0.7	–
CCC.eu Sp. z o.o.	–	250.5	117.8	16.4
DeeZee Sp. z o.o.	–	–	0.3	–
Modivo Group	–	1.1	19.8	1.0
Gino Rossi S.A.	–	36.1	2.0	0.7
Karl Voegele AG	–	–	1.0	–
NG2 Suisse s.a.r.l.	–	9.9	0.1	–
Shoe Express S.A.	–	0.3	0.2	–
Total	**–**	**313.0**	**144.0**	**28.1**

[all amounts in PLN million unless stated otherwise]

In the presented periods, the Company entered into the following transactions with its associates:

ASSOCIATES				
	Liabilities to related parties (including financing liabilities)	**Receivables from related parties (including loans)**	**Sales to related parties (operating activities, other operating activities, financing activities)**	**Purchases from related parties (operating activities, other operating activities, financing activities)**
	January 31st 2022	**January 31st 2022**	**February 1st 2021– January 31st 2022**	**February 1st 2021– January 31st 2022**
	audited	**audited**	**audited**	**audited**
Pronos Sp. z o.o.	–	–	–	–
HR Group Holding S.a.r.l.	–	–	15.3	–
Total	**–**	**–**	**15.3**	**–**

ASSOCIATES				
	Liabilities to related parties (including financing liabilities)	**Receivables from related parties (including loans)**	**Sales to related parties (operating activities, other operating activities, financing activities)**	**Purchases from related parties (operating activities, other operating activities, financing activities)**
	January 31st 2021	**January 31st 2021**	**January 1st 2020– January 31st 2021**	**January 1st 2020– January 31st 2021**
	audited	**audited**	**audited**	**audited**
Pronos Sp. z o.o.	–	–	–	–
HR Group Holding S.a.r.l.	–	–	–	–
Total	**–**	**–**	**–**	**–**

In the presented periods, the Company entered into the following transactions with parties related to the Company through members of the key management personnel:

ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL				
	Liabilities to related parties (including financing liabilities)	**Receivables from related parties (including loans)**	**Sales to related parties (operating activities, other operating activities, financing activities)**	**Purchases from related parties (operating activities, other operating activities, financing activities)**
	January 31st 2022	**January 31st 2022**	**February 1st 2021– January 31st 2022**	**February 1st 2021– January 31st 2022**
	audited	**audited**	**audited**	**audited**
MGC INWEST Sp. z o.o.	0.5	–	–	–
Forum Kielce	0.1	–	0.9	1.3
Forum Lubin	0.1	–	–	1.3
GP Sp. z o.o.	–	–	–	0.8
Total	**0.7**	**–**	**0.9**	**3.4**

ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL				
	Liabilities to related parties (including financing liabilities)	**Receivables from related parties (including loans)**	**Sales to related parties (operating activities, other operating activities, financing activities)**	**Purchases from related parties (operating activities, other operating activities, financing activities)**
	January 31st 2021	**January 31st 2021**	**January 1st 2020– January 31st 2021**	**January 1st 2020– January 31st 2021**
	audited	**audited**	**audited**	**audited**
ASTRUM Sp. z o. o.	1.0	–	–	0.8
Forum Kielce	1.4	–	–	1.1
Forum Lubin	0.8	–	–	0.6
Total	**3.2**	**–**	**–**	**2.5**

[all amounts in PLN million unless stated otherwise]

All related-party transactions were entered into on an arm's length basis.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

In the reporting periods, the Company incurred employee benefit expenses and costs of share-based payments as presented in the table below.

AUTHORITY	FIXED REMUNERATION	OTHER (BONUSES)	TOTAL
February 1st 2021–January 31st 2022			
Audited			
Members of Management Board	4.7	26.1	30.8
Supervisory Board	0.7	–	0.7
Total	**5.4**	**26.1**	**31.5**
February 1st 2020–January 31st 2021			
Unaudited			
Members of Management Board	3.2	0.3	3.5
Supervisory Board	0.5	–	0.5
Total	**3.7**	**0.3**	**4.0**
January 1st 2020–January 31st 2021			
Audited			
Members of Management Board	3.2	0.3	3.5
Supervisory Board	0.5	–	0.5
Total	**3.7**	**0.3**	**4.0**

Other remuneration for the Management Board is attributable to share-based payments described in detail in Note 6.2 to these financial statements.

4. DEBT; CAPITAL AND LIQUIDITY MANAGEMENT
4.1. CAPITAL MANAGEMENT

The purpose of capital risk management is to protect the Company's ability to continue its operations so as to ensure a return on capital for the shareholders and benefits for other stakeholders, and to maintain a cost-optimised capital structure.

In accordance with the Company's policy, the amount of dividend may not be lower than 33% or higher than 66% of the Group's consolidated net profit attributable to owners of the parent, provided that the ratio of net debt to EBITDA as at the end of the financial year for which the dividend is to be distributed is less than 3.0. Under the New Financing Agreement, dividend may be paid on satisfaction of certain conditions, including: The Net Exposure / EBITDA ratio for the CCC Group (excluding Modivo S.A. and its subsidiaries) lower than 2.5, with the proviso that the dividend may not be paid earlier than two years after the execution of the said agreement – details of the covenants are described in the Directors' Report on the Group's operations in the 'Management of financial resources and liquidity' section. For detailed information on the dividend policy, see the Directors' Report on the Group's operations.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends declared to be paid to shareholders, return capital to shareholders, issue new shares or sell assets in order to reduce debt.

Similarly to other entities in the industry, the Company monitors its capital using the debt ratio. The ratio is calculated as net debt to total equity. 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 is calculated as the sum of the equity disclosed in the statement of financial position and the net debt.

EQUITY

ACCOUNTING POLICY

Equity is recognised 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 recognised 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.

SHARE CAPITAL

As at January 31st 2022 and January 31st 2021, the Company's share capital comprised 54.87m shares with a par value of PLN 0.10, including 48.22m ordinary shares and 6.65m shares with voting preference. As at January 31st 2022 and January 31st 2021, the share capital was PLN 5.5m. As at the reporting date, the share capital was fully paid up and registered. Shareholders have the pre-emptive right to acquire registered preference shares intended for sale.

ULTRO s.a.r.l. of Luxembourg controls the parent, with a 31.12% equity interest and a 38.33% voting interest. This entity is dependent on Dariusz Miłek, Chairman of the Supervisory Board of CCC S.A. Other shareholder information is presented in the Directors' Report.

SHARE PREMIUM

Capital reserves comprise mainly share premium and amounts from settlement of equity-settled share-based employee benefit plans. As at January 31st 2022, statutory reserve funds were PLN 1,148.0m (as at January 31st 2021: PLN 1,148.0m).

RETAINED EARNINGS

Retained earnings include: retained earnings (losses) from previous years (including amounts transferred to statutory reserve funds as required under the Code Commercial Companies) and net profit of the year. As at January 31st 2022, retained earnings were positive at PLN 94.5m. As at January 31st 2021, retained earnings were negative at PLN -347.7m.

[all amounts in PLN million unless stated otherwise]

EARNINGS PER SHARE

Earnings per share are calculated as the quotient of net profit for the reporting period attributable to holders of ordinary shares of the parent and the weighted average number of ordinary shares outstanding in the period. Diluted earnings per share are calculated as the quotient of net profit for the reporting period attributable to holders of ordinary shares and the weighted average number of ordinary shares outstanding in the period adjusted for the weighted average number of ordinary shares that would be issued upon conversion of all potentially dilutive equity instruments into ordinary shares.

In the 12 months ended January 31st 2022, basic and diluted earnings per share were PLN 8.05. In the 12 months ended January 31st 2021, basic and diluted loss per share was PLN -13.07. In the 13 months ended January 31st 2021, basic and diluted loss per share was PLN -13.17.

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Weighted average number of shares	54,867,999.8	49,913,756.2	49,913,756.2
Potential number of shares	–	293,730.0	293,730.0
TOTAL	**54,868,000**	**50,207,486**	**50,207,486**
Net profit (loss)	442.2	-652.4	-657.5
Basic earnings (loss) per share (PLN)	8.05	-13.07	-13.17
Diluted earnings (loss) per share (PLN)	8.05	-13.07	-13.17
Number of warrants	–	293,730.0	293,730.0
Price of warrants (PLN)	–	211.4	211.4
Average price of shares in period (PLN)	109.9	64.4	64.4
Share price as at end of period	76.8	59.7	59.7
Number of shares used to calculate basic earnings (loss) per share	54,867,999.8	49,913,756.2	49,913,756.2
Number of shares after adjustment	54,867,999.8	49,913,756.2	49,913,756.2
Net profit (loss) [PLNm]	442.2	-652.4	-657.5
Diluted earnings (loss) per share (PLN)	**8.05**	**-13.07**	**-13.17**

DIVIDEND

On June 22nd 2021, the Annual General Meeting of CCC S.A. passed Resolution No. 5/ZWZA/2021 on set-off of loss for the financial year from January 1st 2020 to January 31st 2021 of PLN 657.7m against statutory reserve funds.

On June 24th 2020, the Annual General Meeting of CCC S.A. passed Resolution No. 5/AGM/2020 on set-off of loss for the financial year 2019 of PLN 50.8m against statutory reserve funds.

In the current year, the Company did not declare or pay any dividend.

4.2. DEBT UNDER BORROWINGS AND NOTES

ACCOUNTING POLICY

Financing liabilities include mainly bank borrowings, lease liabilities and bonds issued. Financing liabilities are initially recognised at fair value less transaction costs incurred to obtain financing.

After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method. Finance costs are recognised in profit or loss except for costs of financing production/development of non-current assets (as per the policy described in Note 5.3).

Cash flows relating to financial liabilities may change as a result of a modification of contractual terms and conditions or expectations regarding estimated cash flows for the purposes of measurement of financial liabilities at amortised cost.

A) Change in contract terms

If the contractual terms of a financial liability are changed:

the Company analyses whether the modification of cash flows was material or not. The Company applies both quantitative and qualitative criteria to identify a material modification leading to derecognition of an existing financial liability. The Company considers a material modification to be a change in the discounted present value of the cash flows resulting from the new terms, including any payments made less payments received and discounted using the original effective interest rate, of not less than 10% from the discounted present value of the remaining cash flows of the original financial liability. Notwithstanding the quantitative criterion, the modification is considered material in the following cases:

a) reclassification of a financial liability, unless specified in advance in the terms of the contract,
b) change of the lender,
c) significant extension of the financing period from the original financing period,
d) change in the interest rate, from variable to fixed and vice versa,
e) change in the legal form/type of the financial instrument.

A significant modification of a financial liability is recognised by the Company as expiry of the original financial liability and recognition of a new financial liability. If contractual terms of a financial liability are modified in a way that does not result in derecognition of the existing liability, any gain or loss is immediately recognised in profit or loss. Profit or loss is calculated as the difference between the present value of modified and original cash flows, discounted using the original effective interest rate of the liability.

