INTERIM CONDENSED CONSOLIDATED STATEMENTS ON OPERATIONS OF CAPITAL GROUP CCC S.A. FOR THE PERIOD 01.01–30.06.2018

CCC
SHOES & BAGS

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CCC

2000%

since the first quotation in 2004.
The price of one share has increased by over 2000%. The highest share price amounted to **312 PLN** on 22 January 2018.

consolidated revenue in the first half of 2018

PLN 2.03 billion

18 mln

the number of pairs of shoes the CCC Group can store in its warehouses

SELECTED FINANCIAL DATA

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
Selected data from the consolidated statement of profit or loss and other comprehensive income	01.2018-06.2018	01.2017-06.2017	01.2018-06.2018	01.2017-06.2017
Sales revenue	2 026,4	1 846,2	478,0	434,7
Poland	919,2	922,9	216,8	217,3
CEE	422,4	370,9	99,6	87,3
Western Europe	179,8	180,3	42,4	42,4
Other countries	45,7	29,2	10,8	6,9
Retail activity	1 567,1	1 503,3	369,6	353,9
E-commerce	400,3	259,9	94,4	61,2
Wholesale	58,8	82,6	13,9	19,4
Manufacturing	0,2	0,4	0,0	0,1
Other	—	—	—	—
Gross profit (loss) on sale	1 048,5	938,4	247,3	221,0
Gross sale margin	51,7%	50,8%	51,7%	50,8%
Result on segments				
Poland	130,0	151,9	30,7	35,8
CEE	23,9	35,7	5,6	8,4
Western Europe	(79,5)	(54,1)	(18,8)	(12,7)
Other countries	(0,9)	1,8	(0,2)	0,4
Retail activity	73,5	135,3	17,3	31,9
E-commerce	51,7	44,8	12,2	10,5
Wholesale	12,3	25,2	2,9	5,9
Manufacturing	(0,2)	—	(0,0)	—
Profit on operating activity	122,8	163,9	29,0	38,6
Profit before tax	75,1	129,8	17,7	30,6
NET PROFIT	65,8	113,1	15,5	26,6
ADJUSTED NET PROFIT [1]	86,9	115,1	20,5	27,1
Selected data of the consolidated statement of financial position	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Fixed assets	3 921,9	1 154,1	899,2	276,7
Current assets, including:	3 026,8	2 215,8	694,0	531,3
Inventories	1 845,3	1 417,7	423,1	339,9
Cash	709,2	511,6	162,6	122,7
TOTAL ASSETS	6 948,7	3 369,9	1 593,2	808,0
Non-current liabilities, including:	3 103,6	1 277,8	711,6	306,4
Debt liabilities	210,0	436,0	48,1	104,5
Current liabilities, including:	2 678,8	923,8	614,2	221,5
Debt liabilities	1 046,4	481,1	239,9	115,3
TOTAL LIABILITIES	5 782,4	2 201,6	1 325,8	527,8
EQUITY	1 166,3	1 168,3	267,4	280,1

[1] Adjusted net profit is a measure of its own profit (data not verified by the auditor) – an explanation of a measure is contained in the section 2.1.1.1 on p. 54

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
Selected data from the consolidated statement of cash flows	01.2018-06.2018	01.2017-06.2017	01.2018-06.2018	01.2017-06.2017
Net cash flows from operating activities	343,7	(147,2)	81,1	(34,7)
Net cash flows from investing activities	(236,3)	(92,6)	(55,7)	(21,8)
Net cash flows from financing activities	79,3	425,0	18,7	100,1
TOTAL CASH FLOWS	186,7	185,2	44,0	43,6

OPERATIONAL DATA	30.06.2018	31.12.2017
Number of stores	1 164	925
Floor space of stores (thousand m²)	660,1	535,8
Number of markets with online sales	14	11

	01.2018-06.2018	01.2017-06.2017	01.2018-06.2018	01.2017-06.2017
Capital expenditures (in mln)	(131,8)	(92,4)	(31,1)	(21,8)
Average revenue per m² of floor space [1]	3,1	3,8	0,7	0,8

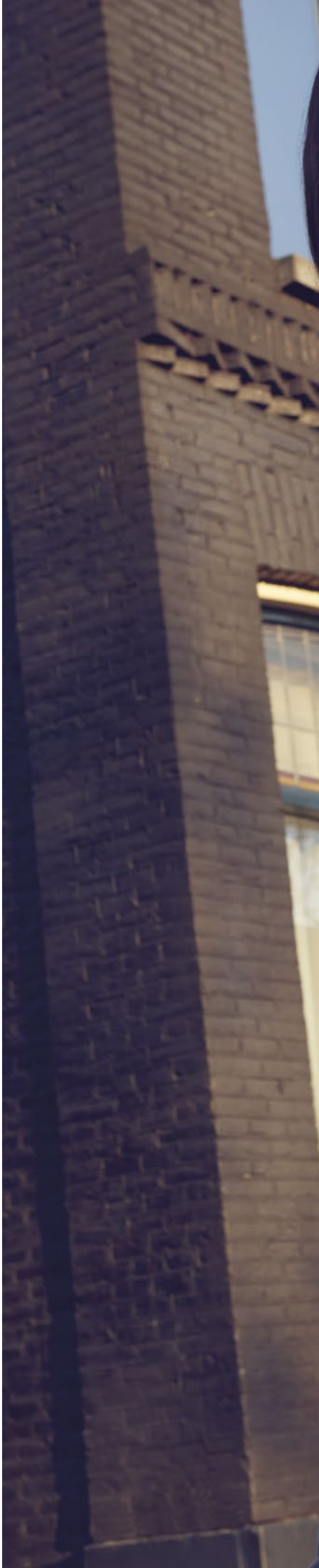
[1] Revenue per 1m^2 is calculated by dividing revenue for the first 6 months of a given year by the number of m^2 of floor space at the balance sheet date.

Selected data from the consolidated financial statements and other comprehensive income, consolidated statement of financial position and consolidated statement of cash flows were converted into euro in accordance with the following rules:

- particular items of assets and liabilities in the consolidated statement of financial position were converted in accordance with the average NBP exchange rate announced as of:
  - 30.06.2018 – 4.3616 PLN/EUR
  - 31.12.2017 – 4.1709 PLN/EUR
  - 30.06.2017 – 4.4265 PLN/EUR
- particular items of the consolidated financial statements and other comprehensive income and consolidated statement of cash flows were converted in accordance with the exchange rate which constitutes an arithmetic average of NBP exchange rates for Euro effective on the last day of each month of the reporting period:
  - the average exchange rate in the period 01.01.2018 – 30.06.2018 – 4.2395 PLN/EUR
  - the average exchange rate in the period 01.01.2017 – 30.06.2017 – 4.2474 PLN/EUR

The conversion was made in accordance with the above indicated exchange rates by dividing the values expressed in PLN millions by the exchange rate.

1.
OPERATIONS OF THE CCC GROUP




CCC
SHOES & BAGS

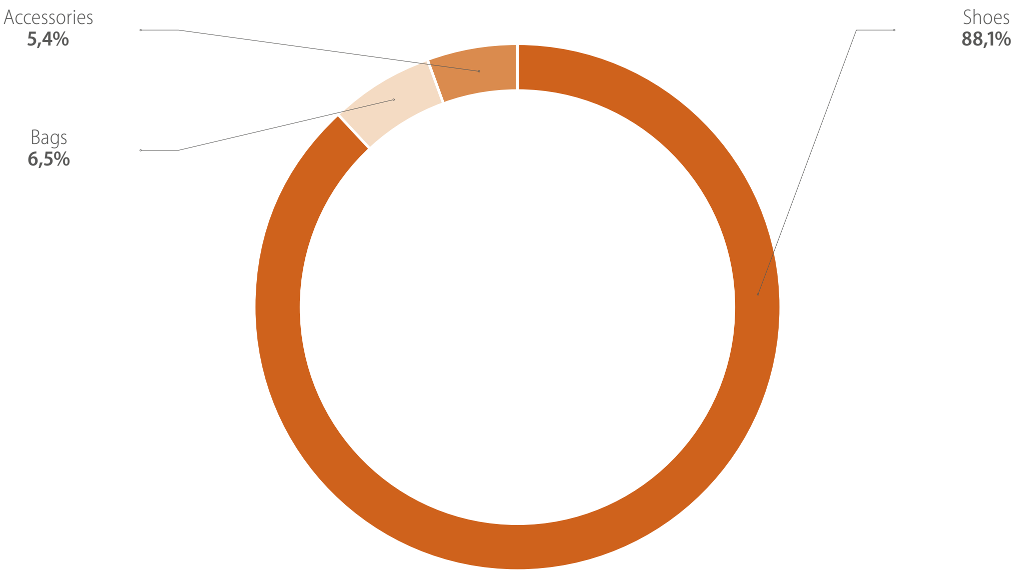
1.1 GENERAL INFORMATION

1.1.1 GENERAL INFORMATION ABOUT THE GROUP

BUSINESS PROFILE

- Leader of the Polish retail footwear sales market
- The largest manufacturer of footwear in Poland
- Company listed on WSE since 2004
- Market capitalisation of PLN 8.5 billion (as of 30 June 2018)

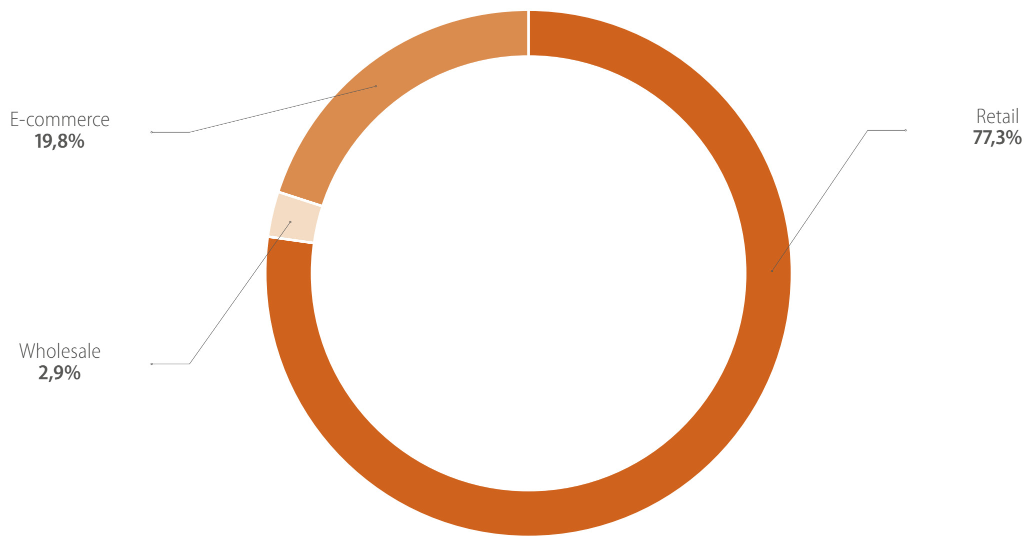
STRUCTURE OF SALES IN THE FIRST HALF OF 2018 (BY VALUE)



FIVE LARGEST COUNTRIES BY SALES REVENUE

- Poland
- Czech Republic
- Hungary
- Germany
- Slovakia

STRUCTURE OF SALES REVENUE IN THE FIRST HALF OF 2018 (BY VALUE)



The Capital Group CCC S.A. („CCC CG", „CCC Capital Group", „CCC Group", „the Group") is the leader in the Polish retail footwear market and is the largest manufacturer in Poland.

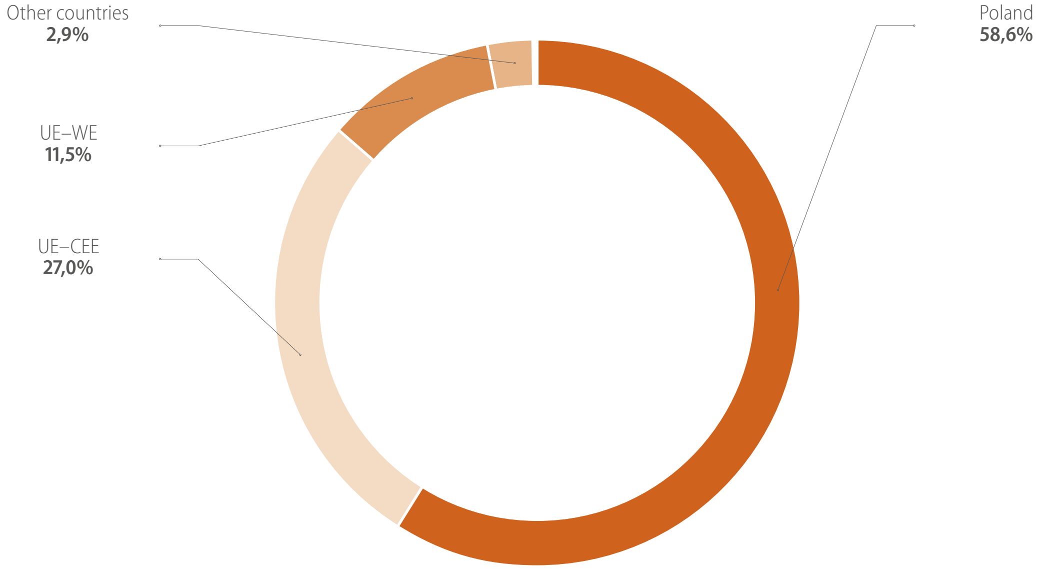
The CCC group comprises 1,164 stores in modern shopping centers and malls in 18 countries, over 14,600 employees, own leather shoes factory and 46 million pairs of shoes sold throughout the year. Fashionable and attractive products are offered to customers in their own stores in Poland, Slovakia, Hungary, the Czech Republic, Austria, Bulgaria, Slovenia, Croatia, Russia, Serbia, Romania, Germany, and in Switzerland under the Vögele Shoes, Bingo and Max brands, and in franchise stores in Moldova, the Baltic countries and Ukraine. In addition, the Capital Group conducts online sales in the following markets: Poland, the Czech Republic, Romania, Hungary, Slovakia, Ukraine, Germany, Bulgaria, Lithuania, Greece, Sweden, Italy, Spain, Switzerland – through the channel e-commerce Vögele Shoes.

In the spring-summer season, the Group currently offers nearly 4,000 shoe patterns, for an autumn-winter season it is about 3,000 designs, which in total over 12 months gives the number of 7,000 footwear designs. The group has a total of 124 registered brands – the most popular brand sold by CCC is the Lasocki brand, available both in CCC offline stores as well as in the e-commerce channel.

CCC S.A. is the parent company of the Group.

The CCC Group operations are currently organized into two segments:
- Segment of manufacturing activities
- Segment of distribution activities
  - Wholesale
  - E-commerce
  - Retail
    - Poland
    - Central and Eastern Europe
    - Western Europe
    - Other countries

STRUCTURE OF SALES IN THE FIRST HALF OF 2018 (BY GEOGRAPHICAL AREA) – RETAIL ACTIVITY



[in mln PLN unless otherwise stated]

1.1.2 THE MOST IMPORTANT EVENTS IN THE FIRST HALF OF 2018

2018

Q1

JANUARY	concluding a franchise agreement with Apparel FZCO for operating a network of 60 CCC stores in Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar and Bahrain
FEBRUARY	opening of the first omnichannel eobuwie store in Wrocław
MARCH	eobuwie starts selling shoes on the Italian market

Q2

APRIL	acquisition of 100% shares in Shoe Express S.A. with headquarters in Bucharest running a network of 55 CCC franchise stores
MAY	eobuwie starts selling footwear on the Spanish market
JUNE	finalization of acquisitions in Poland
	acquisition of 70% of shares in Karl Vögele AG with its registered office in Switzerland, running 208 stores under the Vögele Shoes, Bingo and Max brands
	adoption of the resolution of the AGM of CCC S.A. regarding the payment of dividend for the 2017 financial year
	issue of series 1/2018 bonds

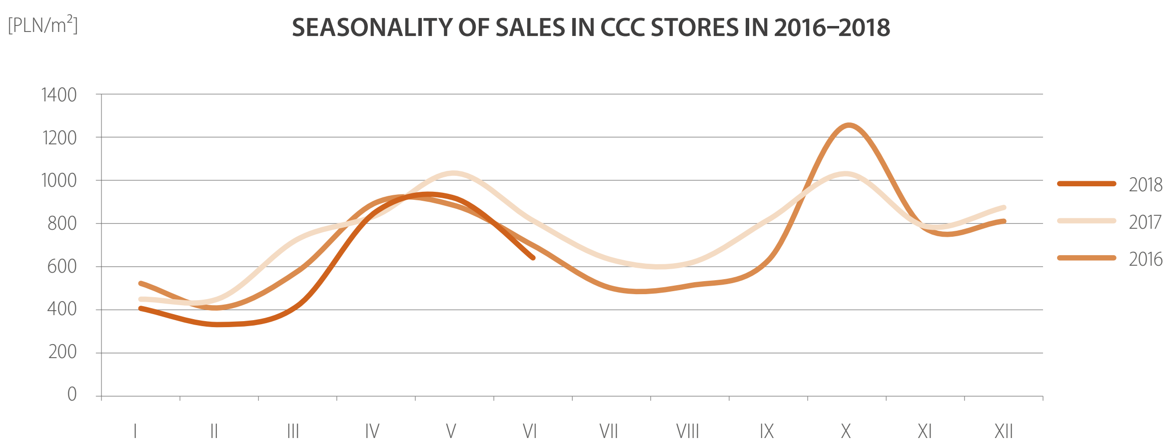
1.1.3 BRIEF DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE ISSUER DURING THE PERIOD COVERED BY THE REPORT, INCLUDING THE LIST OF THE MOST IMPORTANT EVENTS CONCERNING THE ISSUER

In the first half of 2018 the CCC Group:

- opened 41 new stores in 12 countries, including 20 abroad,
- acquired Karl Vögele AG with a network of 208 stores located in Switzerland,
- took over Shoe Express S.A. with a network of 55 CCC stores located in Romania,
- total sales network increased by over 124 thousand m^2 including 87 thousand m^2 as part of the acquisition,
- increased sales revenues by 9.8% compared to the first half of 2017.

1.1.4 SEASONALITY AND WEATHER

Weather conditions and seasonality (peak demand is in Spring and Autumn) has a significant impact on the changes in volume of sales during the financial year. Deviations from normal weather conditions affect sales as they result in changes of customer purchasing decisions and shorten the high season of sales.



[in mln PLN unless otherwise stated]

CHANGES OF EXCHANGE RATES

Part of the CCC Group's costs is denominated in foreign currencies, therefore exchange rates of USD and EUR have an impact on the cost structure. Due to the fact that the Group sells also imported goods, it is exposed to the risk of changes of exchange rates of USD/PLN and EUR/PLN. The Group also grants loans in foreign currencies.

PERIOD (USD/PLN)	HIGHEST	LOWEST	END OF THE PERIOD	AVERAGE
01.2018-06.2018	3,7705	3,3173	3,7440	3,4872
01.2017-06.2017	4,2271	3,7062	3,7062	3,9473
01.2016-06.2016	4,1475	3,7193	3,9803	3,9142

PERIOD (EUR/PLN)	HIGHEST	LOWEST	END OF THE PERIOD	AVERAGE
01.2018-06.2018	4,3616	4,1423	4,3616	4,2201
01.2017-06.2017	4,4157	4,1737	4,4265	4,2706
01.2016-06.2016	4,4987	4,2355	4,4255	4,3680

According to the Management Board of CCC S.A., during the reporting period, there were no factors and events of unusual nature affecting the financial results and operations of the CCC Group.

1.2 PRODUCTS AND BRANDS

PORTFOLIO OF THE CCC GROUP

The CCC Group targets a broad group of customers by offering a wide range of products. Besides women's, men's and kids' footwear, the Group offers handbags and shoe care products as well as other products such as jewellery, fancy goods and cycling accessories.

Footwear is the primary product of the CCC Group. Customers visiting stores have a wide choice of products for every occasion – from casual and sports shoes to elegant leather shoes. Products offered to customers are sold under the Group's own brands as well as under licensed ones – a detailed description of the brands offered is presented later in this subsection.

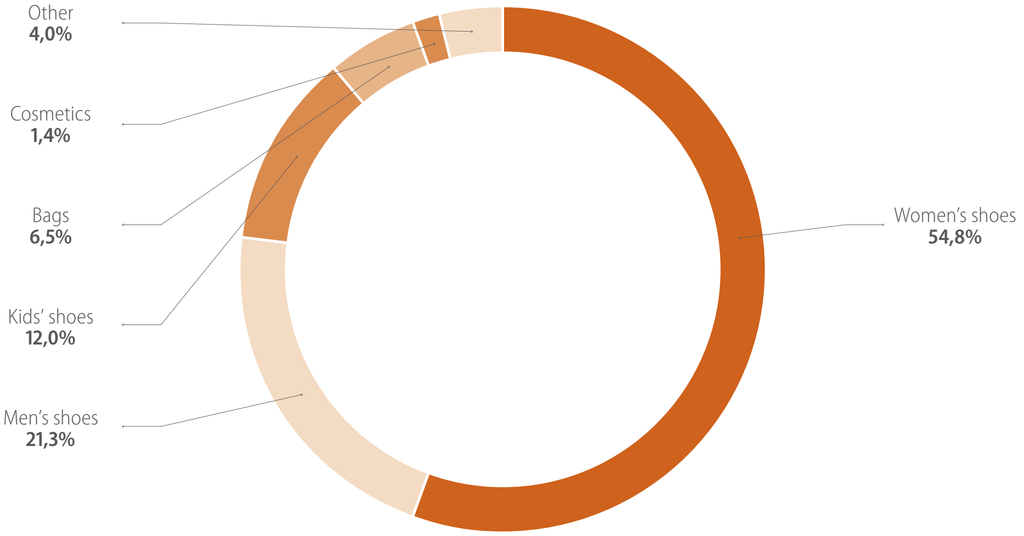
PRODUCT RANGE STRUCTURE

The sales structure by product range remains constant over years – in the first half of 2018 women's footwear accounted for approx. 55% of sales; men's footwear accounted for approx. 21%, and kids' footwear accounted for approx. 12%. Besides footwear, which is the main product, bags account for approx. 7% of sales, and shoe care products for approx. 1%.

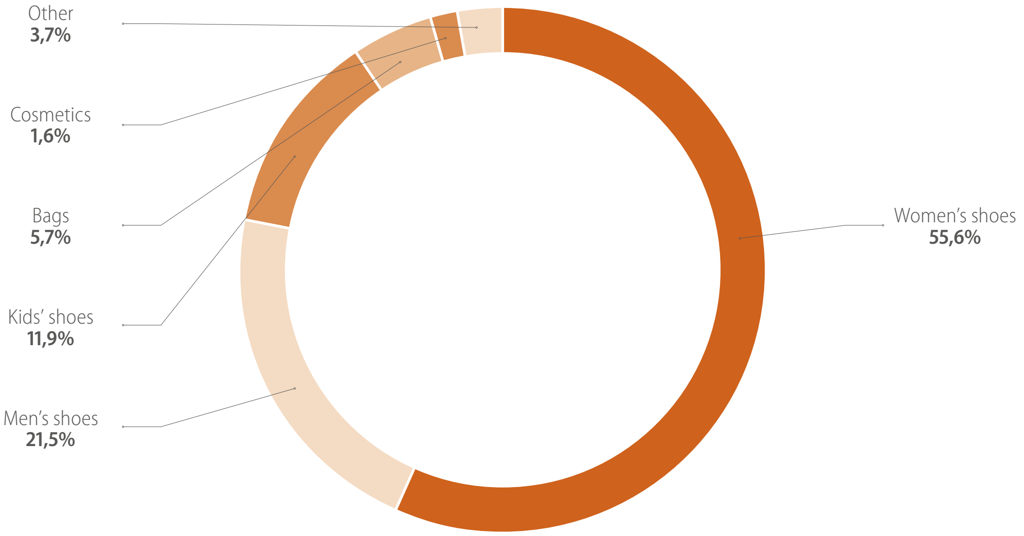
The CCC Group range of products is being constantly expanded, which positively impacts the increase in sales – the variety of products offered allows customers to find a product corresponding to their expectations, making the development of the group of product range increase sales revenues.

The chart below presents a detailed structure of retail sales in particular groups of products in the first half of 2018 and 2017:

STRUCTURE OF SALES IN THE FIRST HALF OF 2018 (BY VALUE)



STRUCTURE OF SALES IN THE FIRST HALF OF 2017 (BY VALUE)



54,8%

Within the product range of women's shoes, the Group offers its customers: ballerinas, boots, flip-flops, sport shoes, low cut shoes, sandals, high-heels and sneakers. Women's footwear is sold under the following brands: Lasocki, Lasocki Comfort, Sprandi, Jenny Fairy, Clara Barson, Bassano, Nylon Red, INBLU, Via Ravia, Quazi and But S. Sales of women's footwear accounted for 54.8% of total revenues (62.2% of revenue from footwear) in the first half of 2018, and 58.7% of total sales of footwear in terms of volume which resulted in sales of 12.9 million pairs of shoes. Compared with the first half of 2017, sales of women's footwear increased by 7.1%.

WOMEN'S SHOES

MEN'S SHOES

21,3%

Within the product range of men's shoes, the Group offers its customers: boots, sports shoes, low cut shoes, sandals and sneakers. Men's footwear is sold under the following brands: Lasocki for men, Sprandi, Ottimo, Gino Lanetti, Vapiano and Cesare Cave. Sales of men's shoes accounted for 21.3% of total revenues (24.2% of revenue from footwear) in the first half of 2018, and 17.9% of total sales of footwear in terms of volume which resulted in sales of 3.9 million pairs of shoes. Compared with the first half of 2017, sales of men's footwear increased by 7.7%.

KIDS' SHOES

12,0%

Within the product range of shoes for kids, the Group offers its customers footwear for both boys and girls for every season of the year. Kids' footwear is sold the under the own brands such as Lasocki, Lasocki Kids, Lasocki Young, Sprandi, Action Boy, Magic Lady, Nelli Blu, Nylon Red, Vapiano, Muflon and under licensed brands, including Mickey and Friends, Spiderman Ultimate, Violetta, Cars, Frozen, Planes, Star Wars, Fairies, Sofia the first, Princess, Avengers and Finding Dory. Sales of kids' footwear accounted for 12.0% of total revenues (13.6% of sales of footwear) in the first half of 2018, and in 21.4% of total sales of footwear in terms of volume which resulted in sales of 4.7 million pairs of shoes. Compared with the first half of 2017, sales of kids' footwear increased by 9.3%.

6,5%

BAGS

Within this group of products, the Group offers its customers bags made of synthetic materials sold under such brands as Jenny Fairy and Lasocki casual for men. Sales of bags accounted for 6.5% of total revenues in the first half of 2018, which in terms of volume resulted in 1.8 million of bags sold. Compared with the first half of 2017 sales of bags increased by 18.4%.

Within its product range of cosmetics, the Group sells products for shoe care. Sales of shoe care accounted for 1.4% of total revenues. Compared with the first half of 2017 sales of shoe care products decreased by 1.8%.

1,4%

SHOE CARE PRODUCTS

4,0%

OTHER

Within the product range of others, the Group sells, among others, following products: jewellery, fancy goods and cycling accessories. Sales of other products accounted for 4.0% of total sales and increased by 15.2%.

1.3 BUSINESS MODEL

1.3.1 DISTRIBUTION

MARKET ENVIRONMENT

Retail activity is the main business segment of the CCC Capital Group which generates 77.3% of total revenues. In this segment, the Group operates in four geographical regions:

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

In these regions, the CCC Group also runs an online business, which accounts for 19.8% of total revenues.

The following is a description of the market environment and competition in the most important regions.

REGION	MARKET SITUATION
Poland	The current economic situation in Poland is stable, with medium development prospects. The level of GDP is growing at a stable pace. In the first quarter of 2018 GDP increased by 5.2% (change to the corresponding quarter of the previous year). Currently, the unemployment rate is the lowest since 1991 and amounts to 5.9% (data for June 2018). In the presented period there were no changes in tax rates concerning the Group's products. In connection with the above macroeconomic data and the continuation of the government's social policy (program 500+), a further increase in the disposable income of consumers is expected. In Poland, Deichmann is the key competitor of the Group in its fixed sales.
Central and Eastern Europe	The current economic situation in Central and Eastern Europe is stable, with moderate growth prospects. The level of GDP per capita is growing at a stable pace, the unemployment rate in the most important countries of the region is in a decreasing trend. In the reporting period there were no changes in tax rates relating to Group's products. The above macroeconomic data allows to expect an increase in disposable income of consumers. In Central and Eastern Europe, Deichmann is the key competitor for the CCC Group.
Western Europe	The current economic situation in Western Europe is stable, with moderate growth prospects. The level of GDP per capita is growing at a stable pace. The unemployment rate remained at a stable level. In the reporting period there were no changes in tax rates relating to Group's products. The above macroeconomic data allows to expect a positive impact on the results achieved by the CCC Group. Deichmann is the key competitor of the Group in Western Europe.

[in mln PLN unless otherwise stated]

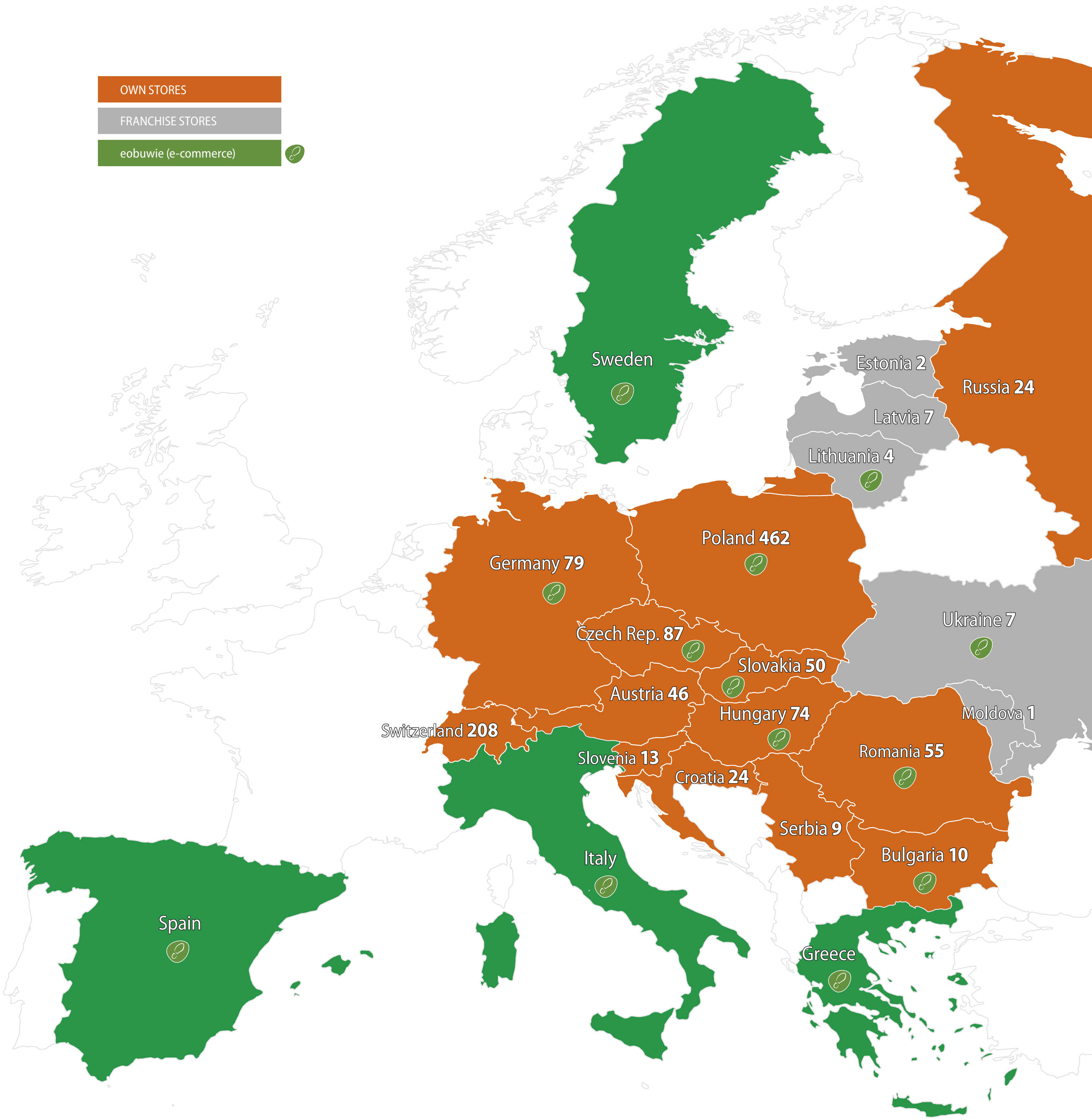
PRESENCE IN THE MARKETS

The main sales market of the CCC Group is Poland. The share of CCC in the very fragmented retail market of footwear in Poland is estimated at around 25%. The main market of the CCC Group is the broadly understood middle customer segment. In terms of the number of stores in Poland, CCC almost twice exceeds the offer of the largest competitors. It is still the widest segment on the national footwear market, calculated on over 130 million pairs of shoes per year.