B) Change in expected cash flows

For floating-rate financial liabilities, periodic re-estimation of cash flows to reflect the movements in the market interest rates alters the effective interest rate. Where the Company changes its estimates of payments under a financial liability (except changes relating to a modification of contractual cash flows), the carrying amount of the financial liability is adjusted to reflect the actual and modified estimated contractual cash flows. The Company determines the carrying amount of a financial liability at amortised cost as the present value of estimated future contractual cash flows that are discounted at the original effective interest rate of the financial instrument. The difference in valuation is recognised as income or expense in profit or loss.

[all amounts in PLN million unless stated otherwise]

LIABILITIES UNDER BORROWINGS AND BONDS

The following note presents data on the Company's borrowings from financial institutions.
For information on lease liabilities, see Note 5.3.

	LIABILITIES UNDER BORROWINGS AND BONDS			
audited	**LONG-TERM**	**SHORT-TERM**	**LIABILITIES UNDER BONDS**	**TOTAL**
As at February 1st 2021	**247.1**	**0.1**	**210.3**	**457.5**
Proceeds from debt contracted				
- financing received	407.2	17.0	–	424.2
Interest accrued	4.7	14.2	7.7	26.6
Debt-related payments				
- principal payments	-47.2	–	–	-47.2
- interest paid	–	-11.2	-6.6	-17.8
Change in presentation from non-current to current	-250.0	250.0	–	–
Other non-cash changes	2.9	–	–	2.9
As at January 31st 2022	**364.7**	**270.1**	**211.4**	**846.2**
short-term	–	270.1	1.4	271.5
long-term	364.7	–	210.0	574.7

	LIABILITIES UNDER BORROWINGS AND BONDS			
audited	**LONG-TERM**	**SHORT-TERM**	**LIABILITIES UNDER BONDS**	**TOTAL**
As at January 1st 2020	**–**	**111.4**	**210.0**	**321.4**
Proceeds from debt contracted				
- financing received	250.0	–	–	250.0
Interest accrued	–	1.4	5.2	6.6
Debt-related payments				
- principal payments	–	-111.7	–	-111.7
- interest paid	–	-1.3	-4.9	-6.2
Increase due to change in overdraft facility amount	–	0.1	–	0.1
Other non-cash changes	-2.9	0.2	–	-2.7
As at January 31st 2021	**247.1**	**0.1**	**210.3**	**457.5**
short-term	–	0.1	210.3	210.4
long-term	247.1	–	–	247.1

As a result of the coronavirus pandemic, the Company and the CCC Group entered into agreements with the Group's and the Company's financing institutions; for details, see 'Going concern' in Note 1 to these financial statements and 'Management of financial resources and liquidity' in the Directors' Report on the Group's operations.

Following negotiations with the financing institutions, the CCC Group, including the Company, secured long-term financing for its operations through:

- postponement of the bond redemption date for another five years, i.e. to June 29th 2026, which was approved by the bondholders on May 17th 2021 by adopting relevant resolutions (for details, see 'Management of financial resources and liquidity' in the Directors' Report on the Group's operations) – the Company is of the opinion that the changes to the contractual terms of those financial liabilities were significant given material extension of the financing term and an increase in the interest rate. The Company derecognised existing liabilities and recognised a new liability; PLN 6.3m fee related to the change of the terms and conditions of the bonds was charged to finance costs;
- execution, on June 2nd 2021, of a new financing agreement by Group companies (CCC S.A., CCC.eu Sp. z o.o., CCC Shoes & Bags Sp. z o.o., CCC Factory Sp. z o.o., HalfPrice Sp. z o.o.) with a bank syndicate (Bank Handlowy w Warszawie

[all amounts in PLN million unless stated otherwise]

S.A., Bank Millennium S.A., BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A. and Santander Factoring sp. z o.o.), with mBank S.A. acting as the agent and Bank Polska Kasa Opieki S.A. as the security agent (the "New Financing Agreement"), which provides for long-term financing of PLN 886.0m, divided into four-year tranche A and three-year tranche B, plus tranche C, which is additional financing that may be used in the future – the Groupis of the opinion that the changes to the contractual terms (described above) of tranche A financial liabilities were material and resulted in the derecognition of existing liabilities and recognition of a new liability;

- division of joint financing provided to CCC S.A., CCC.eu S.A., Modivo S.A. and Gino Rossi S.A. by PKO BP S.A., whereby the limits allocated to Modivo S.A. were separated. At the same time, an agreement was signed between Modivo S.A. and PKO BP S.A. under which a multi-purpose credit facility of PLN 161.6m was granted (maturing on November 21st 2022). The amount drawn under the facility as at the reporting date was PLN 103.2m. Following the division of joint financing, as at the reporting date CCC S.A. and CCC eu Sp. z o.o. are using the sub-limits granted under the agreement for an overdraft facility of up to PLN 107.2m and bank guarantees and letters of credit of up to PLN 38.5m.

On September 20th 2021, CCC Shoes & Bags Sp. z o.o. issued bonds which were acquired by PFR: 360 Series A registered bonds with a nominal value of PLN 1.0m per bond and a total nominal value of PLN 360.0m. On September 17th 2021, a loan agreement was concluded between CCC Shoes & Bags Sp. z o.o. and CCC S.A., under which a loan of PLN 360.0m was advanced by CCC Shoes & Bags Sp. z o.o. to CCC S.A. The loan will be repaid by September 30th 2028. An agreement was also signed under which CCC S.A. is to cover all costs related to the bond issue carried out by CCC Shoes & Bags Sp. z o.o.

In connection with its existing debt, the Group is exposed to interest rate risk, currency risk, and liquidity risk. For a description of the financial risks, see Note 6.1.

Collateral and other security for the liabilities are presented below.

	January 31st 2022	January 31st 2021
	AMOUNT AND/OR CARRYING AMOUNT OF COLLATERAL OR OTHER SECURITY	
	audited	audited
Sureties	2,021.6	110.0
Security mortgages on real estate	2,147.4	2,636.1
Registered pledge over movable property	2,018.9	536.2
Blank promissory notes	358.0	851.8

The Company has agreements with banks under which the banks provided guarantees to landlords of the premises rented by the Company.

4.3. CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES AND LIQUIDITY MANAGEMENT POLICY

Prudent liquidity management implies that sufficient cash resources and cash equivalents are maintained and that further funding is available through secured credit lines.
The table below presents, as at the reporting date, results of an analysis of contractual maturities of the financial liabilities, undiscounted payments under the existing financing liabilities, and the contractual maturities of the instruments used by CCC S.A.

CCC S.A. recognises revenue from its principal business consisting in retail sale of merchandise. As a rule, cash revenue is received on the date of retail sale transactions; accordingly, CCC S.A. does not bear any significant risk of receipt of payment from retail customers. In most cases, the Company recognises cash revenue from retail transactions at the time of sale, except in the case of digital, where the most popular method of payment is cash on delivery, which is received on the delivery of goods to a retail customer.

Pursuant to the terms of the financing agreements, cash revenue from retail transactions is first applied towards timely payment of the financing liabilities of CCC S.A. Under the financing agreements, CCC S.A. generally makes use of the possibility to zero out balances in current accounts and accounts in which funds are made available by the lenders to finance day-to-day operations (including the accounts used for working capital and reverse factoring facilities). In accordance with historical financial data, the volumes of merchandise sold in the course of its retail business allowed the Company to cover all liabilities on an timely basis. During the COVID-19 pandemic, agreements were executed with banks and financial institutions related to the New Financing Agreement – for more details, see the Directors' Report on the Group's operations in the section entitled 'Management of financial resources and liquidity'. Also, the planned future retail and wholesale revenue generally allows the Company to fully cover the expected future financing liabilities over the periods covered by the liquidity risk analyses prepared by the Company. CCC S.A. recognised a material risk of default on its financial liabilities during the time of lockdown and administrative restrictions imposed on retail activities at shopping centres as a result of the COVID-19 outbreak. However, this was an exceptional and non-recurring situation which could not have been foreseen in regular business risk assessment.

[all amounts in PLN million unless stated otherwise]

Another systemic factor which mitigates the liquidity risk associated with servicing the financial liabilities is the use by the CCC Group of deferred payment terms in transactions with suppliers of merchandise for resale or goods for further processing and resale. Such arrangement allows the Group in each period to accumulate inventory of merchandise the sale of which primarily serves to service almost the entire amount of the financial liabilities contracted to finance the trading activities and sales of the CCC Group. The seasonality of purchases of merchandise which is material to the CCC Group's liquidity (i.e. liquid assets required to service its financial liabilities) may affect the Group's liquidity risk. Especially, changeable weather conditions which may affect consumer purchasing decisions. Save for extraordinary events or events that cannot be foreseen in the course of regular business risk assessment processes, with the liquidity reserve resulting from the use of the mechanism of deferred payments for purchased goods the CCC Group is able to maintain a safe revenue buffer in excess of the amount of current payments made to service the financial liabilities. Such events may include in particular geopolitical developments related to the armed conflict in Ukraine.

Liquidity management also implies that the Company maintains sufficient cash and cash equivalents to cover all maturing current liabilities at their due dates and to take pre-emptive action to secure availability of further financing in the form of lines of credit and revolving lines of credit and to monitor the timing of their availability to the Company.

In the opinion of the Company's Management Board, the liquidity risk management disclosures contained in these financial statements provide key relevant information in this respect. However, the issue of liquidity risk management is constantly analysed by the Company's Management Board, which is aware of the materiality of the information provided in these reports.

The table below presents undiscounted payments under the existing financing liabilities (including future interest, not accrued as at the reporting date) and the contractual maturities of the instruments used by the Company.

As at January 31st 2022	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
audited							
Bank borrowings	0.1	258.9	–	–	–	259.0	251.0
Other borrowings	2.1	40.5	65.3	43.6	498.8	650.3	383.8
Bonds	–	14.9	44.8	217.4	–	277.1	211.4
Trade and other payables	204.2	136.2	–	–	–	340.4	340.4
Sureties issued	1,207.9	–	–	–	–	1,207.9	1,207.9
Returns liabilities	6.4	–	–	–	–	6.4	6.4
Lease liabilities	60.4	144.2	336.8	174.5	69.7	785.6	756.8
Total financial liabilities	**1,481.1**	**594.7**	**446.9**	**435.5**	**568.5**	**3,526.7**	**3,157.7**

As at January 31st 2021	CONTRACTUAL MATURITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	CARRYING AMOUNT
	UP TO 3 MONTHS	3–12 MONTHS	1–3 YEARS	3–5 YEARS	OVER 5 YEARS		
audited							
Bank borrowings	0.2	–	250.0	–	–	250.2	247.2
Bonds	–	211.6	–	–	–	211.6	210.3
Trade and other payables	16.7	0.1	–	–	–	16.8	16.8
Sureties issued	1,643.2	–	–	–	–	1,643.2	1,643.2
Returns liabilities	3.9	–	–	–	–	3.9	3.9
Lease liabilities	46.9	154.1	415.2	207.6	112.2	936.0	872.3
Total financial liabilities	**1,710.9**	**365.8**	**665.2**	**207.6**	**112.2**	**3,061.7**	**2,993.7**

[all amounts in PLN million unless stated otherwise]

The value of sureties issued with respect to credit facilities presented in the notes above relates to off-balance-sheet liabilities estimated for the analysis of ECL allowance of PLN 44.3m. For more information on the sureties, see Notes 3.2 and 6.1 and the Directors' Report.