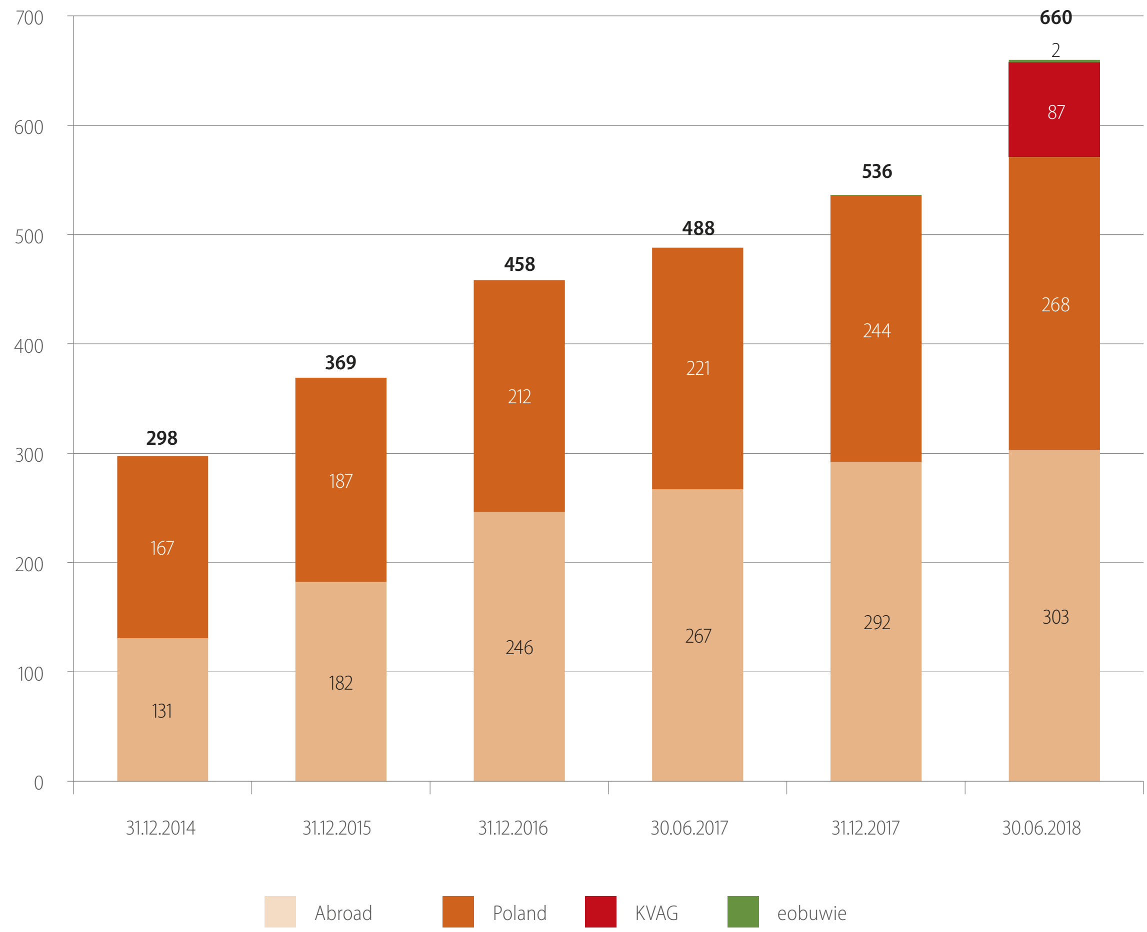
In addition to the Polish market, the CCC Capital Group conducts its operations in the Central and Eastern European region, i.e. in the Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria, Croatia and in Romania; in Western Europe, i.e. in Germany, Austria, Switzerland and other countries – Russia, Serbia, Ukraine, Latvia, Lithuania, Estonia and Moldova.

The stores are located in large shopping centers, alongside major traffic routes and in prestigious urban locations.

	30.06.2018	30.06.2017
TOTAL STORES	1 164	889
OWN STORES CCC	933	819
Poland including:	462	439
agency stores	*40*	*39*
Czech Republic	87	85
Germany	79	77
Hungary	74	71
Romania	55	—
Slovakia	50	44
Austria	46	43
Croatia	24	21
Russia	24	14
Slovenia	13	12
Bulgaria	10	10
Serbia	9	3
FRANCHISE STORES CCC	21	70
Latvia	7	7
Ukraine	7	6
Lithuania	4	3
Estonia	2	1
Moldova	1	—
Romania	—	53
Vögele Shoes	150	—
Bingo	55	—
Max	3	—
eobuwie	2	—


OWN STORES
FRANCHISE STORES
eobuwie (e-commerce)
Sweden
Estonia 2
Russia 24
Latvia 7
Lithuania 4
Poland 462
Germany 79
Czech Rep. 87
Ukraine 7
Slovakia 50
Austria 46
Moldova 1
Switzerland 208
Hungary 74
Romania 55
Slovenia 13
Croatia 24
Serbia 9
Bulgaria 10
Italy
Spain
Greece

CHANGE OF THE FLOOR SPACE OF STORES IN THE YEARS 2014-2018 [thousand m²]



In the first half of 2018, the CCC Capital Group increased the retail space of CCC stores by 35.2 thousand m² net, from 535.8 thousand m² to 571.0 thousand m² at the end of the reporting period. The change in space resulted from the expansion of the existing retail space by opening stores with a total area of 34.1 thousand m², and modernization and extension of the existing retail space by 5.2 thousand m².

During the first half of 2018, 12 CCC stores with a total area of 4.1 thousand m² were closed. In addition, the commercial space of the CCC Capital Group increased by 86.8 thousand m² due to the acquisition of company Karl Vögele. The total area of the CCC Capital Group at the end of June 2018 amounted to 660.1 thousand m².

RETAIL SALES

Retail sales in the chain of own stores at the end of the first half of 2018 took place in Poland, the Czech Republic, Slovakia, Austria, Slovenia, Croatia, Serbia, Russia, Bulgaria, Germany, Romania and Hungary. The total number of CCC brand own stores as at June 30, 2018 amounted to 933. The average floor space of these stores increased by 13 m^2 to 596 m^2 (583 m^2 in 2017). The total floor space of CCC's own stores as at June 30, 2018 amounted to 556.4 thousand m^2 and increased by 12.1% compared to December 31, 2017 (496.3 thousand m^2).

Considering the floor space of stores of the acquired company Karl Vögele, the total area of CCC, Vögele Shoes, Bingo, Max, eobuwie amounted to 645.4 thousand m^2. Revenues from retail sales increased by 4.2% to PLN 1,567.1 million (PLN 1,503.3 million in the first half of 2017) and accounted for 77.3% of total sales. Revenue from retail sales per square meter amounted to PLN 2.85* thousand / m^2 (PLN 3,33 thousand / m^2 in the first half of 2017).

* For the sake of comparability, the data of KVAG and Shoe Express companies were excluded when calculating revenue per m^2 .

The following table presents data on the development of its own network of sales by country (as of 30.06 and 31.12):

CHAIN	TYPE	31.12.2015		30.06.2016		31.12.2016		30.06.2017		31.12.2017		30.06.2018	
		M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER
CCC own	Poland	186 782	410	197 682	422	212 242	436	220 795	439	243 839	448	268 063	462
	agency stores	*16 434*	*40*	*16 617*	*40*	*17 601*	*40*	*18 930*	*40*	*20 892*	*39*	*22 030*	*39*
	Germany	34 920	51	46 792	65	58 127	75	60 671	77	61 114	77	57 272	79
	Hungary	30 462	61	33 949	66	38 040	69	40 607	71	45 247	73	47 620	74
	Czech Republic	36 104	79	37 100	78	39 415	82	41 946	85	44 701	88	44 989	87
	Slovakia	18 852	37	19 530	38	23 104	42	24 180	44	28 198	50	29 581	50
	Austria	14 681	27	16 258	30	23 580	39	26 301	43	27 431	45	28 351	46
	Romania	—	—	—	—	—	—	—	—	—	—	28 005	55
	Russia	—	—	—	—	6 339	11	9 314	14	13 923	19	18 168	24
	Croatia	7 314	13	11 268	19	11 842	20	12 342	21	13 561	23	14 018	24
	Slovenia	4 603	8	5 083	9	6 272	11	6 882	12	7 687	13	7 687	13
	Bulgaria	3 875	6	4 412	7	5 665	9	6 562	10	6 562	10	6 562	10
	Serbia	—	—	—	—	1 089	2	1 917	3	4 078	6	6 061	9
TOTAL OWN		337 593	692	372 074	734	425 715	796	451 517	819	496 341	852	556 377	933

WHOLESALE

The franchise partners targeted at wholesale sales at the end of the first half of 2018 were present in Estonia, Ukraine, Latvia, Lithuania and Moldova. The total number of franchise stores as at June 30, 2018 amounted to 21. The average floor space of these stores increased by 155 m^2 to 696 m^2 (541 m^2 in 2017). The total floor space of franchise stores on June 30, 2018 amounted to PLN 14.6 thousand m^2 and decreased by 63.0% compared to 31 December 2017 (39.5 thousand m^2), mainly due to the takeover by the CCC Group of franchise stores in Romania. These stores from the date of acquisition are reported in the retail segment. Wholesale revenues fell by 28.8% to PLN 58.8 million (PLN 82.6 million in the first half of 2017) and accounted for 2.9% of total sales. Sales revenue per square meter decreased by 20.3% to to PLN 1.81* thousand / m^2 (PLN 2.27 thousand / m^2 in the first half of 2017).

* For the sake of comparability, Shoe Express's area was calculated in proportion until the date of acquisition.

The table below presents development data of CCC franchise chain and other (data as of 30.06 and 31.12):

CHAIN	TYPE	31.12.2015		30.06.2016		31.12.2016		30.06.2017		31.12.2017		30.06.2018	
		M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER
CCC Franchise	Ukraine	2 237	5	2 237	5	2 709	5	3 827	6	3 827	6	5 027	7
	Latvia	3 232	7	3 232	7	3 281	7	3 809	7	4 409	7	4 409	7
	Lithuania	1 187	2	1 787	3	1 787	3	1 787	3	2 657	4	2 657	4
	Estonia	—	—	724	1	724	1	724	1	724	1	1 774	2
	Moldova	—	—	—	—	—	—	—	—	740	1	740	1
	Romania	19 325	42	20 695	44	24 386	50	26 290	53	27 148	54	—	—
	Russia	3617	8	4655	9	—	—	—	—	—	—	—	—
TOTAL FRANCHISE		29 598	64	33 330	69	32 887	66	36 437	70	39 505	73	14 607	21
CCC CHAIN TOTAL		367 191	756	405 404	803	458 602	862	487 954	889	535 846	925	570 984	954

CHAIN	TYPE	31.12.2015		30.06.2016		31.12.2016		30.06.2017		31.12.2017		30.06.2018	
		M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER	M²	NUMBER
Vögele Shoes	Switzerland	—	—	—	—	—	—	—	—	—	—	70 736	150
Bingo	Switzerland	—	—	—	—	—	—	—	—	—	—	15 192	55
Max	Switzerland	—	—	—	—	—	—	—	—	—	—	846	3
eobuwie	Poland	—	—	—	—	—	—	—	—	347	1	2 297	2
CCC GROUP TOTAL		367 191	756	405 404	803	458 602	862	487 954	889	536 193	926	660 055	1 164

ONLINE SALES

In the CCC Group, online sales are carried out by eobuwie.pl S.A. and Karl Vögele AG, additionally CCC has launched click&collect service that allows to order goods online and pick up at the selected store. At the end of June 2018, eobuwie.pl operated in Poland, Germany, the Czech Republic, Slovakia, Romania, Hungary, Ukraine, Bulgaria, Lithuania, Greece, Sweden, Spain and Italy, and Karl Vögele AG in Switzerland. Revenues from online sales amounted to PLN 400.3 million and accounted for 19.8% of total sales in the first half of 2018.

1.3.2 LOGISTICS

Development of the Group, the increase in demand for its products and increasing distribution performance requirements contributed to the realization of the largest investment in the history of the Group – the building of the Logistics Centre, located in the Legnica Special Economic Zone (LSEZ) in Polkowice. The Logistics Centre is a modern complex of large-format objects.

The most important part of the Logistics Centre is the fully automated mini-load high storage warehouse, with a total area of 23.1 thousand m^2, which is able to store 5 million pairs of shoes, which constitutes more than 500 thousand cartons of different dimensions. It is the largest of its kind in Central Europe. The investment was in 40% financed with EU funds from the Innovative Economy programme.

The New Distribution Centre, in conjunction with the existing sorting plant is able to handle more than 100 thousand cartons (approx. 1.1 million pairs of shoes) during two working shifts. The process of mechanization provides handling for future development and is essential for the further development of the logistics processes. In addition, it allows for the optimization of storage space, which is currently 82.3 thousand m^2.

The result of the organizational restructuring of CCC S.A. was the CCC Group leaving the logistics service in the parent company and providing them to all related parties.

Currently, one of the warehouses is undergoing expansion, which involves the installation of rack storage on an additional surface. The number of racks will increase by more than 60 thousand. Additional storage area will allow to store approximately 10 million pairs (capacity increase by +50%).

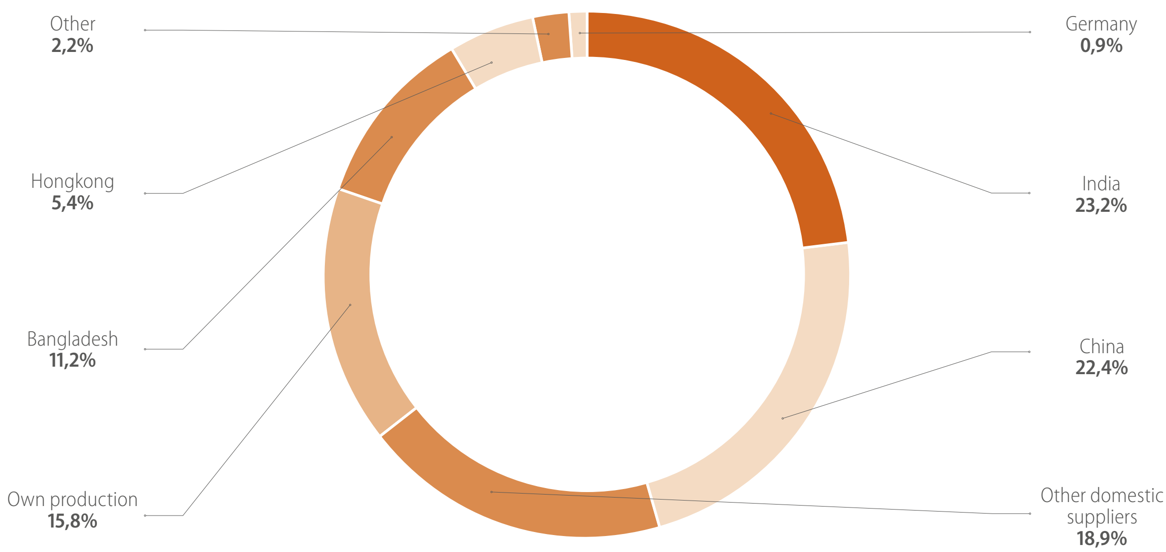
EOBUWIE WAREHOUSES

Eobuwie.pl has started the construction of a new logistics center in the Lubuski Industrial Park in Zielona Góra. The investment will strengthen the development in 13 European markets where the company is present. The new center will also improve logistics services for entities from the CCC Group, including online sales of the CCC offer and other companies belonging to the Group. In 2019, the first facility with an area of nearly 40 thousand m^2 will be commissioned, and the target area will amount to 150 thousand m^2.

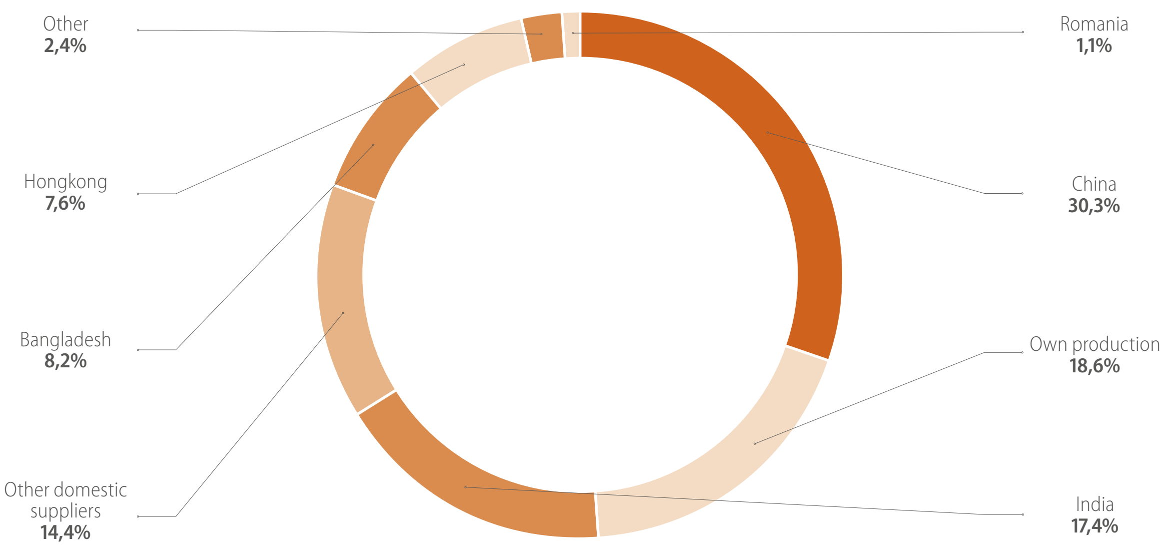
1.3.3 MANUFACTURING AND SUPPLIERS

The company CCC.eu Sp. z o.o. is the supplier of goods to the CCC Group. The company acquires goods from domestic and foreign suppliers and from the Group's factory (CCC Factory Sp. z o.o.).

TERRITORIAL STRUCTURE OF FOOTWEAR PURCHASES IN THE FIRST HALF OF 2018 (VALUE)



TERRITORIAL STRUCTURE OF FOOTWEAR PURCHASES IN THE FIRST HALF OF 2017 (VALUE)



FOOTWEAR

Footwear, the main product of the CCC Group is imported from Asia (62.2% of the total footwear purchases), produced in its own factory (15.8%), purchased from domestic suppliers (18.9%) and in other countries (3.1%). The main direction of imports of footwear from Asia is India (23.2% of the total value of footwear imports), from where deliveries come from dozens of manufacturers.

BAGS, SHOE CARE PRODUCTS AND OTHERS

The CCC Group sells also bags, shoe care products, jewellery, fancy goods and cycling accessories. All of these goods are purchased from external suppliers. In particular, bags are imported from Asia, while other goods are obtained from European markets.

1.4 LISTING OF SHARES ON WSE

The company CCC has been listed on the Warsaw Stock Exchange for almost 14 years. As at 30 June 2018, one share of CCC was valued at PLN 207.00, which translated into the capitalization of the CCC Group in the amount of PLN 8.5 billion. The highest price in the year (according to the closing rate) amounted to PLN 309.00, while the lowest one was PLN 207.00. The maximum transaction price in the first half of 2018 amounted to PLN 312.00, while the minimum price was PLN 205.00.

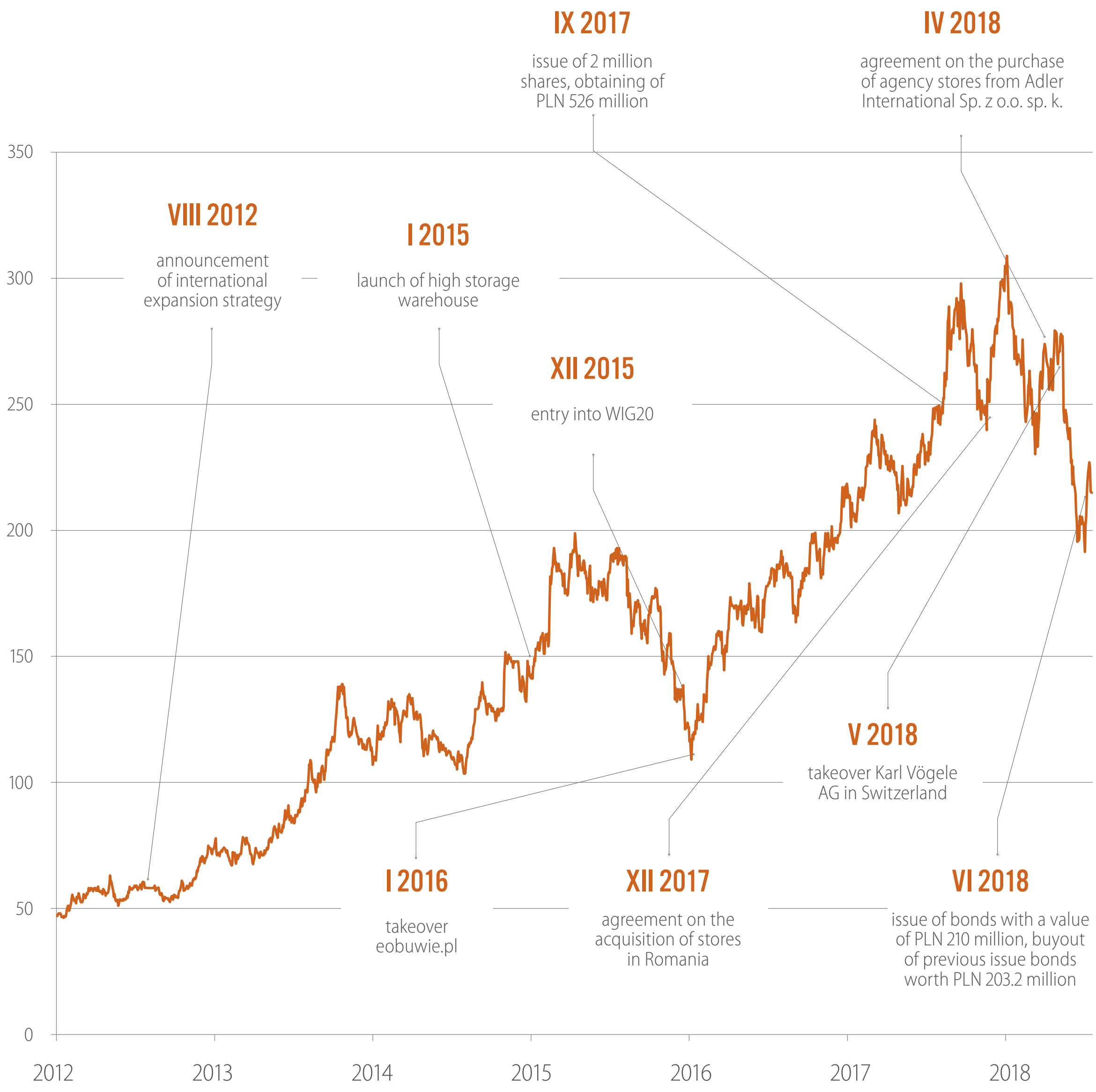
From the beginning of quotations, the price of one CCC share increased by over 2000% from PLN 9.50 (issue price from December 2, 2004) to PLN 207.00 at the closing of the session on June 30, 2018.

The Ordinary General Meeting of the Company adopted a resolution on the distribution of profit for 2017 and payment of dividends to shareholders in the amount of PLN 94.7 million, i.e. PLN 2.30 per share.

SHARE PRICE OF CCC S.A. IN THE REPORTING PERIOD (01.01.2018 to 30.06.2018)

CCC SHARE PRICE FROM ITS IPO UNTIL THE END OF THE REPORTING PERIOD

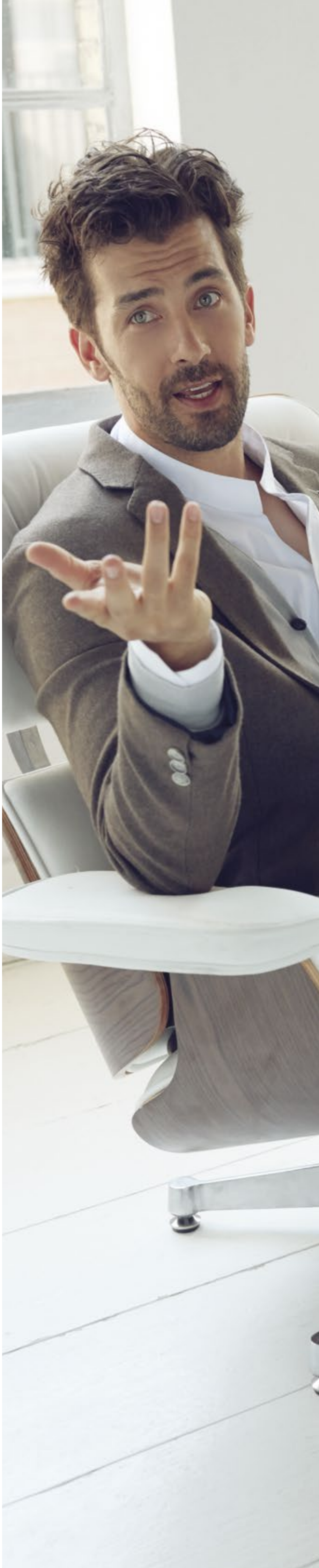
THE MOST SIGNIFICANT EVENTS AGAINST THE QUOTATIONS OF CCC SHARE PRICE IN WSE IN THE REPORTING PERIOD



REPORTING CALENDAR

9 November 2018	Consolidated quarterly report for Q3 2018

2.
ANALYSIS OF SELECTED FINANCIAL RESULTS OF THE CCC GROUP




CCC
SHOES & BAGS

2.1
ANALYSIS OF SELECTED FINANCIAL AND OPERATING DATA

2.1.1 FINANCIAL RESULTS OF THE CCC GROUP

2.1.1.1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVENUE, COST OF GOODS SOLD AND GROSS PROFIT

HOW WE DEFINE PARTICULAR COMPONENTS OF THE FINANCIAL RESULT

Sales revenue comprises revenue from sales of goods, products and sublease services obtained in the normal course of business and revenues from sale of logistics and accounting services for CCC.eu sp. z o.o. Data on revenue by segment included in the tables below represent the sales to external customers – intragroup sales were excluded and consolidation adjustments were included so that the value of revenue was the same as the revenue reported in the consolidated financial statement.

As **cost of goods sold** the Group recognizes: the value of goods sold, the value of packages sold, the cost of the provision concerning claims and returns, the value of finished goods sold, the cost of sublease services, the cost of logistics and accounting services, impairment of inventories and impairment of tangible and intangible assets used in manufacturing of goods or providing services (depreciation of manufacturing machines).

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

In addition, in the analysis we use metrics such as **revenue per m^2 of floor space** and **like-for-like sales** – definitions of these measures are included in the tables below.

The company CCC S.A. focuses mainly on the retail distribution of goods on the territory of Poland. In addition, it also provides logistic and accounting services to CCC.eu. Distribution of goods in the retail channel outside Poland is carried out by subsidiaries that operate in the Czech Republic, Slovakia, Slovenia, Croatia, Austria, Serbia, Bulgaria, Russia, Germany, Romania, Hungary and Switzerland. The production of footwear for the needs of the Group is carried out by CCC Factory. The sales in e-commerce channel is carried out by eobuwie.pl and Karl Vögele AG.

Our sales revenue were as follows:

	SALES REVENUE [1]		CHANGE %	REVENUE PER 1 m^2 OF FLOOR SPACE (IN THOUSAND PLN) [2]	
	01.2018-06.2018	01.2017-06.2017		01.2018-06.2018	01.2017-06.2017
Poland	919,2	922,9	-0,4%	3,43	4,18
CEE	422,4	370,9	13,9%	2,54[3]	2,80
Western Europe	179,8	180,3	-0,3%	1,87[3]	2,07
Other countries	45,7	29,2	56,5%	1,89	2,60
Retail activities	1 567,1	1 503,3	4,2%	2,85[3]	3,33
Wholesale	58,8	82,6	-28,8%	1,81[4]	2,27
E-commerce	400,3	259,9	54,0%		
Other activities	—	—	—		
Manufacturing	0,2	0,4	-50,0%		
TOTAL	2 026,4	1 846,2	9,8%		

[1] Sales revenue includes only sales to external customers.

[2] Revenue per 1m^2 of floor space is calculated by dividing the value of revenues for the period of 6 months of a given year by the number of m^2 of floor space as at the balance sheet date.

[3] For comparability purpose, the data of KVAG and Shoe Express companies were excluded when calculating revenue per m^2.

[4] For comparability purpose, Shoe Express floor space was calculated in proportion to the date of acquisition.

Revenues from sales in the first half of 2018 amounted to PLN 2,026.4 million, an increase of PLN 180.2 million (9.8%) compared to the same period of the previous year. The increase in sales was mainly due to the development of operations and expansion on individual retail markets especially in Poland. Total retail sales revenues in the first half of 2018 accounted for 77.3% of the total sales from external customers, at 2.9% of wholesale sales, 19.8% of sales in the e-commerce channel. Poland still remains the biggest sales market, whose share in total sales in the first half of 2018 amounted to 45.4% compared to 50.0% in the same period of 2017.

Year-on-year, sales revenues to external customers have increased in all markets. The Group maintains high retail sales per 1 m^2 – during the last six months such sales amounted to PLN 2.85* thousand / m^2 (PLN 3.33 thousand / m^2 in the first half of 2017) with an increase in the average area of the CCC store by 9.3% to 602* m^2.

The amount of revenue generated is affected by the change in sales in existing retail units and changes resulting from the opening and closing of retail units. Data on sales breakdown by continuing and newly opened or closed units are as follows:

* only retail companies without taking into account Shoe Express Karl Vögele AG.

	LIKE-FOR-LIKE STORES [1]			CHANGE %	OTHER STORES [2]	
	NUMBER	2018	2017		2018	2017
Poland	339	678,6	747,3	-9,2%	240,6	175,6
CEE	208	309,3	331,6	-6,7%	113,1	39,3
Western Europe	107	137,7	163,6	-15,8%	42,1	16,7
Other countries	11	19,5	18,9	3,2%	26,2	10,3
TOTAL	665	1145,1	1261,4	-9,2%	422,0	241,9

[1] Like-for-like stores include stores which operated continuously during the first half of year 2017 and 2018.

[2] All other stores, including stores newly opened in the current or previous period; stores closed in the current or previous period; and stores that had a break in the activity.

* excluding stores in Romania – own stores since 26.04.2018

In total, in relation to the described periods, the drop in sales in like-for-like stores was recorded, which amounted to PLN 116.3 million (-9.2%). Falls in like-for-like stores were recorded in the following markets: Poland – 9.2%; Central and Eastern Europe – 6.7%; Western Europe – 15.8%.

The increase in like-for-like stores were recorded in Russia and Serbia, hence in the group of other countries, and it amounted to 3.2%.

Retail sales revenues in Poland in the first half of the year 2018 amounted to PLN 919.2 million, which was a decrease by 3.7 PLN million (-0.4%) in relation to the like-for-like period of previous year and is due to like-for-like sales in CCC stores of PLN – 68.7 million (-9.2%) and sales in other stores of PLN +65.0 million (+37.0%). In the same period, CCC stores were opened and expanded in Poland with a total area of 26.3 thousand m^2, and stores with a total area of 2.1 thousand m^2 were closed.

In the whole segment of Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bulgaria, Romania) sales revenues amounted to PLN 422.4 million, increasing by PLN 51.5 million (+13.9%) compared to the previous period. In the same period, stores with a total net area of 3.9 thousand m^2 were opened in Central and Eastern Europe.

The largest market in this segment in terms of revenues is the Czech Republic, which is responsible for 6.7% of total revenues from external customers. In the first half of 2018, sales to external customers in the Czech Republic amounted to PLN 135.5 million and increased by PLN 3.6 million (+2.7%) compared to the first half of 2017. In the analyzed period, 1 store with a floor space of 0.7 thousand m^2 was opened in the Czech Republic.

Hungary is the second largest market with a share in total revenues of 5.2%. Revenues from external customers achieved in this market in the first half of 2018 amounted to PLN 105.1 million and increased by PLN 8.6 million (+8.9%) compared to the first half of 2017. In the analyzed period in Hungary, shops with a total net floor space of 2.0 thousand m^2 were opened.

Important markets in Central and Eastern Europe include the Slovak market with a 3.7% share in the sales revenue structure (PLN 75.9 million), which noticed a drop in sales of PLN 1.8 million (-2.3%). In Slovakia, in the first half of 2018, 1 store with a floor space of 0.8 thousand m^2 was opened.

Among other markets in this group of countries, we achieved changes in sales revenues of several percent, and in Slovenia, sales grew by 5.1%, Bulgaria by 1.9%, while in Croatia dropped by – 3.6%.

In the Western Europe segment, the largest market in the first half of 2018 was the German market. In Germany, sales revenue from external customers amounted to PLN 97.0 million and decreased from the previous period by 12.3% from PLN 110.6 million. Whereas, the Austrian market generated sales revenues from external customers at the level of PLN 63.0 million – a decrease by 9.7% from PLN 69.8 million compared to the comparable period. In this period, 3 stores (3.4 thousand m^2) and 1 store (0.4 thousand m^2) were opened in Germany and Austria respectively.