4.4. ADDITIONAL INFORMATION ON SELECTED ITEMS OF THE STATEMENT OF CASH FLOWS

audited	Trade receivables, other receivables	Trade payables, other payables, amounts due to employees
As at February 1st 2021	247.2	119.1
As at January 31st 2022	318.1	464.7
Change in statement of financial position	**-70.9**	**345.6**
Difference due to:		
Changes in sureties issued	-20.9	10.9
Changes in investment liabilities/receivables	5.0	-0.6
Advance payment received from A&R Investments Limited for the purchase of shares in Modivo S.A. from MKK3 sp. z o.o.	–	–
Other	-0.2	6.7
Change recognised in statement of cash flows	**-87.0**	**362.6**

	February 1st 2021–January 31st 2022	February 1st 2020–January 31st 2021	January 1st 2020–January 31st 2021
	audited	unaudited	audited
Other adjustments to profit before tax:			
Change in provisions*	-1.3	4.3	4.3
Change in provisions for credit sureties and guarantees	-19.3	262.7	262.7
Change in loss allowances	24.7	252.0	252.0
Sureties issued	10.0	-3.3	-3.3
Valuation of HR Group option	–	13.3	13.3
Impairment loss on shares in NG2 Suisse s.a.r.l and Gino Rossi S.A.	–	134.3	134.3
Interest accrued on loans	-19.4	–	–
Impairment loss on shares in CCC Austria Ges.m.b.H	74.2	–	–
Exchange differences on measurement of lease liabilities	-13.3	47.1	43.2
Other non-cash adjustments related to reversal/use of provisions and impairment losses following the sale of Karl Voegele AG	-102.9	–	–
Other	-14.5	14.9	12.0
Total	**-61.8**	**725.4**	**718.4**

*The change in provisions relates to changes in actuarial provisions and provisions for complaints. For the remaining part, the change in provisions relates to the settlement of the transaction involving the sale of Karl Voegele AG, as described in Notes 2.3 and 5.8 to these financial statements.

[all amounts in PLN million unless stated otherwise]

5. NOTES TO THE STATEMENT OF FINANCIAL POSITION
5.1 INTANGIBLE ASSETS

ACCOUNTING POLICY

The Company measures intangible assets at cost less accumulated amortisation and impairment losses.

Intangible assets are amortised on a straight-line basis by estimating their useful lives, which are:

- patents and licences – from 5 to 10 years
- trademarks - not amortised
- other intangible assets - from 5 to 10 years.

If events or changes have occurred that indicate that the carrying amount of intangible assets may not be recoverable, the assets are reviewed for impairment in accordance with the policy described in Note 5.2.

Intangible assets with indefinite useful lives and those that are not in use are tested for impairment annually, either individually or at the cash-generating unit level.

audited	TRADEMARKS, PATENTS, LICENCES	INTANGIBLE ASSETS UNDER DEVELOPMENT	TOTAL
Gross carrying amount as at February 1st 2021	**12.4**	**0.3**	**12.7**
Accumulated amortisation as at February 1st 2021	**-10.8**	**–**	**-10.8**
Net carrying amount as at February 1st 2021	**1.6**	**0.3**	**1.9**
Amortisation	-0.7	–	-0.7
Acquisition	1.1	2.4	3.5
Gross carrying amount as at January 31st 2022	**13.5**	**2.7**	**16.2**
Accumulated amortisation as at January 31st 2022	**-11.5**	**–**	**-11.5**
Net carrying amount as at January 31st 2022	**2.0**	**2.7**	**4.7**

audited	TRADEMARKS, PATENTS, LICENCES	INTANGIBLE ASSETS UNDER DEVELOPMENT	TOTAL
Gross carrying amount as at January 1st 2020	**11.5**	**–**	**11.5**
Accumulated amortisation as at January 1st 2020	**-10.1**	**–**	**-10.1**
Net carrying amount as at January 1st 2020	**1.4**	**–**	**1.4**
Amortisation	-0.7	–	-0.7
Acquisition	0.9	0.3	1.2
Gross carrying amount as at January 31st 2021	**12.4**	**0.3**	**12.7**
Accumulated amortisation as at January 31st 2021	**-10.8**	**–**	**-10.8**
Net carrying amount as at January 31st 2021	**1.6**	**0.3**	**1.9**

As at January 31st 2022, net carrying amount of trademarks, patents and licences comprised mainly the AMERICANOS trademark worth PLN 0.9m that was acquired in the previous year, the BADURA copyrights worth PLN 1.1m acquired in the current period. The trademarks have an indefinite useful life. The Company considers that its trademarks are recognisable on the market and intends to use them for an indefinite period. There were no indications of impairment of the trademarks.

[all amounts in PLN million unless stated otherwise]

5.1.1. GOODWILL

ACCOUNTING POLICY

Goodwill recognised in the financial statements was recognised on acquisition of an organised part of business (the “acquiree”).

Goodwill arising on acquisition is initially recognised at cost, equal to the excess of:
- the consideration paid,
- the amount of any non-controlling interest in the acquiree, and
- in the case of a step acquisition – the fair value at the acquisition date of the share in the equity of the acquiree previously held by the acquirer over the net amount determined at the acquisition date of the amount of identifiable assets acquired and liabilities assumed.

Following initial recognition, goodwill is carried at cost less cumulative impairment losses. Goodwill is tested for impairment annually, or more frequently if there is any indication of impairment. Goodwill is not amortised.

As at the acquisition date, the acquired goodwill is allocated to each of the cash-generating units that may benefit from the synergies of the business combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Company at which goodwill is monitored for internal management purposes and is not larger than one operating segment defined in accordance with IFRS 8 *Operating Segments*.

An impairment loss is determined by estimating the recoverable amount of the cash-generating unit to which goodwill has been allocated.

Where the recoverable amount of a cash-generating unit is less than its carrying amount, an impairment loss is recognised. If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. In such a case the goodwill disposed of is measured on the basis of the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Company	Acquisition date	As at February 1st 2021 (audited)	Positive adjustments – final settlement	Negative adjustments – final settlement	Acquisition	Exchange differences on translation	As at January 31st 2022 (audited)
Adler International Sp. z o.o. sp. k.	July 2018	48.8	–	–	–	–	48.8

As at January 31st 2022, the Company tested for impairment the cash-generating units to which a material amount of goodwill of the Adler International Sp. z o.o. sp.k. project (Organised Part of the Enterprise, OPE) was allocated. The test did not reveal any impairment. The management of the Company believes that no reasonably possible change to any of the key assumptions of the test would result in the carrying amount of the tested unit exceeding significantly its recoverable amount.

The recoverable amount was determined based on the value in use calculated on the basis of a cash flow forecast derived from five-year financial budgets approved by the senior management.
The main assumptions used to determine the value in use were:
- the level of distribution costs,
- impact of changes in revenue on direct costs,
- the amount of investment expenditure,
- a discount rate based on the weighted average cost of capital and reflecting the current market assessment of the time value of money and the business risk of the cash-generating unit.

The amounts assigned to each of these parameters reflect the Company's experience adjusted for expected changes in the period covered by the forecast.

In the test carried out for the Adler International Sp. z o.o. sp.k. project (OPE), the base for calculating EBITDA changed as follows: 2021 saw a major year-on-year improvement, with demand recovering and performance improving on the previous year, which was hit particularly hard by the pandemic. This translated into cumulative EBITDA growth. The increase in average EBITDA margin and expected EBITDA CAGR were revised in line with the CCC Group’s GO.25 strategy.

[all amounts in PLN million unless stated otherwise]

The underlying assumptions of the impairment test are presented below.

	January 31st 2022	January 31st 2021
Discount rate	11.1%	7.7%
Average EBITDA margin	32.7%	27.8%
Expected EBITDA CAGR	2.4%	13.5%
Residual growth rate	2.0%	2.0%

[all amounts in PLN million unless stated otherwise]

5.2 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

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 distribution and other activities.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Land and property, plant and equipment under construction are not depreciated.

Subsequent expenditures are included in the carrying amount of a given fixed asset or recognised as a separate fixed asset (where appropriate) only if it is probable that economic benefits will flow to the Company under this item and the cost of the given item can be reliably estimated. If an item of property, plant and equipment is replaced, its carrying amount is derecognised from the statement of financial position. Any other expenditure on repairs and maintenance is charged to profit or loss in the period in which it is incurred.

Borrowing costs are capitalized and disclosed as an increase in the carrying amount of an item of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis by estimating their useful lives, which are as follows:

ASSET GROUP	DEPRECIATION PERIOD	REMAINING USEFUL LIFE
Leasehold improvements	The depreciation period depends on two factors and takes the lesser of two values:	
	* useful life of a leasehold improvement (typically 10 years)	
	* duration of the lease contract for the store in which the leasehold improvement was made (usually 10 years)	
Distribution	* buildings	* from 10 to 40 years
	* machinery and equipment	* from 10 to 40 years
	* vehicles	* from 5 to 10 years
	* other property, plant and equipment	* from 5 to 10 years
Other	* machinery and equipment	* from 3 to 15 years
	* vehicles	* from 5 to 10 years
	* other property, plant and equipment	* from 5 to 10 years

The depreciation method and the useful lives are reviewed as at the end of each reporting period.

Impairment of non-financial non-current assets
The Company assesses as at the reporting date whether any objective evidence exists that an item of property, plant and equipment may be impaired. Depreciable assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell or value in use. For the purpose of impairment analysis, assets are grouped at the lowest level for which there are identifiable separate cash flows (cash-generating units). Non-financial assets for which impairment has been previously identified are assessed as at each reporting date for indications of reversal of the impairment loss.

In the retail business, each store is a separate cash-generating unit. In accordance with the principles described above, as at each reporting date the Company analyses its leasehold improvements for impairment. Operating profit (loss) reported by each retail unit is assessed. For an impairment loss on non-financial non-current assets to be recognised by the Company, the following conditions must be met:

- A store must be in operation for at least 30 months.
- The store has generated a gross loss in each of the last two years of operation.
- An analysis of the present value of future cash flows indicates that it is not possible to cover the amount of capital expenditure incurred on leasehold improvements.

If an asset is considered unrecoverable, the Company recognises an impairment loss equal to the excess of the capital expenditure incurred over the recoverable amount. The impairment loss is recognised in other expenses.

Grants received
Grants for the purchase or construction of property, plant and equipment are recognised by the Company when they are received or likely to be received in the future (e.g. the Company obtains an endorsement letter, lease incentives), if there is reasonable assurance that the Company will satisfy the conditions necessary to obtain the grant. Grants are recognised as deferred income (line item 'Grants

[all amounts in PLN million unless stated otherwise]

received'). Amounts of grants carried as deferred income are gradually released to other income, in line with depreciation of property, plant and equipment financed with such grants.

Certain assets relating to individual outlets may be permanently attached to the leased premises (leasehold improvements), which makes it impossible to use them for other purposes or to sell them. The depreciation period is never longer than the assumed lease term. The adopted useful lives are described above.

Accordingly, the amount of depreciation expense may no correspond with the estimated term of the store lease contract. Changes in lease duration may affect the amount of impairment losses.
Property, plant and equipment under construction include mainly current capital expenditure on leasehold improvements.

For information on property, plant and equipment pledged as security for borrowings, see Note 4.2.

On December 23rd 2009, CCC S.A. and Polska Agencja Rozwoju Przedsiębiorczości signed an agreement for the co-financing of investments in property, plant and equipment. The Company applied for a subsidy from the Operational Program Innovative Economy for the investment in the construction of a high storage warehouse in Polkowice. The final amount of the subsidy was PLN 38.5m. As at the reporting date, the unsettled amount of the grant was PLN 16.3m (January 31st 2021: PLN 17.7m). In accordance with the Company's accounting policy, this grant is presented in the line item 'Grants received' in the statement of financial position.

audited	LEASEHOLD IMPROVEMENTS	DISTRIBUTION				OTHER PROPERTY, PLANT AND EQUIPMENT				TOTAL
		LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER	TOTAL	
Gross carrying amount as at February 1st 2021	**535.1**	**230.2**	**120.9**	**1.5**	**352.6**	**56.3**	**1.9**	**5.0**	**63.2**	**950.9**
Accumulated depreciation as at February 1st 2021	**-245.3**	**-33.3**	**-96.1**	**–**	**-129.4**	**-9.1**	**-1.6**	**-4.5**	**-15.2**	**-389.9**
Net carrying amount as at February 1st 2021	**289.8**	**196.9**	**24.8**	**1.5**	**223.2**	**47.2**	**0.3**	**0.5**	**48.0**	**561.0**
Acquisition	81.0	0.7	0.1	2.7	3.5	22.6	3.4	0.5	26.5	111.0
Gross carrying amount of property, plant and equipment transferred as part of OPE	-51.0	–	–	–	–	–	–	–	–	-51.0
Accumulated depreciation of property, plant and equipment transferred as part of OPE	9.0	–	–	–	–	–	–	–	–	9.0
Depreciation	-55.2	-5.8	-8.1	–	-13.9	-2.8	-0.1	-0.3	-3.2	-72.3
Retirement and disposal	-34.2	–	-0.3	–	-0.3	-1.3	-0.5	-1.4	-3.2	-37.7
Retirement and disposal (accumulated depreciation)	19.3	–	0.4	–	0.4	0.4	0.4	1.4	2.2	21.9
Transfer between groups (gross carrying amount)	-0.5	1.2	0.6	-1.5	0.3	–	0.1	–	0.1	-0.1
Transfer between groups (accumulated depreciation)	0.1	–	–	–	–	–	–	–	–	0.1
Gross carrying amount as at January 31st 2022	**530.4**	**232.1**	**121.3**	**2.7**	**356.1**	**77.6**	**4.9**	**4.1**	**86.6**	**973.1**
Accumulated depreciation as at January 31st 2022	**-272.1**	**-39.1**	**-103.8**	**–**	**-142.9**	**-11.5**	**-1.3**	**-3.4**	**-16.2**	**-431.2**
Net carrying amount as at January 31st 2022	**258.3**	**193.0**	**17.5**	**2.7**	**213.2**	**66.1**	**3.6**	**0.7**	**70.4**	**541.9**

[all amounts in PLN million unless stated otherwise]

audited	LEASEHOLD IMPROVEMENTS	DISTRIBUTION				OTHER PROPERTY, PLANT AND EQUIPMENT				TOTAL
		LAND, BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER	TOTAL	
Gross carrying amount as at January 1st 2020	**464.2**	**214.7**	**109.4**	**14.9**	**339.0**	**55.6**	**25.8**	**7.8**	**89.2**	**892.4**
Accumulated depreciation as at January 1st 2020	**-184.3**	**-27.0**	**-73.7**	**–**	**-100.7**	**-6.5**	**-18.7**	**-6.4**	**-31.6**	**-316.6**
Net carrying amount as at January 1st 2020	**279.9**	**187.7**	**35.7**	**14.9**	**238.3**	**49.1**	**7.1**	**1.4**	**57.6**	**575.8**
Acquisition	75.7	–	1.8	1.5	3.3	-0.2	0.1	0.1	–	79.0
Depreciation	-58.3	-5.7	-16.7	–	-22.4	-5.5	-0.2	-0.4	-6.1	-86.8
Retirement and disposal	-15.8	–	–	–	–	–	–	-1.3	-1.3	-17.1
Retirement and disposal (accumulated depreciation)	8.6	–	0.1	–	0.1	–	–	1.4	1.4	10.1
Transfer between groups (gross carrying amount)	11.0	15.5	9.7	-14.9	10.3	0.9	-24.0	-1.6	-24.7	-3.4
Transfer between groups (accumulated depreciation)	-11.3	-0.6	-5.8	–	-6.4	2.9	17.3	0.9	21.1	3.4
Gross carrying amount as at January 31st 2021	**535.1**	**230.2**	**120.9**	**1.5**	**352.6**	**56.3**	**1.9**	**5.0**	**63.2**	**950.9**
Accumulated depreciation as at January 31st 2021	**-245.3**	**-33.3**	**-96.1**	**–**	**-129.4**	**-9.1**	**-1.6**	**-4.5**	**-15.2**	**-389.9**
Net carrying amount as at January 31st 2021	**289.8**	**196.9**	**24.8**	**1.5**	**223.2**	**47.2**	**0.3**	**0.5**	**48.0**	**561.0**

The assets of the 'Other' segment concern mainly land and buildings at the head office of the parent.

As at January 31st 2022, the Company identified indications of impairment of store assets and right-of-use assets for those stores that were loss making in 2020 and 2021. Each store is a separate cash-generating unit and was tested for impairment separately. A total of two stores were tested for impairment (and the value of the tested assets was PLN 10m).

The table below presents impairment losses recognised on each market and discount rates applied in the tests as at January 31st 2022:

Chain	Number of tested stores	Number of stores with recognised impairment	Impairment loss charged to right-of-use asset	Impairment loss charged to leasehold improvements	Total	Estimate of WACC discount rate
Poland	2	0	0.0	0.0	0.0	11.05%
Total	**2**	**0**	**0.0**	**0.0**	**0.0**	

5.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES AND RECEIVABLES

ACCOUNTING POLICY

At the lease commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset should comprise:

- the initial amount of the lease liability;
- any lease payments made on or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Some of the lease contracts contain an option to extend or terminate the lease. The Company uses the current contract end date, which is updated when the Group becomes aware of the renewal / termination of the contract. The assumed contract duration is based on business rationality. If the Company decides to extend the contract, the term of the contract used in the measurement is extended by the period of the extension option.

The Company also enters into lease contracts for an indefinite period. The Management Board makes judgement to determine the period for which it is reasonably possible to assume that such contracts will continue.

The Company also has lease contracts with lease terms of 12 months or less, lease contracts for computer hardware (printers), and low-value contracts for lease of payment terminals. The Company applies a practical expedient to short-term leases and leases of low-value assets.

The Company recognises the above costs as expenses in the line item ‘Other distribution costs’ (low-value and short-term leases) and in the line item 'Stores’ operating costs' (contracts concluded for an indefinite period and sales-based rent).
At the commencement date, the lessee measures the lease liability at the present value of the lease payments outstanding at that date (discounted future payments over the lease term). The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the lessee's incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments as described in paragraph B42 of the Standard), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option (assessed considering the factors described in paragraphs B37-B40 of the Standard); and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate or payments that vary to reflect changes in market rental rates. For each type of contract, the Company estimated the discount rate which will affect the final measurement of the contracts. Account was taken of the nature of the contract, the duration of the contract, the currency of the contract and the potential margin the Group would have to pay to external financial institutions if it wanted to enter into such a transaction on the financial market.

The measurement of the lease liability is periodically offset against the lease payments.

Costs of the use of leased assets are disclosed in the line item ‘Depreciation’ and in finance costs as interest expense.

Right-of-use assets are depreciated on a straight-line basis, whilelease liabilities are accounted for using the effective interest rate.

The Company measures lease contracts that meet the criteria defined in IFRS 16. The Company recognises the following items as current expenses:

- depreciation of right-of-use assets,
- interest expense,

- foreign exchange gains (losses).

The Group accounts for a lease modification as a separate lease if both:

a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.
For a lease modification that is not accounted for as a separate lease, at the effective date of the modification (i.e. the date of signing an annex/agreement by the last party concerned) the Company:
a) allocate the consideration in the modified contract,
b) determine the lease term of the modified lease, and
c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.
For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:
a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. As a result, the Group recognises any profit or loss related to the partial or total termination of the lease,
b) adjustments to the right-of-use asset for all other lease modifications.

Company as the lessor

At the lease commencement date, CCC S.A. classifies a given lease contract as:
- finance lease - if it transfers substantially all the risks and rewards incidental to ownership of

the underlying asset, or as
- operating lease – if the above conditions are not met.

When determining the classification of a given lease contract, account is taken, among other things, of the fact whether the lease term represents a major part
of the economic useful life of the asset.

Finance leases are disclosed in the statement of financial position as receivables, at amounts equal to the net investment in the lease less the principal component of lease payments for given financial year calculated based on a fixed periodic rate of return on the lessor's outstanding net investment in the lease. Finance income from interest on finance lease is disclosed in the relevant reporting periods based on a fixed periodic rate of return on the lessor's outstanding net investment in the lease. Income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

The Company subleases office, retail and warehouse space to other companies of the CCC Group and recognises such sublets as finance leases.

In classifying a sublease, an intermediate lessor classifies the sublease as a finance lease or an operating lease as follows:
a) if the primary lease is a short-term lease in which the lessee recognises lease payments as costs on a straight-line basis during the lease term, the sublease is classified as operating leases;
b) otherwise, the sublease is classified by reference to the right-of-use asset arising from the primary lease, rather than by reference to the underlying asset (for example, the leased item of property, plant and equipment).

The Company derecognises the right-of-use asset (to the extent it is subleased) and recognises a lease receivable.

The present value of the lease payments at inception is generally close to the aggregate fair value the underlying asset, which in the case of a sublease is deemed to be the value of the right-of-use asset under the primary lease.