In the other countries, the dominating market is Russia, which accounts for 1.8% of total revenues from external customers. In the first half of 2018, sales to external customers in Russia amounted to PLN 37.3 million. The second market within this segment is Serbia with sales accounting for 0.4% of total revenues from external customers. In the first half of 2018, in Serbia, sales to external customers amounted to PLN 8.4 million.

The Group achieved sales revenue in the e-commerce channel in the first half of 2018 at PLN 400.3 million, an increase of 54.0% from PLN 259.9 million.

In the first half of 2018 sales to external customers in the wholesale segment amounted to PLN 58.8 million and decreased by 28.8% compared to the first half of 2017. As part of this activity, we service sales of entities operating in Lithuania, Latvia, Estonia, Ukraine and Moldova.

[in mln PLN unless otherwise stated]

GROSS PROFIT

As a result of our activity we achieved the following gross profit:

	01.2018-06.2018	01.2017-06.2017	CHANGE %
Sales revenue from external clients	2 026,4	1 846,2	9,8%
Cost of goods sold	(977,9)	(907,8)	7,7%
Cost of purchase of goods sold	(857,3)	(759,0)	13,0%
Cost of manufacturing goods sold	(119,9)	(152,8)	-21,5%
Write-down on inventories	(0,7)	4,0	—
Gross profit on sales	1 048,5	938,4	11,7%

Gross profit by each segment was as follows:

	GROSS PROFIT ON SALES		CHANGE %	GROSS MARGIN	
	01.2018-06.2018	01.2017-06.2017		01.2018-06.2018	01.2017-06.2017
Poland	482,3	461,7	4,5%	52,5%	50,0%
CEE	249,5	215,1	16,0%	59,1%	58,0%
Western Europe	108,8	104,8	3,8%	60,5%	58,1%
Other countries	24,5	15,8	55,1%	53,6%	54,1%
Retail activities	865,1	797,4	8,5%	55,2%	53,0%
E-commerce	165,0	108,2	52,5%	41,2%	41,6%
Wholesale	18,6	32,8	-43,3%	31,6%	39,7%
Manufacturing	(0,2)	—	—	nd.	nd.
TOTAL	1 048,5	938,4	11,7%	51,7%	50,8%
Unallocated to segments	—	—	—		
TOTAL	1 048,5	938,4	11,7%	51,7%	50,8%

The consolidated gross profit on sales of the Group increased by 11.7% and in the first half of 2018 amounted to PLN 1,048.5 million. The higher growth rate of sales revenue +9.8%, resulting, inter alia, from acquisition compared to the cost of own sales +7.7% caused an increase in the gross margin on sales by 0.9 pp. compared to the previous period.

The margin in the retail sales segment in the first half of 2018 amounted to 55.2% and increased by 2.2 pp. compared to the like-for-like period.

[in mln PLN unless otherwise stated]

COST OF OPERATING STORES/ WHOLESALE AND SEGMENTS RESULT

HOW WE DEFINE PARTICULAR COMPONENTS OF THE FINANCIAL RESULT

Cost of operating stores include the cost of maintenance of stores. This item includes mainly fees under operating lease of premises in which stores are operated; depreciation of tangible fixed assets; amortization of intangible assets; costs of external services; cost of remuneration of store employees ; and other flat costs.

RESULT OF SEGMENTS (EXCLUDING IFRS 16)

01.2018-06.2018	SALES REVENUE	GROSS PROFIT ON SALES	COST OF OPERATING STORES	OTHER COST OF SALES	PERFORMANCE OF SEGMENT
Poland	919,2	482,3	(266,8)	(87,0)	128,5
CEE	422,4	249,5	(181,1)	(44,7)	23,7
Western Europe	179,8	108,8	(158,2)	(27,4)	(76,8)
Other countries	45,7	24,5	(21,7)	(3,7)	(0,9)
Retail activities	1 567,1	865,1	(627,8)	(162,8)	74,5

01.2017-06.2017	SALES REVENUE	GROSS PROFIT ON SALES	COST OF OPERATING STORES	OTHER COST OF SALES	PERFORMANCE OF SEGMENT
Poland	922,9	461,7	(247,3)	(62,6)	151,9
CEE	370,9	215,1	(139,4)	(40,0)	35,7
Western Europe	180,3	104,8	(139,3)	(19,6)	(54,1)
Other countries	29,2	15,8	(12,1)	(2,0)	1,8
Retail activities	1 503,3	797,4	(538,1)	(124,2)	135,3

[in mln PLN unless otherwise stated]

Changes in gross profit, costs of operating stores and segment result between the first half of 2018 and the corresponding period of 2017 are shown in the table below:

CHANGE %	SALES REVENUE	GROSS PROFIT ON SALES	COST OF OPERATING STORES	OTHER COST OF SALES	PERFORMANCE OF SEGMENT
Poland	-0,4%	4,5%	7,9%	39,0%	-15,4%
CEE	13,9%	16,0%	29,9%	11,8%	-33,6%
Western Europe	-0,3%	3,8%	13,6%	39,8%	42,0%
Other countries	56,5%	55,1%	79,3%	85,0%	na.
Retail activities	4,2%	8,5%	16,7%	31,1%	-44,9%

The generated gross profit covers the costs of operating stores and creates the segment result. In the first half of 2018, compared to the previous period, the costs of operating stores increased by PLN 89.7 million, and the result of the retail segment decreased by PLN 60.8 million.

Costs of operating stores were as follows:

	01.2018-06.2018	01.2018-06.2018 EXCLUDING IFRS 16	01.2017-06.2017	CHANGE %
Remuneration and other employee benefits	(223,5)	(223,5)	(203,9)	9,6%
Agency services	(20,6)	(20,6)	(23,9)	-13,8%
Lease costs	(42,5)	(265,3)	(226,5)	17,1%
Amortization and depreciation	(263,2)	(38,8)	(27,9)	39,1%
Taxes and fees	(3,4)	(3,4)	(2,5)	36,0%
Consumption of materials and energy	(29,4)	(29,4)	(20,2)	45,5%
Other flat costs	(46,8)	(46,8)	(33,2)	41,0%
TOTAL	(629,4)	(627,8)	(538,1)	16,7%

In the first half of 2018, the most important cost item of the CCC Group (excluding IFRS 16) was the cost of operating stores, which, as compared to the previous year, increased by PLN 89.7 million (+16.7%) to PLN 627.8 million. The main reason for the increase in the operating costs of stores was the increase in floor space by 76.9* thousand m² (yoy 17.0%). Along with the market expansion and the opening of new retail units, most items in the operating costs of store increased, with the most significant being rental costs and staff costs (sales staff and other store employees), representing 42.3% and 35.6% of the total operating costs of store, respectively.

* does not include the floor space of acquired companies Shoe Express and KVAG.

In order to analyze and compare the individual results of stores, the Group uses the cost-per-square meter of retail space. In total, the operating costs of store per square meter between the first half of 2017 and 2018 dropped – in 2018 this ratio amounted to PLN 1.18 thousand / m², and in 2017, PLN 1.23 thousand / m² (excluding the IFRS 16 standard and the acquired Shoe Express and KVAG companies). The most favourable cost / m² ratio was recorded in Central and Eastern Europe and the least favourable in Western Europe.

[in mln PLN unless otherwise stated]

THE IMPACT OF OTHER INCOME AND COSTS

HOW WE DEFINE PARTICULAR COMPONENTS OF THE FINANCIAL RESULT

Other costs of sales include the costs of organizational units supporting sale and development of the sales network, including the costs of the expansion department, regional managers, the costs of logistics department, and marketing.

Administrative expenses include expenses relating to management of all operations of the Group (the costs of financial and accounting departments, administration department, costs of the Management Board) and general expenses.

Other operating income and costs include income and costs of non-core business activities of the operating units, e.g. profits or losses on disposal of tangible fixed assets, penalties and fines, donations, etc.

Finance income includes the following items: interest income from current account and others; the result on exchange rate differences and other finance income.

Finance cost includes the following costs: interest on loans; commissions paid and other finance costs.

Income tax includes accrued tax and deferred tax.

When presenting **adjusted net profit** the Group excludes items that according to the Management Board are of a one-off nature and are not taken into account when assessing performance and in making decisions. Adjusted net profit is not an IFRS measure. More information on the measure is presented on page 32.

	01.2018-06.2018	01.2018-06.2018 EXCLUDING IFRS 16	01.2017-06.2017	CHANGE %
Performance of segment	137,3	138,9	205,3	-32,4%
Administrative expenses	(81,8)	(81,8)	(44,3)	84,7%
Other cost and revenue	67,4	68,2	2,9	>100%
Operating profit	122,8	125,3	163,9	-23,6%
Net finance cost and revenue	(47,7)	5,6	(34,1)	—
Profit before tax	75,1	130,9	129,8	0,8%
Income tax	(9,3)	(16,8)	(16,7)	0,6%
Net profit	65,8	114,1	113,1	0,9%
Adjusted net income [1]	86,9	135,2	115,1	17,5%

[1] Adjusted net profit is the Company's own performance measure (data not verified by the auditor) – the explanation of this measure is included on p. 54.

Other operating expenses and revenues (excluding IFRS 16) accounted for PLN 25.2 million and PLN 93.4 million, respectively, which in net terms amounted to PLN 68.2 million on the revenue side, compared to PLN 2.9 million in the previous year also on the revenue side. The main reason for the change in the first half of 2018 to the first half of 2017 was acquisition of Karl Vogele AG in the amount of PLN 80.4 million.

As a result of the factors described above, the CCC Group generated the operating result in the first half of 2018 in the amount of PLN 125.3 million. Compared to the corresponding period of 2017, it was lower by 23.1%.

FINANCE INCOME AND COSTS

IIn the first half of 2018, net financial revenues and costs (excluding IFRS 16) amounted to PLN 5.6 million on the revenue side, which was an increase of PLN 39.7 million (PLN 34.1 million in the comparable period of 2017). The main reason for growth was the valuation of forward contracts in the amount of PLN 15.0 million. Income tax in the first half of 2018 amounted to (excluding IFRS 16) 16.8 million PLN, compared to 16.7 million PLN in the comparable period ofthe previous year. After taking into account financial revenues and costs, and income tax net profit (excluding IFRS 16) amounted to PLN 114.1 million and was 41.8% lower than in the first half of 2017.

The alternative performance measures used by the Management Board are EBITDA and adjusted net profit.

EBITDA is a measure used primarily for the analysis of debt due to covenants imposed by the lending banks and is not verified by the auditor. For more information on the EBITDA measure, please refer to section 2.2.1. „Debt and liquidity of the CCC Group".

Adjusted net profit is calculated based on the net profit adjusted for items which, according to the Management Board, are of a one-off nature and are not taken into account when assessing performance and when making decisions. Below there is a list of items excluded from net income together with an explanation:

NON-CASH ITEMS

- Deferred tax concerning trademark and goodwill – includes temporary differences which resulted from business restructuring of the Group.
- Deferred tax concerning the investment relief – this item concerns temporary differences which resulted from investments undertaken in CCC Group.
- Cost of incentive scheme – this item includes costs of the incentive program operating in the CCC Group

[in mln PLN unless otherwise stated]

RECONCILIATION OF ADJUSTED NET PROFIT

	01.2018-06.2018	01.2018-06.2018 EXCLUDING IFRS 16	01.2017-06.2017
Net profit	65,8	114,1	113,1
Effects of business restructuring	—	—	—
Recognition of a deferred tax asset relating to the trademark, goodwill and investment relief	(2,0)	(2,0)	(2,0)
Consultancy costs	—	—	—
Costs of the incentive program	(19,1)	(19,1)	—
Adjusted net income *	86,9	135,2	115,1

* data not verified by the auditor

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

Overview of the main items of our statement of financial position is as follows:

	30.06.2018	30.06.2018 EXCLUDING IFRS 16	31.12.2017	CHANGE %
Fixed assets, and including:	3 921,9	1 460,6	1 154,1	26,6%
Tangible fixed assets	1 026,7	1 026,7	787,0	30,5%
Deferred tax assets	75,9	68,4	63,4	7,9%
Current assets, and including:	3 026,8	3 026,8	2 215,8	36,6%
Inventories	1 845,3	1 845,3	1 417,7	30,2%
Cash and cash equivalents	709,2	709,2	511,6	38,6%
TOTAL ASSETS	6 948,7	4 487,4	3 369,9	33,2%
Non-current liabilities, and including:	3 103,6	1 136,6	1 277,8	-11,1%
Debt liabilities	210,0	210,0	436,0	-51,8%
Current liabilities, and including:	2 678,8	2 136,2	923,8	>100%
Debt liabilities	1 046,4	1 046,4	481,1	>100%
Trade liabilities and other liabilities	1 064,0	1 064,0	402,4	>100%
TOTAL LIABILITIES	5 782,4	3 272,8	2 201,6	48,7%
EQUITY	1 166,3	1 214,6	1 168,3	4,0%

[in mln PLN unless otherwise stated]

	TANGIBLE FIXED ASSETS		CHANGE %	
	30.06.2018	31.12.2017	VALUE OF TANGIBLE FIXED ASSETS	CHANGE OF FLOOR SPACE
Investment in stores	607,7	393,0	54,6%	30,0%
Land, buildings and constructions	195,6	219,4	-10,9%	
Machines and equipment	76,7	68,6	11,8%	
Tangible fixed assets in progress	67,6	35,8	88,8%	
Factory and distribution	339,9	323,8	5,0%	
Other	79,1	70,2	12,7%	
TOTAL	1 026,7	787,0	30,5%	

NON-CURRENT ASSETS

HOW WE DEFINE PARTICULAR COMPONENTS OF ASSETS

Tangible fixed assets include: investments in non-proprietary fixed assets (namely, investments in leased stores which are used for sales of retail goods); fixed assets used in production and distribution activities and other.

Deferred tax assets and liabilities are recognized (i) as a result of arising differences between the book values of assets and liabilities and the corresponding tax values, and (ii) in respect of unused tax losses.

Fixed assets as at June 30, 2018 amounted to PLN 3,921.9 million, of which the largest item is the right to use the asset in the amount of PLN 2453.8 million (including IFRS 16). The value of non-current assets (excluding IFRS 16) amounted to PLN 1,460.6 million, they comprised of tangible fixed assets (PLN 1026.7 million), intangible assets (PLN 213.7 million), goodwill (PLN 149.9 million) and assets due to deferred tax (PLN 68.4 million). The value of fixed assets (excluding IFRS 16) increased by 26.6% to PLN 1460.6 million compared to December 31, 2017, the main reason for the increase is investment in stores by 54.6% (PLN 214.7 million).

Deferred tax assets recognized as at June 30, 2018 amounted to PLN 75.9 million (PLN 68.4 million excluding IFRS 16). The main item concerns the recognition of deferred tax assets in connection with the acquisition of trademarks (PLN 25.7 million). A detailed description of recognizing deferred tax assets and liabilities is included in Note 3.3 c to the consolidated financial statements.

[in mln PLN unless otherwise stated]

CURRENT ASSETS

HOW WE DEFINE PARTICULAR COMPONENTS OF ASSETS

Inventories are recognized at purchase price, cost of production or net sale price, depending on which of these amounts is lower. The cost of production of finished goods and work-in-progress includes design costs, raw materials, direct labour, other direct costs and related general manufacturing costs.

In the event of circumstances as a result of which there was a decrease in the value of inventories, **write-down** is recognized in the cost of goods sold.

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

Current assets as at June 30, 2018 amounted to PLN 3,026.8 million and consisted of inventories (PLN 1,845.3 million), cash and cash equivalents (PLN 709.2 million), loans granted (PLN 11.2 million), income tax receivables (PLN 6.8 million), derivative financial instruments (PLN 15.8 million) and receivables from customers and other receivables (PLN 438.5 million). The value of current assets as compared to December 31, 2017 increased by 36.6% from PLN 2,215.8 million. The main reason for the increase in the value of current assets was an increase in the level of inventories (increase by PLN 427.6 million, including: CCC stores PLN +139.3 million, warehouse PLN +66.0 million, and eobuwie.pl PLN +110.5 million and KVAG PLN 111.8 million), which at the end of the year amounted to PLN 1,845.3 million.