[all amounts in PLN million unless stated otherwise]

The table below presents the carrying amount of right-of-use assets measured as at the reporting date.

audited	RIGHT-OF-USE ASSETS FROM LEASE CONTRACTS				
	Stores	**Warehouse**	**Vehicles**	**Offices**	**Total**
Gross carrying amount as at February 1st 2021	**1,089.0**	**4.9**	**7.9**	**15.5**	**1,117.3**
Accumulated depreciation as at February 1st 2021	**-511.8**	**-2.2**	**-4.3**	**-3.8**	**-522.1**
Net carrying amount as at February 1st 2021	**577.2**	**2.7**	**3.5**	**11.6**	**595.0**
New lease contracts	90.4	0.3	1.3	9.7	101.7
Changes resulting from contract modifications	21.4	-0.5	0.2	1.0	22.1
Changes resulting from contract modification – shortening of contract term – gross carrying amount	-52.5	-1.0	-0.9	–	-54.4
Transferred as part of OPE	-106.2	-0.8	–	–	-107.0
Gross carrying amount as at January 31st 2022	**1,042.1**	**2.9**	**8.5**	**26.2**	**1,079.7**
Changes resulting from contract modification – shortening of contract term – accumulated depreciation	30.9	0.7	0.8	–	32.4
Depreciation in period	-129.4	-0.4	-2.1	-2.3	-134.2
Transferred as part of OPE	38.4	0.3	–	–	38.7
Accumulated depreciation as at January 31st 2022	**-571.9**	**-1.6**	**-5.6**	**-6.1**	**-585.2**
Net carrying amount as at January 31st 2022	**470.2**	**1.3**	**2.9**	**20.1**	**494.5**

audited	RIGHT-OF-USE ASSETS FROM LEASE CONTRACTS				
	Stores	**Warehouse**	**Vehicles**	**Offices**	**Total**
Gross carrying amount as at January 1st 2020	**1,032.4**	**7.0**	**5.6**	**16.4**	**1,061.4**
Accumulated depreciation as at January 1st 2020	**-367.6**	**-2.8**	**-2.3**	**-1.8**	**-374.5**
Net carrying amount as at January 1st 2020	**664.8**	**4.2**	**3.3**	**14.6**	**686.9**
New lease contracts	33.9	1.3	2.1	–	37.3
Changes resulting from contract modifications	50.3	-0.2	0.2	-0.9	49.3
Changes resulting from contract modification – shortening of contract term – gross carrying amount	-27.7	-3.1	–	–	-30.8
Gross carrying amount as at January 31st 2021	**1,089.0**	**4.9**	**7.9**	**15.5**	**1,117.2**
Accumulated depreciation as at January 1st 2020	-367.6	-2.8	-2.3	-1.8	-374.5
Changes resulting from contract modification – shortening of contract term – accumulated depreciation	17.9	1.8	–	–	19.6
Depreciation in period	-162.1	-1.2	-2.0	-2.0	-167.3
Accumulated depreciation as at January 31st 2021	**-511.8**	**-2.2**	**-4.3**	**-3.8**	**-522.2**
Net carrying amount as at January 31st 2021	**577.2**	**2.7**	**3.5**	**11.6**	**595.0**

As at July 31st 2022, the Company identified indications of a need to test right-of-use assets for impairment, as discussed in more detail in Note 5.2 to these financial statements.

[all amounts in PLN million unless stated otherwise]

Lease liabilities as at the reporting date are presented in the table below.

	February 1st 2021–January 31st 2022	January 1st 2020–January 31st 2021
	audited	audited
At beginning of period	**872.3**	**710.4**
Accrued interest	20.4	18.0
Lease payments	-155.9	-122.6
Exchange differences	8.6	43.2
New lease contracts	114.0	109.9
Modification of contract terms	1.0	123.0
Indexation	–	0.4
Change of scope	-20.5	-10.0
Transfer as part of OPE	-83.1	–
At end of period	**756.8**	**872.3**

Variable lease payments are presented in Note 3.2 in the line item 'Other rental costs – utilities and other variable costs'. Expenses related to short-term leases and leases of low-value assets amounted to PLN 28.1m.

CCC S.A. as the lessor
The Company subleases office, retail and warehouse space to other companies of the CCC Group and unrelated entities.
Finance income on the net investment in the lease is not material.

Lease receivables as at the reporting date are presented in the table below.

Lease receivables	February 1st 2021–January 31st 2022	January 1st 2020–January 31st 2021
	audited	audited
At beginning of period	**82.8**	**–**
New lease contracts	15.0	45.4
Modification	3.0	44.8
Interest	2.2	1.5
Repayment of receivables	-11.2	-8.8
Exchange differences	0.9	–
At end of period	**92.7**	**82.8**

The table below presents an analysis of the maturities of the lease payments due (undiscounted).

Undiscounted lease payments	January 31st 2022	January 31st 2021
	audited	audited
up to 1 year	17.7	14.3
1 to 2 years	19.2	15.9
2 to 3 years	18.8	16.6
3 to 4 years	16.9	15.5
4 to 5 years	12.2	12.7
over 5 years	9.3	11.9
Total undiscounted lease payments	**94.1**	**86.9**
Unrealised finance income	**-1.4**	**-4.1**
Total	**92.7**	**82.8**

No discounted unguaranteed residual value was recognised.

5.4 INVENTORIES

ACCOUNTING POLICY

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.

The Company analysed, in the light of the IFRIC's decision *Costs Necessary to Sell Inventories*, which additional costs incurred in the sale process would be eligible under IAS 2 for inclusion in the calculation of the write-down to net realisable value (NRV). In order to determine costs necessary to make the sale, the Company took into account the type of inventories held and its sales channels, and analysed the cost structure. The incurred costs necessary to make the sale vary by sales channel, which means that the Company has different cost levels for the digital channel and for offline stores. In determining costs necessary to make the sale through the digital channel, the Company included the costs of courier service, packaging materials and payment intermediaries. In the case of sales through offline stores, logistics costs of transporting and repackaging goods at the central warehouse as well as employee overheads were included.
The IFRIC's decision did not materially affect the manner in which the Company determines the net realisable value in accordance with IAS 2.

Merchandise is stated in terms of quantity and value and is measured:

– in the case of imported goods – at costs of purchase, including purchase price, transport costs on the foreign leg and on the domestic leg to the first place of unloading in the country, insurance and import duties; any amounts in foreign currencies are translated at the rate stated in the customs documents,
– in the case of goods purchased in Poland – at purchase prices; other costs of purchase, due to their immaterial amount, are expensed to profit or loss when incurred.

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. If the circumstances cease to exist, the write-down is reversed by reducing the cost of sales.
In order to determine the amount of inventory write-downs, the Company applies a calculation model based on inventory aging, taking into account forecast sales of particular products. These forecasts are the result of analysis of historical data as well as the current situation of the Company and its micro- and macroeconomic environment, which may affect the level of uncertainty in determining these forecasts.

Significant estimates and judgments primarily involve analysis of the achievable sales margin, projected future selling prices, inventory turnover, additional selling expenses required to complete the sale of inventories and the effectiveness of marketing activities conducted. As part of its day-to-day management of inventories, the Company monitors current stocks by age and proactively supports sales through appropriate sales campaigns.
In analysing the level and value of inventories, the Company distinguishes the main category of merchandise, i.e. footwear, and the category of other products (mainly handbags and accessories). For the main category of products, the Company verifies the factors affecting its value, such as the expected level of sales, expected margins, planned discounts, product life span, compatibility with fashion trends and customers' needs, and the level of additional costs required to adapt the goods to sales in subsequent seasons. For the other products, the Company analyses primarily the product life cycle and planned discounts. Average discounts for non-footware products are typically lower than for footware; moreover, this product category does not require additional costs to adapt it for sale in subsequent periods.

Results of the analyses are reflected in the estimation of inventory write-downs. For the main product category, inventory write-downs are higher mainly due to faster obsolescence of footwear than is the case for non-footwear merchandise. Moreover, the process of replacing merchandise in the main product group between seasons (i.e. cyclical transfers from central warehouses and stores and from stores to central warehouses) generates additional service costs and increases the amount of inventory write-downs on footwear. No such transfers are made in the non-footware category. Moreover, the rotation of non-footware inventories is faster which justifies lower write-downs.

In analysing the age of the footwear inventories, the Company determines the appropriate level of write-downs, expressed as percentage, which is then used to calculate the amount of write-downs. The criteria include two-year and older stocks.

The main assumptions of the discount policy affecting the measurement of inventories to net realisable value are:

[all amounts in PLN million unless stated otherwise]

a) the amount of price reductions (level of discounts) depends on the age of inventories, i.e. the discounts increase over to the passage of time, mainly due to deterioration in the quality of footwear caused by storage and in-store display, and the limited availability of popular sizes, all of which make the inventories less attractive to customers;
b) discount campaigns are structured for entire collections or product groups, to strengthen the expected effect;
c) merchandise that reflects current fashion trends tends to lose more value over time due to the shorter life cycle compared with more universal and classic products;
d) the expected rate of inventory rotation decreases over time and therefore discounts rise to enhance the price attractiveness of the goods.

Inventories and inventory write-downs as at the reporting date are presented below.

	January 31st 2022	**January 31st 2021**
	audited	**audited**
Merchandise	406.1	361.7
Returns assets	2.2	1.9
Total (gross)	**408.3**	**363.6**
Impairment losses	-3.4	-3.2
Total (net)	**404.9**	**360.4**

Changes in inventory write-downs during the period are presented below.

Inventory write-downs	**February 1st 2021–January 31st 2022**	**January 1st 2020–January 31st 2021**
	audited	**audited**
At beginning of period	**-3.2**	**-4.5**
Expensed to cost of sales	-3.4	-3.2
Used	3.2	4.5
At end of period	**-3.4**	**-3.2**

The Company's objective is to minimise inventories, while maintaining an adequate volume of merchandise to maximise sales.

In connection with the customer's right to return unused goods, the Company recognises returns liabilities and returns assets. Deliveries made after the reporting date are allocated to revenue of the next period, while returns reduce revenue in the current period. The amount of the asset is disclosed in inventories, while the liability is presented in other liabilities. As at the reporting date, the amount of the asset was PLN 2.2m, and the amount of the liability was PLN 6.4m.

[all amounts in PLN million unless stated otherwise]

5.5 TRADE RECEIVABLES AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment losses (for details, see Note 6.1). If trade receivables are expected to be collected within one year, they are classified as current assets. Otherwise, they are recognised as non-current assets.

Trade receivables include receivables from payment intermediaries and receivables from couriers.

Other receivables

Receivables other than financial assets are initially recognised at nominal amount and measured as at the end of the reporting period at the amount due.

	January 31st 2022	January 31st 2021
	audited	audited
Gross trade receivables	76.7	231.8
Impairment losses on receivables	-1.1	-1.7
Total net receivables	**75.6**	**230.1**
Prepaid deliveries	0.8	1.3
Prepayments	8.7	5.2
Receivables under assignment of receivables	200.0	–
Tax receivables other than under corporate income tax	5.2	1.3
Receivables from sale of property, plant and equipment	8.4	2.2
Other financial receivables	10.7	3.6
Other	8.7	3.5
Total other receivables	**242.5**	**17.1**

Trade receivables included mainly receivables from the subsidiary CCC.eu Sp. z o.o. of PLN 55.3m (January 31st 2021: PLN 222.7m).

On August 18th 2021, an agreement was concluded for the assignment of receivables in exchange for a dividend payment to CCC S.A., under which CCC Factory Sp. z o.o. was released from the obligation to pay dividend of PLN 200m to CCC S.A. in exchange for waiver of the claim for payment of its receivables from CCC.eu Sp. z o.o. and transfer of the dividend payment obligation to CCC.eu Sp. z o.o.

For details of the risks, see Note 6.1.
For information on the terms of related-party transactions, see Note 3.3.
Trade receivables are non-interest bearing and typically have a market-based payment term. Accordingly, in the opinion of the Management Board there is no additional credit risk that would exceed the allowance for expected credit losses recognised with respect to the trade receivables of the Company.

[all amounts in PLN million unless stated otherwise]

PAST DUE TRADE RECEIVABLES AND IMPAIRMENT LOSSES

Impairment losses on trade receivables	February 1st 2021–January 31st 2022	January 1st 2020–January 31st 2021
	audited	audited
At beginning of period	**-1.7**	**-1.8**
a) increase	-0.2	–
b) decrease – reversal	0.8	0.1
At end of period	**-1.1**	**-1.7**
Total trade receivables, net	**75.6**	**230.1**

Aging of trade receivables	January 31st 2022	January 31st 2021
	audited	audited
a) current	23.5	0.4
b) up to 1 month	27.8	12.2
c) over 1 month to 3 months	23.5	217.1
d) over 3 months to 6 months	0.1	0.4
e) over 6 months	1.8	1.7
Total trade receivables, gross	**76.7**	**231.8**

As at January 31st 2022 and January 31st 2021, the Company had trade receivables mainly from subsidiaries with established creditworthiness. As at the reporting date, trade receivables of PLN 74.8m (January 31st 2021: PLN 229.3m) were past due up to three months, and trade receivables of PLN 1.9m (January 31st 2021: PLN 2.1m) were past due more than three months. In the Company's opinion, its past due receivables were not impaired.

5.6 CASH

ACCOUNTING POLICY

Cash and cash equivalents include cash in hand and bank deposits payable on demand. Current account borrowings are presented in the statement of financial position as a component of current financing liabilities. For the purpose of the statement of cash flows, current account borrowings do not reduce the amount of cash and cash equivalents.

	January 31st 2022	January 31st 2021
	audited	audited
Cash in hand	3.6	4.1
Cash at bank	121.2	193.7
Cash in transit	1.3	1.7
Total	**126.1**	**199.5**

Cash is exposed to credit risk, currency risk, and interest rate risk. For information on the policy for managing these risks and further risk disclosures (i.e. credit quality assessment, sensitivity analysis of exposure to currency risk and interest rate risks), see Note 6.1, and also section 5 of the Directors' Report on the operations of the CCC Group.

[all amounts in PLN million unless stated otherwise]

5.7 TRADE PAYABLES AND OTHER LIABILITIES

ACCOUNTING POLICY

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

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

Other liabilities are measured at amounts due.

The Company incurs costs related to the operation of the Employee Capital Plans ("PPK") by making contribution to the pension fund. These are post-employment benefits in the form of a defined contribution plan. Costs of contributions to are recognised in the same cost item as the cost of salaries and wages on which they are paid. PPK obligations are presented as other non-financial liabilities in the line item 'Amounts due to employees'.

	January 31st 2022	January 31st 2021
	audited	audited
Trade and other payables		
• trade payables – net of reverse factoring	333.3	8.8
• investment liabilities	7.1	8.0
Total trade and other payables	**340.4**	**16.8**
Indirect taxes, customs duties and other public charges payable	24.1	25.8
Amounts due to employees	21.9	28.7
Accrued expenses	38.0	37.9
Sureties received	18.1	–
Returns liabilities	6.4	3.9
Liabilities under contracts with customers	14.5	–
Other liabilities	1.3	6.0
Total other current liabilities	**124.3**	**102.3**

	January 31st 2022	January 31st 2021
	audited	audited
Other non-current liabilities – security deposits	1.5	–
Amounts due to employees	5.9	–
Total other non-current liabilities	**7.4**	**–**

As at January 31st 2022 and January 31st 2021, most of the trade payables were liabilities to the CCC Group companies, mainly CCC.eu Sp. z o.o. The amount of the liability to CCC.eu Sp. z o.o. as at January 31st 2022 was PLN 280.2m, versus trade receivables from the company of PLN 222.7m as at January 31st 2021.

Accrued expenses included:

- A provision for future costs of store closures in Germany of PLN 10.4m (January 31st 2021: PLN 23.3m), with the change caused by the payment of a liability of PLN 9.2m and the provision being reversed for PLN 3.7m. The need to recognise the provision resulted from COVID-19 and worse-than-expected results of the stores, lease guarantees demanded by certain lessors from CCC S.A., the terms and conditions of an agreement concluded between the Company and HRG at the time of disposal of CCC Germany, including provisions concerning compensation by CCC S.A. of losses incurred by HRG. As a result of the COVID-19 pandemic, and thus worse-than-expected results of the stores, CCC S.A. expects HRG, the owner of CCC Germany, to take steps to accelerate early closure of some of the stores and terminate respective lease contracts. Therefore, a provision was recognised for what, in the opinion of CCC, would be the maximum amount of uncovered losses due to landlords' claims. These claims are related to the early closure of the stores. CCC S.A. and HRG will cooperate to minimise the actual amount used under the provision.
- The remaining accrued expenses comprise a provision for the period's expenses of PLN 7.1m, a provision for accrued holiday entitlements of PLN 5.0m, as well as settlement of leasehold improvements with landlords of PLN 15.9m.

Liabilities under contracts with customers comprise liabilities under the CCC Loyalty Programme of PLN 10.6m and liabilities under unredeemed gift cards as at the reporting date.
The note on other non-current financial liabilities under 'Amounts due to employees' include wages and salaries of PLN 1.4m, as described in detail in Note 6.2 to these financial statements. In addition, the Company operates a long-term bonus programme for the management staff for 2021–2025; the employees will be entitled to the programme benefits after the end of that period, depending on the achievement of the programme objectives. As at the reporting date, the Company measured the expected bonuses to be paid and recognised long-term amounts due to employees of PLN 4.5m.

Trade payables and other liabilities are exposed to currency risk. For information on currency risk management and the sensitivity analysis, see Note 6.1.
Liabilities also involve liquidity risk (for further information, see Note 4.2 and 6.1).
The fair value of trade and other payables approximates their carrying amount.

EXPENDITURE COMMITMENTS AND OTHER FUTURE LIABILITIES

As at January 31st 2022 and January 31st 2021, the Company had no commitments to incur expenditure or other future liabilities.

[all amounts in PLN million unless stated otherwise]

5.8 PROVISIONS

ACCOUNTING POLICY

Provisions include mainly a provision for jubilee and retirement benefits, litigation and expected credit losses under sureties provided in respect of credit facilities.

A provision for litigation is recognised at an amount representing the best estimate of the amount necessary to settle the resulting obligations.

In accordance with the Company's remuneration plans, the Group employees are entitled to jubilee and retirement benefits. Retirement benefits are paid on as lump sum payments on retirement. The amount of retirement benefits depends on the employee's years of service and average remuneration. The Company recognises a provision for future retirement benefit obligations in order to allocate the related costs to the relevant periods. The present value of these obligations at each reporting date is calculated by an independent actuary.

Long-term defined benefits plan during employment

Under the terms of the collective labour agreement, a group of employees has the right to receive jubilee benefits whose amount depends on the length of service. The eligible employees receive, on a one-off basis, an equivalent of 100% of their monthly base pay after 10 years of service, an equivalent of 150% of their monthly base pay after 15 years of service, an equivalent of 200% of their monthly base pay after 20 years of service, and an equivalent of 250% of their monthly base pay after 25 years of service. These benefits are recognised on the basis of actuarial valuations.

The Company recognises a provision for future jubilee benefits based on an actuarial valuation using the projected unit credit method.

The Company recognises a provision for expected credit losses (ECL) on financial guarantees.

audited	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	EXPECTED CREDIT LOSS ALLOWANCE	TOTAL
As at February 1st 2021	**6.0**	**3.8**	**261.2**	**271.0**
short-term	1.2	3.8	261.2	266.2
long-term	4.8	–	–	4.8
As at February 1st 2021	**6.0**	**3.8**	**261.2**	**271.0**
Recognised	–	–	–	–
Used	–	-1.6	-161.1	-162.7
Reversed	0.2	–	-55.8	-55.6
As at January 31st 2022	**6.2**	**2.2**	**44.3**	**52.7**
short-term	1.2	2.2	44.3	47.7
long-term	5.0	–	–	5.0

[all amounts in PLN million unless stated otherwise]

audited	PROVISION FOR JUBILEE AND RETIREMENT BENEFITS	PROVISION FOR RETURNS AND COMPLAINTS	EXPECTED CREDIT LOSS ALLOWANCE	TOTAL
As at January 1st 2020	**4.0**	**–**	**–**	**4.0**
short-term	1.2	–	–	1.2
long-term	2.8	–	–	2.8
As at January 1st 2020	**4.0**	**–**	**–**	**4.0**
Recognised	2.0	3.8	261.2	267.0
As at January 31st 2021	**6.0**	**3.8**	**261.2**	**271.0**
short-term	1.2	3.8	261.2	266.2
long-term	4.8	–	–	4.8

The use pertained mainly to the provisions for sureties provided in respect of credit facilities used by KVAG of PLN 70.3m and provisions for a guarantee for trade payables of PLN 90.8m, as further discussed in Note 2.3.

The reversal related mainly to a change in the provisions for sureties provided in respect of credit facilities used by CCC.eu of PLN 7.9m, CCC Russia of PLN 14.1m, CCC Factory of PLN (1.1)m and Modivo S.A. of PLN (1.6)m, as well as the unused allowance for expected credit losses of PLN 36.5m, as further discussed in Notes 2.3 and 3.2.

Based on the valuation prepared by a professional actuarial firm, the Company recognises a provision for the present value of retirement and jubilee benefits.

audited	January 31st 2022
Discount rate	3.8%
Mortality tables	pttz2020
Assumed average annual increase in base amount to calculate retirement and disability benefits in 2018-2027	2.94%
Average assumed annual increase in base amount to calculate jubilee benefits in 2018-2027	2.94%
Weighted average employee mobility ratio (men)	32.40%
Weighted average employee mobility ratio (women)	34.4%
Average duration of post-employment benefits (years)	1.47

January 31st 2022	Finance discount rate		Planned increase in base amount	
audited				
Provision	-1pp	+1pp	-1pp	+1pp
Retirement benefits	0.3	0.3	0.2	0.3
Disability severance pay	0.1	0.1	0.1	0.1
Jubilee benefits	6.6	6.2	6.2	6.6
Death benefits	0.1	0.1	0.1	0.1
Total provisions	**7.1**	**6.7**	**6.6**	**7.1**

audited	January 31st 2021
Discount rate	1.5%
Mortality tables	pttz2019
Assumed average annual increase in base amount to calculate retirement and disability benefits in 2018-2027	2.8%
Average assumed annual increase in base amount to calculate jubilee benefits in 2018-2027	2.8%
Weighted average employee mobility ratio (value range for the Group)	20.0% - 80.0%
Average duration of post-employment benefits (years) – value range for the Group	5.1

[all amounts in PLN million unless stated otherwise]

January 31st 2021	Finance discount rate		Planned increase in base amount	
audited				
Provision	-1pp	+1pp	-1pp	+1pp
Retirement benefits	0.6	0.6	0.5	0.6
Jubilee benefits	11.0	10.6	5.2	5.6
Death benefits	0.4	0.4	0.2	0.2
Total provisions	**12.0**	**11.6**	**5.9**	**6.4**

6. OTHER NOTES

6.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

ACCOUNTING POLICY

Financial assets

Classification of financial assets
Financial assets are classified into the following categories:

- measured at amortised cost,
- measured at fair value through profit or loss,
- measured at fair value through other comprehensive income.