The following table presents data on the inventories of the CCC Group:

	30.06.2018	31.12.2017	CHANGE %
Retail activity	756,4	493,0	53,4%
Warehouse	837,8	768,1	9,1%
E-commerce	274,5	163,5	67,9%
Factory	36,4	42,5	-14,4%
Gross total inventories	1 905,1	1 467,1	29,9%
Write-down on inventories	(14,5)	(12,2)	18,9%
Consolidation adjustments	(45,3)	(37,2)	
Net total inventories	1 845,3	1 417,7	30,2%
Share of write-down on inventories against the net value of inventories	-0,79%	-0,86%	
Inventory turnover ratio [1]	340 days	253 days	34,4%

[1] Inventory turnover ratio is calculated as the proportion between the amount of inventory at the end of the period and cost of goods sold multiplied by the number of days in the period.

Almost half of the CCC Group's goods as at June 30, 2018 were in the Group's main warehouse, i.e. in the Logistics Center in Polkowice (44.0% of all goods), while 39.7% were inside the commercial network.

In 2018, the Group created a write-down on inventories in the amount of PLN 14.5 million, while in the previous year the write-down amounted to PLN 12.2 million (increase by 18.9%). The inventory turnover ratio (340 days in 2018) increased by 34.4% (83 days) compared to the end of 2017 and results from the seasonality of stock replenishment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the CCC Group as at June 30, 2018 amounted to PLN 709.2 million, increasing by PLN 197.6 million (38.6%) compared to the end of 2017. At the end of the first half of 2018, 59.7% cash was on the bank account and in hand, and 40.3% was placed on short-term deposits.

EQUITY AND DEBT LIABILITIES

HOW WE DEFINE PARTICULAR COMPONENTS OF EQUITY AND LIABILITIES

Equity is recognized in the accounting books by the following types: share capital; reserve capital; retained earnings; and other reserves.

Debt liabilities consist mainly of bank loans and issued bonds.

Liabilities to suppliers are classified as current liabilities if payment is due within one year. Otherwise, liabilities are recognised as non-current. Liabilities to suppliers are valued at the amount due.

As at June 30, 2018, the equity of the CCC Group (including IFRS 16) in comparison to the end of 2017 decreased by PLN 2.0 million (-0,2%). This change consisted of among others in achieving a net profit in the first half of 2018 (PLN 65.8 million) and a decision by the GMS to divide the profit for 2017 in the amount of PLN 94.7 million.

Non-current liabilities as at June 30, 2018 amounted to PLN 3,103.6 million, including lease liabilities which, amounted to PLN 1,967.0 million (including IFRS 16). Excluding IFRS 16, non-current liabilities amounted to PLN 1,136.7 million, falling by PLN 141.2 million (-11.1%) from PLN 1,277.8 million as at December 31, 2017. The total amount of non-current liabilities as at June 30, 2018 (excluding IFRS 16) comprised mainly liabilities of purchase of non-controlling interests, which amounted to PLN 844.4 million, long-term debt liabilities (PLN 210.0 million), deferred tax liabilities in the amount PLN 40.7 million, provisions PLN 17.2 million, subsidies received, which amounted to PLN 20.1 million.

Short-term liabilities as at June 30, 2018 amounted to PLN 2,678.8 million, including lease liabilities PLN 542.6 million (including IFRS 16). Excluding IFRS 16, current liabilities amounted to PLN 2,136.4 million, increasing by PLN 1,212.6 million (131.3%) from PLN 923.8 million as at December 31, 2017. The total amount of short-term liabilities as at June 30, 2018. (excluding IFRS 16) mainly comprised of debt liabilities (PLN 1,046.4 million); liabilities to suppliers, which amounted to PLN 763.8 million (an increase of 223.9% compared to the end of 2017); other liabilities, which amounted to PLN 300.2 million (increase by PLN 133.6 million compared to the end of 2017, which included, among others, dividend liabilities PLN 94.7 million, accruals PLN 94.2 million, provisions PLN 33.3 million.

Debt liabilities are discussed in section 2.2.1. „Debt and liquidity of the CCC Group".

[in mln PLN unless otherwise stated]

2.1.1.3 CONSOLIDATED STATEMENT OF CASH FLOWS (OVERVIEW OF MAIN ITEMS)

	01.2018-06.2018	01.2018-06.2018 EXCLUDING IFRS 16*	01.2017-06.2017	CHANGE %
Gross profit before tax	75,1	130,9	129,8	0,8%
Adjustments	271,1	224,5	60,5	>100%
Income tax paid	(14,0)	(14,0)	(37,9)	-63,1%
Cash flows before changes in working capital	338,2	341,4	152,4	>100%
Changes in working capital	5,5	(213,8)	(299,6)	-28,6%
Cash flows from operating activities	343,7	127,6	(147,2)	<-100%
Cash flows from investing activities	(236,3)	(236,3)	(92,6)	>100%
Cash flows from financing activities, including:	79,3	295,4	425,0	-30,5%
Dividends paid	—	—	—	0,0%
Total cash flows	186,7	186,7	185,2	0,8%

* data not verified by the auditor

NET CASH FLOWS FROM OPERATING ACTIVITIES

Consolidated net cash flows from operating activities (excluding IFRS 16) in the first half of 2018 amounted to – PLN 127.6 million and resulted from changes in working capital – PLN 213.8 million (including change inventory and write-downs of inventories – PLN 317.2 million) and profit adjusted by non-cash operations PLN 103.4 million from operating activities.

NET CASH FLOWS FROM INVESTING ACTIVITIES

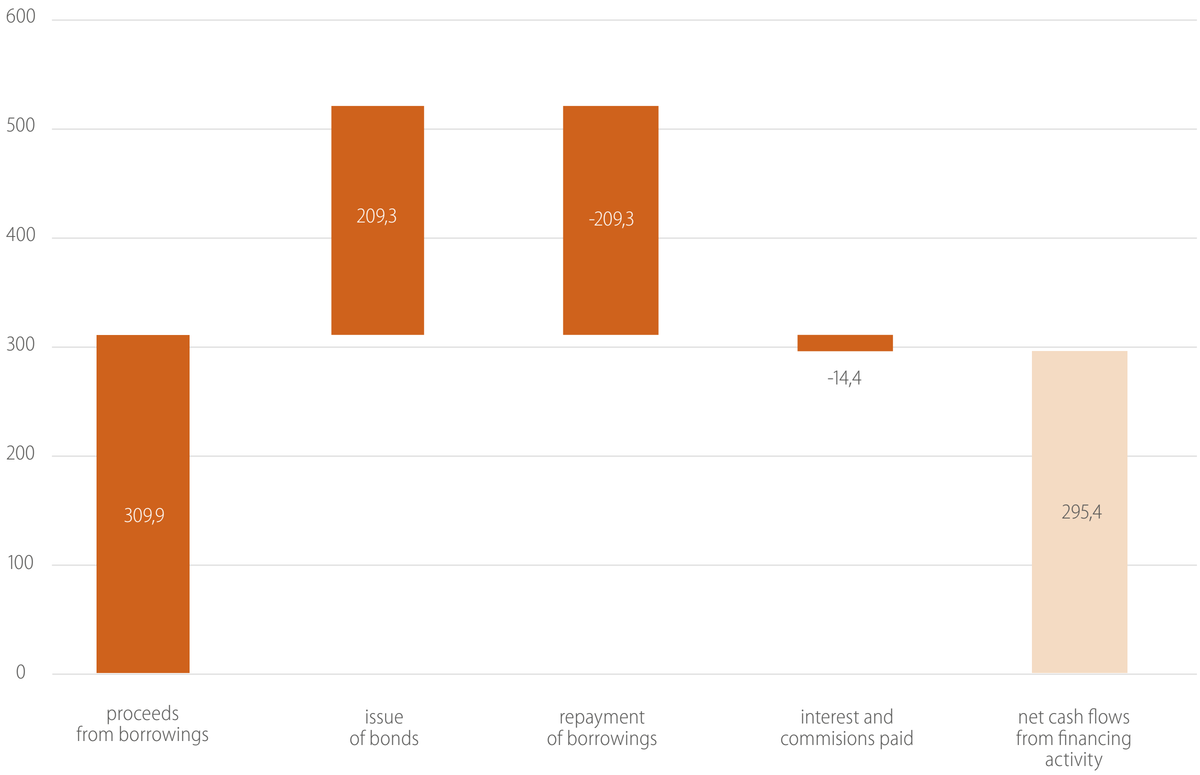
Consolidated net cash flows from investing activities (excluding IFRS 16) in the first half of 2018 amounted to – PLN 236.3 million. This value consisted primarily of an increase in expenditure on tangible fixed assets and intangible and legal assets related with the implementation of the market expansion strategy and enlargement of commercial space in Poland and abroad – those expenses in the first half of 2018 amounted to PLN 131.8 million.

NET CASH FLOWS FROM FINANCE ACTIVITIES

Consolidated net cash flows from financing activities (excluding IFRS 16) in the first half of 2018 amounted to PLN 295.4 million. This value consisted of an increase in cash by PLN 519.2 million from loans and issue of bonds, interest expenses in the amount of – PLN 14.4 million buyout of bonds in the amount of PLN 209.3 mln.

NET CASH FLOWS FROM FINANCING ACTIVITIES (EXCLUDING IFRS 16)

Below is a chart showing net cash flows from financing activities.



More information about net cash flows from finance activities is presented in section 2.2.1. „Debt and liquidity of the CCC Group".

Taking into account the cash flows presented above, the CCC Group completed the first half of 2018 with cash at PLN 709.2 million, which is the increase by PLN 197.6 million (38.6%) compared to the end of the first half of 2017.

2.1.2 PUBLICATION OF PROFIT FORECASTS

CCC S.A. did not publish profit forecasts for the first half of 2018.

2.2 CAPITAL MANAGEMENT AND LIQUIDITY

2.2.1 DEBT AND LIQUIDITY OF THE CCC GROUP

The CCC Group finances its operations through equity and debt, which consists mainly of bank loans, borrowings and issued bonds.

CREDITS AND BONDS

As at 30 June 2018, the Group had non-current debt liabilities in the amount of PLN 210.0 million, which entirely consisted of new issue bonds. Comparing to December 31, 2017, the non-current part of liabilities from incurred loans decreased by PLN 236 million. The position of current debt liabilities at the end of the first half of 2018 consisted of loans of the amount of PLN 1039.5 million and bonds in the amount of PLN 6.9 million PLN. This item in relation to the end of the first half of 2017 increased by PLN 565.3 million (117.5%). Below are the details regarding changes in bank loans which took place in the first half of 2018:

BANK	COMAPNY	TYPE	DATE OF CONCLUSION	MATURITY DATE	AMOUNT [MLN]	UTILIZATION [MLN]	CURRENCY
loan agreement							
Bank Citi Handlowy S.A.	CCC.eu Sp. z o.o	Overdraft credit agreement	03.03.2009	13.02.2019	26,0	8,2	PLN
Bank Citi Handlowy S.A.	CCC.eu Sp. z o.o	Revolving credit agreement	03.03.2009	13.02.2019	226,0	226,0	PLN
PeKaO S.A.	CCC.eu Sp. z o.o	Overdraft credit agreement	15.10.2014	31.10.2018 [1]	495,0	489,8	PLN
Powszechna Kasa Oszczędności BP S.A.	CCC.eu Sp. z o.o	Multi-purpose credit limit agreement	30.05.2016	29.05.2019	200,0	168,3	PLN
PeKaO S.A.	eobuwie.pl S.A.	Multi-purpose credit limit agreement	26.10.2017	31.10.2018	40,0	38,6	PLN
Millenium S.A.	CCC S.A.	Overdraft credit agreement	03.12.2013	30.09.2018	50,0	49,6	PLN
Credit Suisse Group AG	Karl Vögele AG	Overdraft credit agreement	27.12.2017	31.12.2018	2,0	2,0	CHF
Bank Linth LLB AG	Karl Vögele AG	Overdraft credit agreement	28.12.2017	31.12.2018	2,0	2,0	CHF
St.Galler Kantonalbank AG	Karl Vögele AG	Overdraft credit agreement	11 01.2018	31.12.2018	2,0	2,0	CHF
AO CITIBANK	CCC Russia	Overdraft credit agreement	19.12.2017	31.12.2018	9,8	9,7	USD
limit for guarantees							
BZ WBK S.A.	CCC S.A.	Limit of debt liabilities / guarantees	31.03.2009	31.03.2019	65,0	59,4	PLN
Societe Generale	CCC S.A.	Limit of debt liabilities / guarantees	29.01.2018	31.10.2018	20,0	9,5	PLN
mBank S.A.	CCC S.A.	Limit of debt liabilities / guarantees	14.11.2012	09.11.2018	15,0	8,5	PLN
Raiffeisen Bank Polska S.A.	CCC S.A.	Limit of debt liabilities / guarantees	04.05.2011	14.09.2018	14,0	12,2	PLN
Raiffeisen Bank Polska S.A.	CCC S.A.	Limit of debt liabilities / guarantees	11.06.2014	14.09.2018	1,0	0,0	PLN
Powszechna Kasa Oszczędności BP S.A.	CCC S.A.	Limit of debt liabilities / guarantees	28.10.2010	29.05.2019	40,0	26,0	PLN
PeKaO S.A.	CCC S.A.	Limit of debt liabilities / guarantees	15.10.2014	31.10.2017 [2]	5,0	0,5	PLN
PeKaO S.A.	CCC.eu Sp. z o.o	Limit of debt liabilities / guarantees	15.10.2014	31.10.2018 [3]	5,0	0,0	PLN
PeKaO S.A.	eobuwie.pl S.A.	Limit of debt liabilities / guarantees	26.10.2017	31.10.2018	20,0	1,0	PLN
UBS Group AG	Karl Vögele AG	Limit of debt liabilities / guarantees	31.12.2017	31.12.2018	1,3	1,1	CHF
Credit Suisse Group AG	Karl Vögele AG	Limit of debt liabilities / guarantees	27.12.2017	31.12.2018	1,0	0,5	CHF
Schwyzer Kantonalbank	Karl Vögele AG	Limit of debt liabilities / guarantees	12.03.2010	31.12.2018	0,1	0,1	CHF

[1] the limit is automatically extended until 31.10.2019 if no declaration is submitted that the extension has not been approved
[2] guarantees are active, without the possibility of increasing them by the unused part of the limit
[3] the limit is automatically extended until 31.10.2019 if no declaration is submitted that the extension has not been approved

[in mln PLN unless otherwise stated]

INFORMATION ON BONDS

In June 2014 the Company carried out an issue of bonds within the Bond Issue Programme for the amount of PLN 500 million. The bonds were issued in PLN, as bearer securities, dematerialized and as coupon bonds. The Agent of the issue was mBank S.A.

In June 2014, the Company carried out the first issue of CCC Bonds S.A. series 1/2014, as part of the Bond Issue Program up to the amount of PLN 500 million.
The bonds were issued in PLN, as bearer, dematerialized and coupon securities. The issuing agent was mBank S.A.

In June 2018, the Company carried out the second issue of the Series 1/2018 Bonds, combined with the earlier buyout of the Series 1/2014 Bonds.

Both series have been issued with the following issue conditions:
1) Nominal value of one Bond – 1,000;
2) Issue Price: equal to the nominal value of one Bond;
3) Number of Bonds – 210,000 in series 1/2014 and 210,000 in series 1/2018;
4) Total nominal value of the Bonds – PLN 210 million in the series 1/2014 and 210 million in the series 1/2018;
5) Bonds buyout – one-off buyout at the nominal value of the Bonds on 10 June 2019 for the series 1/2014 and on 29 June 2021 for the 1/2018 series
6) Interest on coupon bonds: according to a variable interest rate, based on WIBOR 6M rate, increased by a fixed margin; interest is paid in half-year periods;
7) Quotations in the alternative trading system on Catalyst – series 1/2014 bonds quoted from October 16, 2014. Series 1/2018 bonds were registered on July 20, 2018 by the National Depository for Securities SA.

After the issue of 210,000 Series 1/2018 bonds and earlier buyout and redemption of 203,150 Series 1/2014 Notes, there are 216,850 Bonds of both series on the market.