The Company classifies financial assets based on its business model of financial asset management and the assets' contractual cash flow characteristics (the SPPI test). The Company reclassifies investments in debt instruments if, and only if, the management model for such assets changes.

Measurement at initial recognition
Except for some trade receivables, on initial recognition financial assets are recognised at fair value which – in the case of financial assets other than those at fair value through profit or loss – is increased by transaction costs directly attributable to acquisition of the assets.

Derecognition
Financial assets are derecognised when:

- the contractual rights to the cash flows from the financial assets expire, or
- the rights to cash flows from the financial assets have been transferred and the Company has transferred substantially all risks and rewards incidental to the ownership of the assets.

Measurement after initial recognition
For the purpose of measurement subsequent to initial recognition, financial assets are classified into one of the following four categories:

- debt instruments measured at amortised cost,
- debt instruments measured at fair value through other comprehensive income,
- equity instruments measured at fair value through other comprehensive income,
- financial assets measured at fair value through profit or loss.

Debt instruments – financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company classifies the following types of financial assets as measured at amortised cost:

- trade receivables,

- loans that meet the SPPI classification test and, in line with the business model, are recognised as held to collect cash flows,
- cash and cash equivalents.

Interest income is calculated using the effective interest rate method and disclosed in the statement of profit or loss/ statement of comprehensive income in the line item 'Interest income'.

Debt instruments – financial assets at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is both to receive contractual cash flows and to sell the financial asset; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, exchange differences and gains and losses on impairment are recognised in profit or loss and calculated in the same way as for financial assets carried at amortised cost. Other changes in fair value are recognised in other comprehensive income. When a financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.
Interest income is calculated using the effective interest rate method and disclosed in the statement of profit or loss/ statement of comprehensive income in the line item 'Interest income'.

Equity instruments – financial assets measured at fair value through other comprehensive income
On initial recognition, the Company may make an irrevocable election to recognise in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor is contingent consideration recognised by the acquirer in a business combination to which IFRS 3 applies. Such election is made separately for each such equity instrument. Accumulated gains or losses previously recognised in other comprehensive income are not reclassified to profit or loss. Dividends are recognised in profit or loss/ statement of comprehensive income when the Group's right to receive dividend is established, unless the dividend clearly represents recovery of a portion of the investment cost.

Financial assets measured at fair value through profit or loss
Financial assets which are not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. In the category of financial assets measured at fair value through profit or loss, the Company classifies derivative financial instruments and listed equity instruments that have not been irrevocably designated for fair value through other comprehensive income. Gain or loss on measurement of those assets at fair value is recognised in profit or loss. Dividends are recognised in profit or loss in the statement of comprehensive income when the Group's right to receive dividend is established.

Offsetting of financial assets and financial liabilities

If the Company:
• has a legally enforceable right of set-off and
• intends to settle on a net basis, or to recover the asset and settle the liability simultaneously, then the financial asset and the financial liability are offset and disclosed in the statement of financial position on a net basis.

Impairment of financial assets

The Company assesses expected credit losses ("ECL") associated with debt instruments measured at amortised cost and fair value through other comprehensive income, regardless of whether there is any indication of impairment.

For trade receivables, the simplified approach is applied and the expected credit loss allowance is measured at an amount equal to the expected credit losses over the life of the loan using a simplified model based on a case-by-case approach. The Company uses its historical data on credit losses, adjusted where appropriate for the impact of forward-looking information.
For other financial assets, the Company measures the allowance for expected credit losses in an amount equal to 12-month expected credit losses. If the credit risk has increased significantly since initial recognition, the Company measures the loss allowance in an amount equal to lifetime expected credit losses.

The Company estimates that the credit risk associated with a financial instrument has increased significantly since its initial recognition if:

- time past due exceeds 60 days;
- the creditor's rating has changed significantly;
- the creditor's financial results have deteriorated;
- credit facilities granted to the creditor have been terminated or the creditor has breached facility covenants
- the creditor has lost a significant market or key trading partners, has experienced legislative changes adversely affecting the business, has experienced significant changes in sales and supply markets (including as a result of changes in foreign

exchange rates or adverse changes in commodity markets), or has experienced any fortuitous events that could adversely affect the business;
- material litigation proceedings are pending against the creditor which may adversely affect the recovery of the claim;
- there has been a significant decrease in the value/amount of the collateral.

If days past due exceed 180, the Group considers the debtor to have defaulted.
The Company recognises an impairment loss on financial assets in the amount of the difference between the carrying amount those assets as at the measurement date and the recoverable amount

Fair value of financial assets and liabilities
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in a transaction carried out on typical terms of sale of the asset between market participants at the measurement date in the current market conditions.

The Company measures financial instruments, such as derivative instruments (FORWARD and PUT options), at fair value at the end of each reporting period. Derivatives are recognised as assets when their value is positive and as liabilities when their value is negative.

Gains and losses on changes in the fair value of derivatives that do not qualify for hedge accounting are charged directly to net profit or loss for the financial year. The fair value of FX forwards is established by reference to the prevailing forward rates in contracts with similar maturities.

All assets and liabilities that are measured at fair value or whose fair value is disclosed in the financial statements are classified in the fair value hierarchy as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

LEVEL OF FAIR VALUE HIERARCHY	Description
Level 1	Prices quoted on an active market for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.
Level 3	Inputs to measure an asset or liability that are not based on observable market data (unobservable inputs).

	January 31st 2022		January 31st 2021	
	audited		audited	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets at amortised cost	**1,388.7**		**565.5**	
Loans	875.2	–	47.3	–
Trade receivables	75.6	–	230.1	–
Receivables under assignment of receivables	200.0	–	–	–
Other financial receivables	10.7	–	3.6	–
Receivables from sale of property, plant and equipment	8.4	–	2.2	–
Lease receivables	92.7	–	82.8	–
Cash and cash equivalents	126.1	–	199.5	–
Financial liabilities at amortised cost		**1,949.8**		**1,350.5**
Liabilities under borrowings and bonds	–	846.2	–	457.5
Trade and other payables	–	340.4	–	16.8
Returns liabilities	–	6.4	–	3.9
Lease liabilities	–	756.8	–	872.3

In the case of financial instruments, their fair values do not differ materially from the carrying amounts, except for loans, whose fair value as at January 31st 2022 was PLN 810.1m, while the carrying amount was PLN 875.2m.

The fair values were calculated based on cash flows discounted at the current interest rate applicable to the loans. They are classified at level 2 of the fair value hierarchy.

FINANCIAL RISK MANAGEMENT

The business of the Company involves a number of different financial risks. The main risks identified by the Management Board are: currency risk, interest rate risk, credit risk and liquidity risk (see Note 4.2).

The policy for managing these risks and further information on the risks (including credit quality assessment, maximum credit risk exposures, exchange rate sensitivity analysis) are presented below.

CURRENCY RISK

CCC S.A. operates internationally and, therefore, is exposed to the risk of movements in foreign exchange rates, in particular the euro exchange rates as the Company's retail space lease contracts and loans are denominated in the currency.

The main items of the statement of financial position exposed to the currency risk are lease liabilities, lease receivables (under sublease of stores), loans and cash.

The Company monitors exchange rate fluctuations and takes actions on a regular basis in order to minimize their adverse impact, e.g. by having the currency movements reflected in prices of offered goods. The Company does not use hedging instruments.
Where required, amounts were translated into the functional currency using the exchange rate prevailing at 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
• the exchange rate as at January 31st 2020 was EUR 1 = PLN 4.3010
• the exchange rate as at January 31st 2022 was USD 1 = PLN 4.1147
• the exchange rate as at January 31st 2021 was USD 1 = PLN 3.7460
• the exchange rate as at January 31st 2020 was USD 1 = PLN 3.8999

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

[all amounts in PLN million unless stated otherwise]

The table below presents the Company's exposure to the currency risk:

January 31st 2022	TOTAL CARRYING AMOUNT	IN FOREIGN CURRENCY AFTER TRANSLATION INTO PLN			IN FUNCTIONAL CURRENCY
audited		USD	EUR	OTHER	
Financial assets at amortised cost	**1,388.7**	**37.2**	**97.7**	**9.3**	**1,244.5**
Loans	875.2	37.2	3.4	9.1	825.5
Trade receivables	75.6	–	0.2	0.1	75.3
Receivables under assignment of receivables	200.0	–	–	–	200.0
Other financial receivables	10.7	–	–	–	10.7
Receivables from sale of property, plant and equipment	8.4	–	–	–	8.4
Lease receivables	92.7	–	92.7	–	–
Cash and cash equivalents	126.1	–	1.4	0.1	124.6
Financial liabilities at amortised cost	**1,949.8**	**–**	**648.6**	**0.8**	**1,300.4**
Liabilities under borrowings and bonds	846.2	–	–	–	846.2
Trade and other payables	340.4	–	1.9	0.8	337.7
Returns liabilities	6.4	–	–	–	6.4
Lease liabilities	756.8	–	646.7	–	110.1

January 31st 2021	TOTAL CARRYING AMOUNT	IN FOREIGN CURRENCY AFTER TRANSLATION INTO PLN			IN FUNCTIONAL CURRENCY
audited		USD	EUR	OTHER	
Financial assets at amortised cost	**561.9**	**32.7**	**86.3**	**11.4**	**431.5**
Loans	47.3	32.7	3.3	11.2	0.1
Trade receivables	230.1	–	–	0.2	229.9
Receivables from sale of property, plant and equipment	2.2	–	–	–	2.2
Lease receivables	82.8	–	82.8	–	–
Cash and cash equivalents	199.5	–	0.2	–	199.3
Financial liabilities at amortised cost	**1,350.5**	**–**	**756.8**	**0.2**	**593.5**
Liabilities under borrowings and bonds	457.5	–	–	–	457.5
Trade and other payables	16.8	–	0.3	0.2	16.3
Returns liabilities	3.9	–	–	–	3.9
Lease liabilities	872.3	–	756.5	–	115.8

[all amounts in PLN million unless stated otherwise]

The analysis of sensitivity to foreign exchange risk of exposures as at the reporting date is presented in the table below. If as at January 31st 2022 the exchange rates of financial assets/liabilities denominated in foreign currencies, in particular USD and EUR, were PLN 0.05 higher/lower, the effect of such currency movements on profit before tax would be as follows:

January 31st 2022	Increase/decrease in USD / EUR exchange rate					
audited	Value in PLN corresponding to exposure in USD	0.05	-0.05	Value in PLN corresponding to exposure in EUR	0.05	-0.05
Financial assets at amortised cost	**37.2**	**0.5**	**-0.5**	**97.7**	**1.1**	**-1.1**
Loans	37.2	0.5	-0.5	3.4	0.0	-0.0
Trade receivables	–	–	–	0.2	0.0	-0.0
Lease receivables	–	–	–	92.7	1.1	-1.0
Cash and cash equivalents	–	–	–	1.4	0.0	-0.0
Financial liabilities at amortised cost	**–**	**–**	**–**	**648.6**	**-7.0**	**-7.0**
Trade and other payables	–	–	–	1.9	–	–
Lease liabilities	–	–	–	646.7	-7.0	-7.0

January 31st 2021	Increase/decrease in USD / EUR exchange rate					
audited	Value in PLN corresponding to exposure in USD	0.05	-0.05	Value in PLN corresponding to exposure in EUR	0.05	-0.05
Financial assets at amortised cost	**32.7**	**0.5**	**-0.5**	**86.3**	**1.0**	**-1.0**
Loans	32.7	0.5	-0.5	3.3	0.0	-0.0
Lease receivables	–	–	–	82.8	1.0	-1.0
Cash and cash equivalents	–	–	–	0.2	0.0	-0.0
Financial liabilities at amortised cost	**–**	**–**	**–**	**154.4**	**-1.8**	**1.8**
Trade and other payables	–	–	–	0.3	-0.0	0.0
Lease liabilities	–	–	–	154.1	-1.8	1.8

INTEREST RATE RISK
The Company is exposed to the interest rate risk mainly due to debt under credit facility agreements and notes in issue, and cash in bank accounts.

The entire debt bears interest at floating interest rates based on WIBOR. An increase in interest rates leads to higher debt service costs, which is partially offset by cash deposits. Loans advanced in the Polish złoty bear interest at a fixed rate, and therefore involve no exposure to the interest rate risk.

Items bearing interest at variable rates expose the Company to the risk of changes in cash flows due to interest rate movements. The Company does not apply hedging instruments that would limit the impact of cash flow changes resulting from interest rate movements on its profit or loss.

[all amounts in PLN million unless stated otherwise]

The table below presents an analysis of sensitivity to the interest rate risk, which in the Company's opinion would be reasonably possible in the indicated periods.

	AMOUNT EXPOSED TO INTEREST RATE RISK %		Effect February 1st 2021–January 31st 2022		Effect January 1st 2020–January 31st 2021	
	January 31st 2022	January 31st 2021	+1pp	-1pp	+1pp	-1pp
	audited	audited				
Cash at banks	126.1	199.5	1.3	-1.3	2.0	-2.0
Financing liabilities	-846.2	-457.5	-8.5	8.5	-4.6	4.6
Effect on net profit (loss)			**-7.2**	**7.2**	**-2.6**	**2.6**

If the interest rates on debt were 1 pp higher/lower in the reporting period, the profit for the period would be PLN 7.2m lower/higher (in the comparative periods: January 1st 2020–January 31st 2021: PLN 2.6m lower/higher).

CREDIT RISK
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk mainly through its trade receivables, loans, and cash and cash equivalents in bank accounts.

The maximum exposures to credit risk as at the reporting dates (January 31st 2022, January 31st 2021) are presented in the table below.

	January 31st 2022	January 31st 2021
	audited	audited
Loans	875.2	47.3
Trade receivables	76.7	231.8
Receivables from sale of property, plant and equipment	8.4	2.2
Cash and cash equivalents	126.1	199.5
Lease receivables	92.7	82.8
Total	**1,179.1**	**563.6**

As disclosed in Note 5.5, trade receivables are mainly due from the Group's subsidiaries, including CCC.eu Sp. z o.o., in respect of which there is risk concentration. The company independently monitors the exposures by periodically analysing the financial condition of the trading partners, and setting credit limits. In the case of trade receivables from entities of the CCC Group, whose credit standing is known, in the Management Board’s opinion there is no credit risk exposure.

The credit risk of cash in bank accounts is limited as the relationship banks are institutions with high credit ratings assigned by international rating agencies.
As at January 31st 2022, the Company recognised an allowance for expected credit losses under sureties provided in respect of credit facilities of PLN 44.3m. For more information, see Note 3.2.

The table below presents the maximum limits of collateral or other security provided by CCC S.A. to its subsidiaries.

	January 31st 2022	January 31st 2021
	AMOUNT AND/OR CARRYING AMOUNT OF COLLATERAL OR OTHER SECURITY	
	audited	audited
Sureties	2,672.1	1,643.2
Security mortgages on real estate	1,856.8	2,636.1
Registered pledge over movable property	2,400.7	536.2
Blank promissory notes	244.2	851.8

[all amounts in PLN million unless stated otherwise]

The credit risk of cash in bank accounts is limited as the relationship banks are institutions with high credit ratings assigned by international rating agencies.

	January 31st 2022	January 31st 2021
	audited	audited
A-rated banks	112.8	188.2
BAA-rated banks	8.4	–
Other – not classified [1]	–	5.5
Total cash at banks	**121.2**	**193.7**

Moody's credit risk rating	
AAA	The highest quality, subject to the lowest level of credit risk
AA	High quality, subject to very low credit risk
A.	Upper-medium grade, subject to low credit risk
BAA	medium-grade, subject to moderate credit risk, may possess certain speculative characteristics
BA	Speculative, subject to substantial credit risk
B	Speculative, subject to high credit risk
CAA	Speculative of poor standing, subject to very high credit risk
CA	Speculative and likely in, or very near, default, with some prospect of recovery of principal and interest
C	The lowest rated and typically in default, with little prospect for recovery of principal or interest.

[1] Banks not rated by international rating agencies

The Company has no significant concentration of credit risk. The risk is spread into a large number of relationship banks and customers

6.2 SHARE-BASED PAYMENTS

ACCOUNTING POLICY

Right to benefit from appreciation of shares (long-term bonus for the Management Board)

Employees (including members of the Management Board) of the CCC Group receive awards based on the price (or value) of CCC shares ("cash-settled share-based payments").

In cash-settled share-based payment transactions, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group measures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in the fair value recognised in profit or loss for the period under administrative expenses.

In equity-settled share-based payment transactions, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability initially recognised as administrative expenses, while increasing equity. The total amount to be recognised as an expense is determined by reference to the fair value of the options granted:

- taking into account any market conditions (for example, the price of the entity's shares);
- without taking account of the effect of any length of service-related or non-market vesting conditions; and
- taking into account the effect of any non-vesting conditions.

The total cost is recognised over the vesting period, i.e. the period during which all the specified vesting conditions must be met. At the end of each reporting period, the Group reviews its estimates of the number of options expected to vest as a result of such non-market vesting conditions. The Group presents the effect of a potential revision to the original estimates in the statement of profit or loss for a given period under administrative expenses, with a corresponding adjustment to equity.

Incentive scheme for the CCC Management Board implemented in 2021–2024

In accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of CCC S.A. (consolidated text incorporating the amendments approved by the Annual General Meeting in Resolution No. 19/ZWZA/2021 of June 22nd 2021), Management Board members are awarded variable remuneration components, including a long-term bonus linked to CCC S.A. value growth, understood as appreciation of its share price, which is awarded to each member of the Management Board for two periods: one already ended and the second running from August 1st 2021 to July 31st 2024.

The amount of the long-term bonus awarded to each Management Board member for the respective periods is as follows:

a) for period one: 100,000 x the difference between the average price of Company shares in the second quarter of CCC S.A.'s financial year 2021 (from May 1st 2021 to July 31st 2021) of PLN 118.4675 and the issue price of Series I and Series J shares of PLN 37.00 (the base price for period one);
b) for period two: 100,000 x the difference between the average price of Company shares in the second quarter of CCC S.A.'s financial year 2024 (from May 1st to July 31st 2024) and the average price of Company shares in the second quarter of CCC S.A.'s financial year 2021 (the base price for period two) of PLN 118.47;

Based on the Supervisory Board's decision, the scheme may be settled in CCC S.A. shares if the General Meeting resolves on a conditional share capital increase related to the issue of subscription warrants. Given contractual limitations, settlement of the programme through the issue of new shares, and thus the alternative settlement in Company shares, is impracticable, and therefore the Group measured the plan as a cash-settled share-based payment transaction.

The long-term bonus for period one was paid in cash in two equal parts by August 31st 2021 and November 30th 2021. The long-term bonus for period two is planned to be paid in cash in two equal parts by September 30th 2024 and November 30th 2024.
No long-term bonus is due in the event of:

a) removal of a Management Board member from office by the Supervisory Board before the lapse of a half of the period for which such bonus is awarded or expiry of the member's mandate, irrespective of the reasons for such removal;
b) non-appointment of an existing Management Board member for another term of office before the lapse of a half of the period for which such bonus is awarded.

If a Management Board member resigns from the position for which he or she was appointed, no long-term bonus is due. The long-term bonus will be payable in proportion to the period of actual service of a Management Board member in the event of:

a) removal of the Management Board member from office by the Supervisory Board or expiry of his or her mandate after the lapse of a half of the period for which such bonus is awarded;
b) non-appointment of the existing Management Board member for another term of office after the lapse of a half of the period for which such bonus is awarded.

If a new Management Board member is appointed during a particular long-term bonus settlement period, the Supervisory Board will decide whether to grant the right to receive the bonus to that member.

The long-term bonus for period two was valued by an external expert using the Black-Scholes model. The number of rights to benefit from share appreciation (number of options) used in the valuation was 600,000, with the vesting period for 400,000 rights (options) being June 22nd 2021 – July 31st 2024, for 100,000 rights (options) being July 1st 2021 – July 31st 2024, and for the remaining 100,000 rights (options) being September 16th 2021 – July 31st 2024. The value of a single right to benefit from share appreciation (value of a single option) used in the valuation was PLN 12.07. The assumed risk-free rate was 3.61% and the expected volatility of the share price was 43.6%. The duration of the options is two and a half years.

The Group recognised cost of PLN 24.4m to account for the payment of the bonus for period one and a PLN 1.4m provision for period two. The total amount recognised in administrative expenses under salaries, wages and employee benefits expense was PLN 25.8m. In the statement of financial position, the amount recognised in non-current liabilities under amounts due to employees was PLN 1.4m.

6.3 EVENTS AFTER REPORTING DATE

After the reporting date, i.e. on February 24th 2022, Russia launched a military invasion of Ukraine. 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 and the Company's business, although it will not affect the CCC Group's or the Company's going concern basis of accounting.
The Company has no operations in Ukraine or Russia. For more details on the impact of the situation on the CCC Group, see the Group's consolidated financial statements.

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).

[all amounts in PLN million unless stated otherwise]

6.4 REMUNERATION OF THE AUDITOR OR ENTITY QUALIFIED TO AUDIT FINANCIAL STATEMENTS

The table below presents fees paid or payable to qualified auditors of financial statements for the year ended January 31st 2022 and the year ended January 31st 2021, by type of service.

AUDITOR'S FEES	February 1st 2021–January 31st 2022	January 1st 2020–January 31st 2021
Audit and reviews of financial statements	0.5	0.4
SUBSIDIARIES		
Audit and reviews of financial statements	0.3	0.3
TOTAL	**0.8**	**0.7**

The separate financial statements were authorised for issue by the Management Board on April 20th 2022	
and signed on behalf of the Management Board by:	
Edyta Skrzypiec - Rychlik	Chief Accountant
Signatures of all Management Board members:	
Marcin Czyczerski	President and CEO
Karol Półtorak	Vice President
Adam Holewa	Vice President
Igor Matus	Vice President
Kryspin Derejczyk	Vice President
Adam Marciniak	Vice President

Polkowice, April 20th 2022