INFORMATION ON COVENANTS

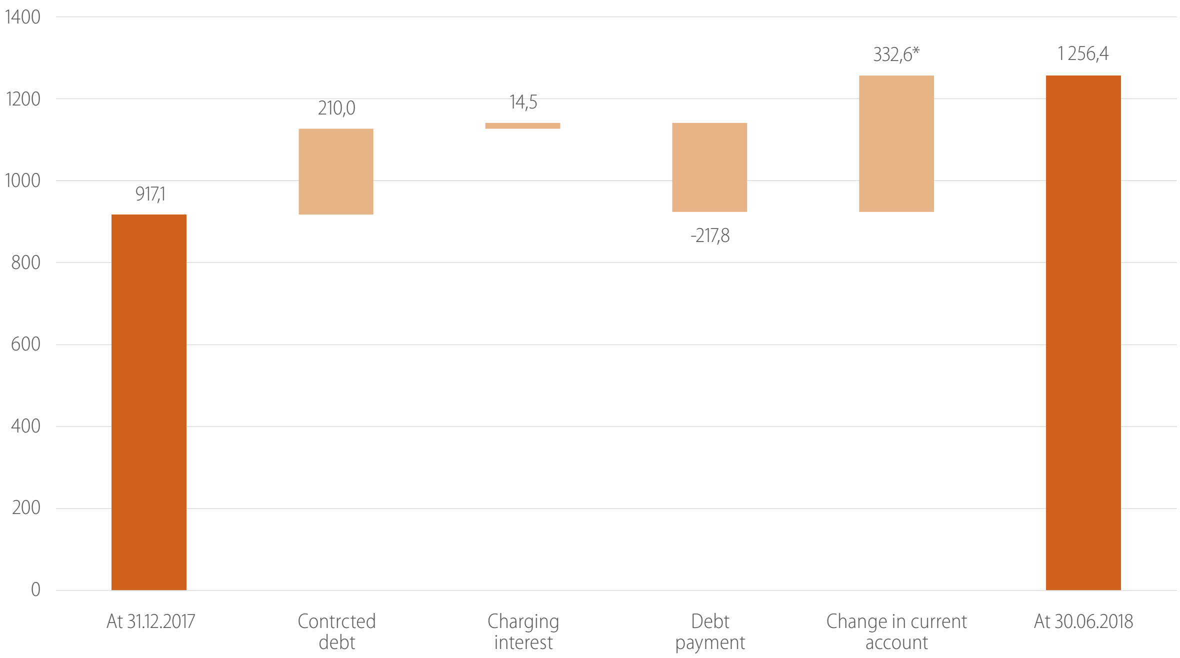
Under the terms of the bond issue agreement, of which the balance of debt as at the balance sheet date is PLN 216.85 million (2017: PLN 210.0 million) and with loan agreements, which as at 30.06.2018 is PLN 1,029.5 million, The Group is required to comply with the following covenants:

	COVENANT	LEVEL OF THE INDICATOR	VALUE OF THE INDICATOR
1	net financial debt / EBITDA ratio	3,0 – 3,5[1]	1,1 – 2,1
2	dividend payment ratio	not higher than 50%	33,50%
3	equity / balance sheet total	not lower than 30%	27,10%[2]
4	net profit / sales revenue	not lower than 5%	6,90%
5	EBITDA / sales revenue	not lower than 10%	10,90%

[1] The definition of net borrowing and EBITDA vary depending on the creditor
[2] Applies to one of the banks. The Bank confirmed in writing that it accepts the level of the indicator as at 30.06.2018.

CHANGES IN DEBT LEVEL

Below there is a chart presenting the change of the debt level (according to a note 4.2 "Debt" to the consolidated financial statements):



* In the balance of loans taken KVAG – PLN 22.6 million

In the first half of 2018 cash flows from incurred and repaid loans amounted to PLN 210.0 million, and PLN 217.8 million respectively (including: interest of PLN 14,5 million). Considering the changes in financial activity described above, consolidated net cash flows from operations in the first half of 2018 amounted to PLN 295.4 million, while in the like-for-like period of 2017 amounted to PLN 425.0 million.

[in mln PLN unless otherwise stated]

DEBT RATIOS

The Management Board of the CCC Group, when analysing the level of debt, uses the net debt to capital ratio and net debt to EBITDA ratio. The following is a description of the two ratios.

Net debt to capital ratio is calculated as the ratio of net debt to total capital employed. Net debt is calculated as total borrowings (including current and non-current loans, borrowings and issued bonds as indicated in the consolidated statement of financial position) less cash and cash equivalents. Total capital employed is calculated as the sum of equity as shown in the consolidated statement of financial position and the net debt. The following is a calculation of the net debt to capital ratio:

	30.06.2018	30.06.2018 EXCLUDING IFRS 16	31.12.2017
Net debt			
Loan liabilities	1 039,5	1 039,5	707,1
(+) Bonds liabilities	216,9	216,9	210,0
= Debt liabilities	1 256,4	1 256,4	917,1
(-) Cash and cash equivalents	709,2	709,2	511,6
= Net debt	547,2	547,2	405,5
Debt ratio			
Total equity	1 166,3	1 214,4	1 168,3
(+) Net debt	547,2	547,2	405,5
= Capital employed	1 713,5	1 761,6	1 573,8
The debt ratio (net debt/capital employed)	32%	31%	26%

The debt ratio increased compared to the end of the previous year by 5 pp, mainly due to the increase in loan liabilities debt by PLN 332.4 million.

[in mln PLN unless otherwise stated]

Net debt to EBITDA ratio is calculated as the ratio of net debt and EBITDA.

EBITDA is used by the Management Board of CCC S.A. when analysing debt which is a result of covenants imposed by banks.

The calculation and reconciliation of net debt to EBITDA ratio is presented below (data not verified by the auditor):

	30.06.2018[1]	30.06.2018 EXCLUDING IFRS 16	31.12.2017
Net debt			
Loan liabilities	1 039,5	1 039,5	707,1
(+) Bonds liabilities	216,9	216,9	210,0
(+) Leasing liabilities	2 490,9	—	—
= Debt liabilities	3 747,3	1 256,4	917,1
(-) Cash and cash equivalents	709,2	709,2	511,6
= Net debt	3 038,1	547,2	405,5
EBITDA			
Net profit	255,0	303,3	302,3
(+) Income tax	(31,1)	(38,6)	(38,5)
Profit before tax	286,1	341,9	340,8
(+/-) Net finance cost and revenue	(77,3)	(24,0)	(64,0)
Operating profit	363,4	365,9	404,5
Amortization and depreciation	334,9	110,4	97,0
EBITDA	698,3	476,3	501,5
EBITDA debt ratio (net debt/EBITDA) [2]	4,4	1,1	0,8

[1] bank covenants are calculated excluding IFRS 16

[2] the annualized EBITDA was calculated as a sum of EBITDA for the first half of 2018 and the second half of 2017.

The net debt to EBITDA ratio increased compared to the previous year primarily due to the increase of net debt.

[in mln PLN unless otherwise stated]

CURRENT LIQUIDITY RATIO

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

	30.06.2018	30.06.2018 EXCLUDING IFRS 16	31.12.2017
Inventories	1 845,3	1 845,3	1 417,7
(+) Trade and other receivables	472,3	472,3	286,5
(+) Cash and cash equivalents	709,2	709,2	511,6
= Current assets	3 026,8	3 026,8	2 215,8
Current debt liabilities	1 046,4	1 046,4	481,1
(+) Trade liabilities and other liabilities	1 077,0	1 077,0	429,0
(+) Provisions	35,7	35,7	13,7
(+) Leasing liabilities	519,7	(22,9)	0,0
= Current liabilities	2 678,8	2 136,2	923,8
Current liquidity ratio (current assets/current liabilities)	1,13	1,42	2,40

Current liquidity ratio of the CCC Group (excluding IFRS 16) dropped from 2.40 to 1.42 since the end of 2017 until June 30, 2018 above all due to a much larger increase in current liabilities (among others by increasing debt liabilities against current assets that increased only by 37,3%).

Board of CCC S.A. highly evaluates the ability to realize all incurred liabilities of the CCC S.A. Capital Group. In the opinion of the Management Board, the level realized cash flows and financial results will allow to maintain liquidity ratios at the level which enables proper functioning of the Group. In addition, for the purpose counteracting possible threats, the Group constantly diversifies external sources of financing.

2.3 INFORMATION ON AGREEMENTS CONCLUDED BY THE COMPANIES OF THE CCC GROUP

2.3.1 LOANS GRANTED

In the reporting period the CCC Group concluded the following loan agreements:

	PARTY OF AGREEMENT (BORROWER)	DATE OF AGREEMENT	DATE OF MATURITY	AMOUNT [MLN]	CURRENCY	INTEREST
CCC S.A.	MKS Polkowice	15.05.2018	15.07.2018	1,1	PLN	WIBOR 3M + margin
CCC S.A.	Adler International Sp. z o.o.	16.09.2014	31.12.2018	10,0	PLN	WIBOR 1M + margin

2.3.2 SURETIES, GUARANTEES GRANTED AND OTHER CONTINGENT LIABILITIES

In the reporting period the CCC Group granted the following sureties and guarantees:

1. GUARANTEES GRANTED IN RELATION TO SIGNING LEASE CONTRACT OF COMMERCIAL FLOOR SPACE

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	DURATION		SURETY OR GUARANTEE VALUE [MLN]	CURRENCY
				BEGINNING	END		
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Pekao S.A.	CCC.eu Sp. z o.o.	Surety to a loan agreement in the form of a multi-purpose credit limit	30.10.2017	31.10.2022	594,0	PLN
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Pekao S.A.	CCC.eu Sp. z o.o.	Surety for bank guarantees granted and letters of credit opened under a multi-purpose credit limit agreement	30.10.2017	31.10.2022	6,0	PLN
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Handlowy S.A.	CCC.eu Sp. z o.o.	Surety to the overdraft agreement	16.02.2017	13.02.2022	76,8	PLN
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Handlowy S.A.	CCC.eu Sp. z o.o.	Surety for a revolving loan agreement	16.02.2017	13.02.2022	271,2	PLN
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Handlowy S.A.	CCC.eu Sp. z o.o.	Surety for a contract for futures transactions	22.03.2013	20.02.2021	60,0	PLN
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o.	PKO BP S.A.	CCC.eu Sp. z o.o.	Surety to a loan agreement in the form of a multi-purpose credit limit	30.05.2016	29.05.2021	374,0	PLN
CCC.eu Sp. z o.o. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o.	Bank Millennium S.A.	CCC S.A.	Surety to the overdraft agreement	19.09.2017	30.09.2021	80,0	PLN
CCC.eu Sp. z o.o. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o.	Bank Millennium S.A.	CCC S.A.	Surety to the bond issue program	29.06.2018	29.06.2021	325,3	PLN

2. OTHER SURETIES AND GUARANTEES

In the reporting period, CCC S.A. received the following sureties and guarantees:

COMPANY	BANK	DEBTOR	TYPE OF SECURITY	DURATION		SURETY OR GUARANTEE VALUE [MLN]	CURRENCY
				BEGINNING	END		
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	AO Citibank	CCC Russia	Surety to the overdraft agreement	19.12.2017	31.12.2020	24,0	USD
CCC S.A. (Guarantee granted together with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Citibank Europe	CCC Czech	Surety for the guarantee / collateral letter of credit	12.12.2017	31.01.2021	90,0	CZK

2.3.3 SIGNIFICANT TRANSACTIONS CONCLUDED WITH RELATED PARTIES

To the best knowledge of the Group there were no significant transactions concluded between the Company and its related parties on non-market terms. Information on transactions with related parties is included in the consolidated financial statements in point. 6.2. „Transactions with related parties".

2.3.4 DESCRIPTION OF SIGNIFICANT AGREEMENTS

In the reporting period CCC S.A. concluded the following significant agreements:

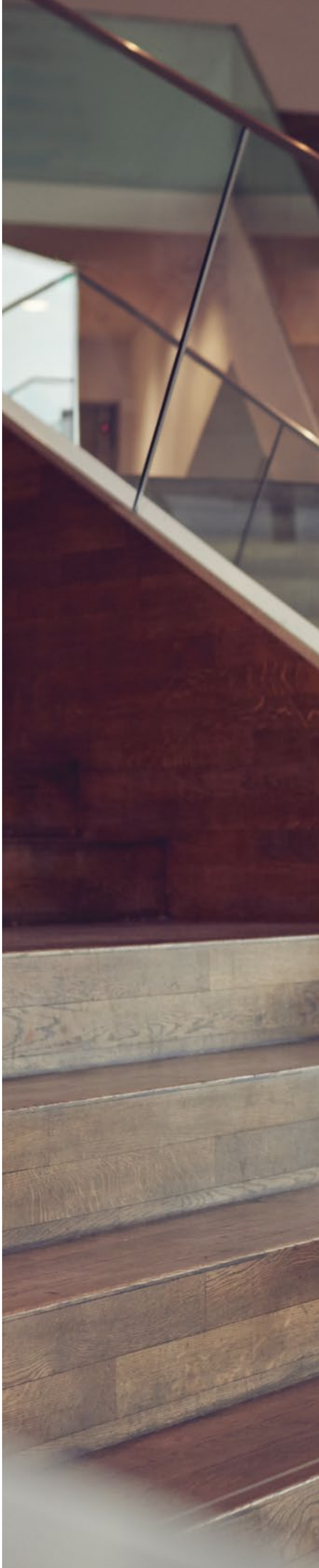
CREDIT AGREEMENTS AND AGREEMENTS FOR BANK LIMIT GUARANTEES

The annex as of May 2, 2018 to a multi-purpose loan limit agreement concluded on October 26, 2017 between a subsidiary of the Issuer: eobuwie.pl S.A. and Bank PeKaO S.A.. As a result of signing the annex, the overdraft limit was increased to PLN 40,000,000.00 and the limit of bank guarantees and letters of credit up to a total amount not exceeding PLN 20,000,000.00 was increased. At the same time, the annex prolongs the period for granting limits until October 31, 2018.

The annex as of May 29, 2018 to the credit agreement in the form of a multi-purpose credit limit, concluded on October 28, 2010, between the Issuer and PKO BP S.A.. The Annex extended the period of granted limit and the period of its use until May 29, 2019.

The annex as of May 29, 2018 to the loan agreement in the form of a multi-purpose credit limit, concluded on May 30, 2016 between the Issuer's subsidiary: CCC.eu Sp. z o.o. and the Bank PKO BP S.A.. The annex extended the period of granted limit and the period of its use until May 29, 2019.

3.
ORGANIZATION OF THE CAPITAL GROUP CCC




CCC
SHOES & BAGS

3.1 STRUCTURE OF THE CAPITAL GROUP

3.1.1 DESCRIPTION/SCHEME OF ORGANIZATION OF THE GROUP CCC TOGETHER WITH ORGANIZATIONAL LINKS

The company CCC S.A. is the dominant entity in the CCC Capital Group. As at the balance sheet date, CCC S.A. held, directly and indirectly, 100% shares in capital in 16 out of 18 subsidiaries located in Poland, Central and Eastern Europe, Western Europe and other countries. The results of the above companies are covered by a full consolidation. In addition, CCC S.A. owns 70% of shares in Karl Vögele AG, 74.99% of shares in eobuwie.pl S.A. and 75% of shares in CCC Russia sp. z o.o.

CCC GROUP

CCC S.A.

manufacturing activity

- CCC Factory Sp. z o.o. — 100% Poland

distribution activity

- CCC Germany GmBH — 100% Germany
- CCC Shoes Bulgaria — 100% Bulgaria
- CCC Czech s.r.o. — 100% Czech Republic
- CCC Obutev d o.o. — 100% Slovenia
- CCC Austria Ges.M.b.H — 100% Austria
- CCC Slovakia s.r.o. — 100% Slovakia
- CCC Hrvatska d o.o. — 100% Croatia
- CCC Shoes Ayakkabicilik Ticaret Limited Sirketi — 100% Turkey
- CCC.eu sp. z o.o. [1] — 100% Poland
- CCC Hungary Shoes Kft. — 100% Hungary
- CCC Russia sp. z o.o. — 75% Russia
- CCC Shoes & Bags d.o.o. Beograd – Stari Grad — 100% Serbia

other activity

- NG2 Suisse S.a.r.l. — 100% Switzerland
  - Karl Voegele AG — 70% Switzerland
- CCC Isle of Man Ltd. — 100% Isle of Man
- CCC Shoes and Bags sp. z o.o. — 100% Poland
  - Shoe Express S.A. — 100% Romania
- Group eobuwie.pl — 74,99% Poland
  - eobuwie.pl Logistics Sp. z o.o.
  - eschuhe.de GmbH
  - Branded Shoes&Bags Sp. z o.o.

[1] The Company CCC.eu Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (99.75%) and a subsidiary of the Issuer (0.25%)

3.1.2 CHANGES IN ORGANIZATION AND MANAGEMENT IN THE GROUP CCC

CHANGES IN ORGANIZATION OF THE CAPITAL GROUP CCC IN FIRST HALF OF 2018

On 25 April 2018, CCC Shoes & Bags Sp. z o.o. concluded an agreement to acquire 100% shares in Shoe Express S.A. based in Bucharest. Shoe Express S.A. previously acquired from Peeraj Brands Int. SRL an organized part of the company including the operation of 55 stores operating under the CCC brand in Romania. These stores have so far been operated by Peeraj Brands Int. SRL under a franchise agreement. The total value of the transaction amounts to EUR 33 million, before the settlements related to working capital are taken into account, which will occur at a specified time after the transaction.

On June 18, 2018, the subsidiary of CCC S.A. NG2 Suisse GmbH with its registered office in Zug purchased from KAVO-Holding AG, with its registered office in Zug (Switzerland), a majority stake of 1,400 shares in Karl Vögele AG, with registered office in Uznach (Switzerland), and purchased a loan under a shareholder loan for the total price CHF 10 million. The purchased block of shares constitutes 70% of the shareholding in the Company. Karl Vögele AG operates 208 own stores in Switzerland under the Vögele Shoes, Bingo and Max brands.

On 29 April 2018, the CCC S.A. Capital Group (through CCC S.A.) signed a contract for the purchase of an organized part of the enterprise from Adler International Sp. z o.o. Sp. k. The acquired organized part of the enterprise is a network of stores selling footwear marked with the CCC logo in the Podkarpackie, Małopolskie and Świętokrzyskie voivodships together with the employees of these stores. The date of taking control was assumed on July 1, 2018, due to the fact that on that day at CCC S.A. passed the right to run showrooms together with all the benefits and obligations in this respect. The payment for the acquired organized part of the enterprise was set at PLN 77 million payable in cash. The payment price does not take into account any conditional payments. Under the agreement, the Seller will use part of the proceeds from the transaction to accelerate the development of the franchise chain stores in Ukraine, where it will open 50 new stores under the CCC brand by 2021.

CHANGES IN ORGANIZATION OF THE CAPITAL GROUP CCC AFTER THE BALANCE SHEET DATE

On 4 July 2018, CCC Shoes & Bags Sp. z o.o. signed an investment agreement with DeeZee Sp. z o.o. Sp. k. As part of the investment agreement, CCC Shoes & Bags will contribute DeeZee with the amount of PLN 13 million and in return will cover over 51 percent shares in the company's business involving the sale of footwear in the Internet channel. At the same time, the parties agreed on the conditions for a further gradual increase in CCC shares, potentially up to 100 percent. within the next 5 years. DeeZee Sp. z o.o. Sp. k. in 2017 reached PLN 35 million in revenues.

[in mln PLN unless otherwise stated]

3.2 SHARE CAPITAL AND SHAREHOLDERS

3.2.1 SHARE CAPITAL OF THE GROUP CCC AND OWNERSHIP STRUCTURE

As of 31 December 2018 the share capital of CCC S.A. amounted to PLN 4,116,400.00 and was divided into 41,164,000 shares with a nominal value of PLN 0.10 each.

SERIES/ ISSUE	TYPE OF SHARES	TYPE OF PREFERENCE	NUMBER OF SHARES	VALUE OF SERIES / ISSUE IN NOMINAL VALUE (PLN)	MANNER OF CAPITAL COVERAGE
"A1"	registered voting preference shares	2 votes per share	6.650.000	665.000	cash contributions
"A2"	ordinary bearer shares	na	13.600.000	1.360.000	cash contributions
B	ordinary bearer shares	na	9.750.000	975.000	cash contributions
C	ordinary bearer shares	na	2.000.000	200.000	cash contributions
D	ordinary bearer shares	na	6.400.000	640.000	cash contributions
E	ordinary bearer shares	na	764.000	76.400	cash contributions
H	ordinary bearer shares	na	2.000.000	200.000	cash contributions
TOTAL			**41.164.000**	**4.116.400**	

[in mln PLN unless otherwise stated]

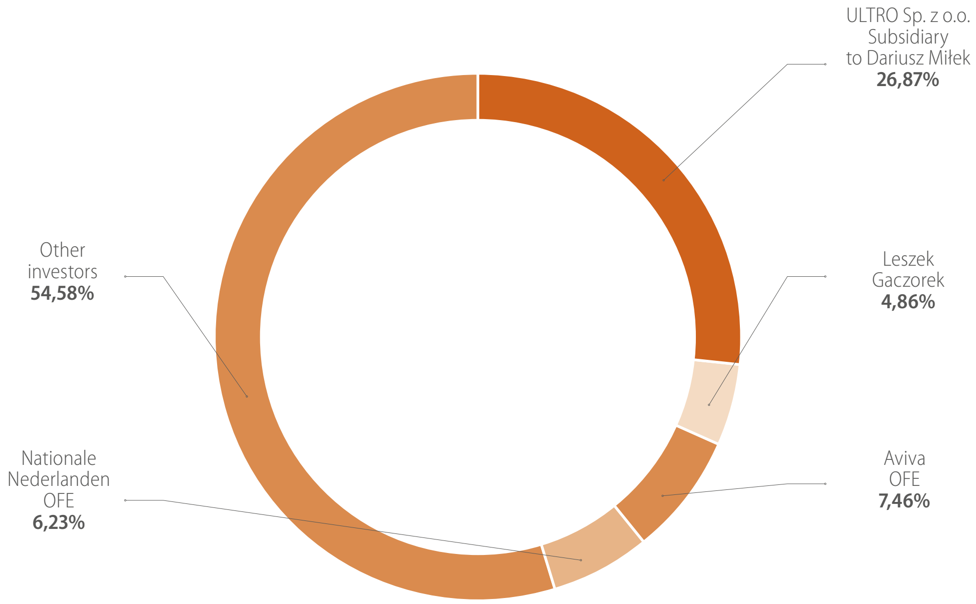
3.2.2 SHAREHOLDERS OF CCC S.A. HOLDING SUBSTANTIAL BLOCKS OF SHARES

According to information possessed by the Company, shareholders holding at least 5% of the total number of votes at the General Meeting of CCC S.A. on June 30, 2018 they were:

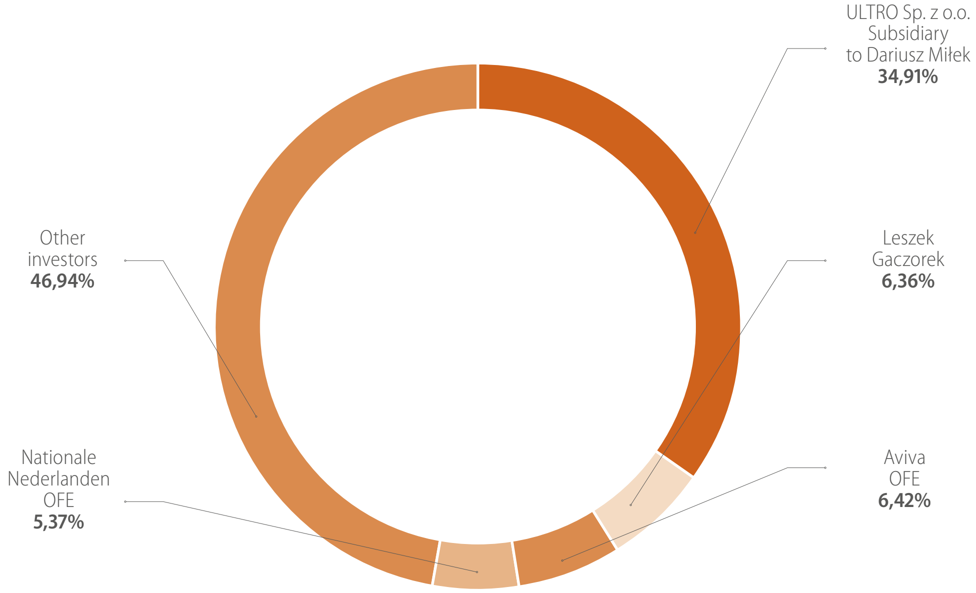
- ULTRO Sp z o.o. (a subsidiary to Dariusz Miłek) who owned 11,060,000 shares of the Company, which constitutes 26.87% of the share capital of the Company and gives the right to 34.91% of votes at the General Meeting of the Company,
- Leszek Gaczorek, who owned 2,000,000 shares of the Company, which constitutes 4.86% of the share capital of the Company and gives the right to 6.36% of votes at the General Meeting of the Company,
- Aviva OFE, which held 3,069,920 shares of the Company, which constitutes 7.46% of the share capital of the Company and gives the right to 6.42% of votes at the General Meeting of the Company.
- Nationale-Nederlanden OFE, which held 2,565,649 shares of the Company, which constitutes 6.23% of the share capital of the Company and gives the right to 5.37% of votes at the General Meeting of the Company.

SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
ULTRO Sp. z o.o. Subsidiary to Dariusz Miłek	11 060 000	26,87%	16 690 000	34,91%
Leszek Gaczorek	2 000 000	4,86%	3 040 000	6,36%
Aviva OFE	3 069 920	7,46%	3 069 920	6,42%
Nationale-Nederlanden OFE	2 565 649	6,23%	2 565 649	5,37%
Other investors	22 468 431	54,58%	22 448 431	46,94%
TOTAL	**41 164 000**	**100,00%**	**47 814 000**	**100,00%**

SHAREHOLDERS BY NUMBER OF SHARES AS OF 30.06.2018



SHAREHOLDERS BY NUMBER OF VOTES AS OF 30.06.2018



[in mln PLN unless otherwise stated]

3.2.3 SHARES OF THE PARENT COMPANY AND RELATED PARTIES HELD BY MANAGING AND SUPERVISING PERSONS.

To the best knowledge of the Management Board, persons managing and supervising the Company at the date of this report and at the date of publication of the consolidated statement for the 6 months ended 30 June 2018 held the following number of shares:

SHAREHOLDER	NUMBER OF SHARES AS OF SUBMISSION DATE OF THE REPORT FOR THE FIRST HALF OF 2018 (PCS)	THE NOMINAL VALUE OF THE SHARES AS OF SUBMISSION DATE OF THE REPORT FOR THE FIRST HALF OF 2018 (PLN)
President Dariusz Miłek [1]	11 060 000	1 106 000
Vice-President Mariusz Gnych	207 112	20 711
Vice-President Marcin Czyczerski	5 100	510
Vice-President Karol Półtorak	5 500	550

[1] indirectly as a dominant entity in the company ULTRO Sp. z o.o.

Other members of the Management Board and the Supervisory Board did not hold any shares of CCC S.A.. Members of the Management Board and the Supervisory Board did not hold any shares in entities affiliated with CCC S.A.

3.2.4 SYSTEM OF CONTROL OF EMPLOYEES SHARES PROGRAM

INCENTIVE SCHEME FOR 2013–2015

As part of the Incentive Scheme 2013–2015, one of the persons entitled holding Series A registered personal subscription warrants entitling to subscribe for Series E ordinary bearer shares ("Shares"), on June 29, 2018 filed a statement to the Company regarding acquisition of 4.000 (in words: four thousand) Shares at PLN 61.35 (sixty one zlotys, PLN 35/100) for one Share, i.e. a total of PLN 245,400.00 (in words: two hundred forty five thousand four hundred zlotys). The rights from the taken up shares will arise on the day of their subscription on the brokerage account indicated by the authorized entity. At the same time, the Management Board informs that the Shares will be the subject of applying for admission to trading on the regulated market.

A series subscription warrants were issued under the Incentive Scheme for 2013–2015 pursuant to Resolution No. 6 / NWZA / 2012 of the Extraordinary General Shareholders Meeting of the Company of December 19, 2012 regarding conditional increase of the Company's share capital and issue of subscription warrants, excluding all pre-emptive rights of shareholders with respect to shares issued as part of conditional and subscription warrants and amendments to the Articles of Association of the Company, subsequently amended by resolution No. 19 / ZWZA / 2015 of the Ordinary General Meeting of Shareholders of CCC SA of June 24, 2015.

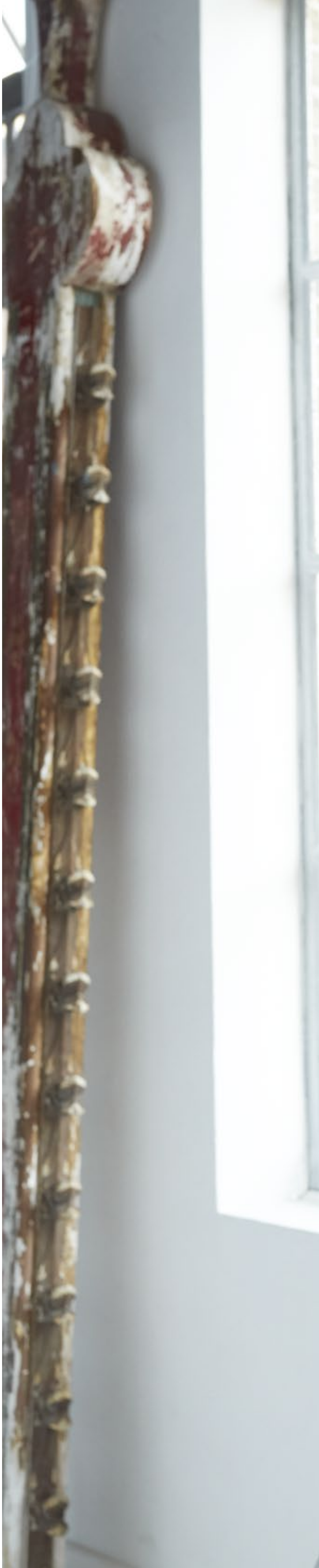
The value of the valuation of the program in force in 2013–2015 and the financial result included in the costs amounted to PLN 14.6 million in 2016, PLN 26.9 million in 2015 and PLN 2.2 million in 2014.

As at June 29, 2018, all managers covered by the Program exercised the right to convert subscription warrants into Shares as part of the Incentive Scheme 2013–2015 in a total of 768,000 (in words: seven hundred and sixty-eight thousand).

INCENTIVE SCHEME FOR 2017–2019

On 8 June 2017, the Ordinary General Meeting of Shareholders adopted a resolution regarding the conditional increase of the Company's share capital and issue subscription warrants as a result of which the incentive program (Program) will be launched, including current and future members of the Management Board, current and future members of the Management Boards of Subsidiaries and management Subsidiaries. The main objectives of the program are additional, long-term ones motivating the managerial staff of the CCC Capital Group to implement the Group's strategy in the period 2017-2019 and taking actions and efforts aimed at further development of the Group and its prospects for 2020 and subsequent – as a consequence of increasing the value of the Company's shares and shareholder value. The Program provides for the issuance of no more than 1,174,920 Warrants and no more than 1,174,920 Series F shares. The persons entitled to take up are members of the Management Board, members of the Management Board of Subsidiaries, members of the management of the Company, members of the management of subsidiaries, but warrants can not be offered persons directly or indirectly holding at least 10% of the Company's shares. The condition for granting the rights to subscribe for the Warrants is that the persons concerned obtain positive results of their work in 2017-2019. The total number of persons entitled under the incentive scheme will not exceed 149 people. The program assumes minimum EBITDA levels (condition of launch of the Program tranches) at PLN 550, 650 and 800 million, respectively for 2017, 2018 and 2019, that is, a total of not less than PLN 2 billion in this period. The vesting date was on August 26, 2017.

4.
RISK MANAGEMENT




CCC
SHOES & BAGS

4.1 SIGNIFICANT RISK FACTORS

CCC Group identified the following risks, which are presented below, along with their description and actions taken to minimize their effects.

RISKS OF STRATEGY IMPLEMENTATION

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Strengthening own sales network	In 2018, the Group plans to increase the commercial space of CCC stores by 110,000 m^2, of which 40% will be opened in Poland, If the objectives are not achieved, the Group may turn out to be less competitive than competitors, and thus lose market share, which may translate into lower revenues. At the same time, if the network develops, which is not in line with the demand, the Group may incur higher than necessary costs.	In order to minimize the risks associated with the strengthening of own sales chain, the Group introduced the following solutions: • monitoring the activities of competitors, • monitoring the situation in the industry, • monitoring of the macroeconomic situation, • creating a detailed plan and a dedicated team responsible for the implementation of the objectives connected to the development of own sales chain.
Activities aimed at increasing brand recognition and value of the brand	Increase of brand recognition and its value can contribute to the increase in keeping regular customers, as well as to increased growth in new customers. The result will lead to an increase in market share and revenue. In case of fall in brand recognition and its value, the outflow of customers may occur and a drop in market share and ultimately a drop in revenue.	Group in order to ensure further increase in brand recognition and value of the brand has undertaken the following actions: • the introduction of appropriate instruments and advertising – promotion media, • the introduction of interesting interior of stores • presence of stores in prestigious locations.
Location of commercial facilities	The location of commercial facilities is an important factor in the attractiveness of the brand to consumers. Inappropriate choice of location, may lead to low profitability of m^2, and thus to reduce the Group's profitability. Strengthening the market position by the dynamic development of the chain of commercial facilities may be associated with the risk of an unfortunate location of the store, and with a limited number of new, attractive locations.	The Group in order to ensure the appropriate choice of location of commercial facilities, carry out a detailed analysis of the location before deciding to sign a lease agreement, and bases their decisions on historical data.

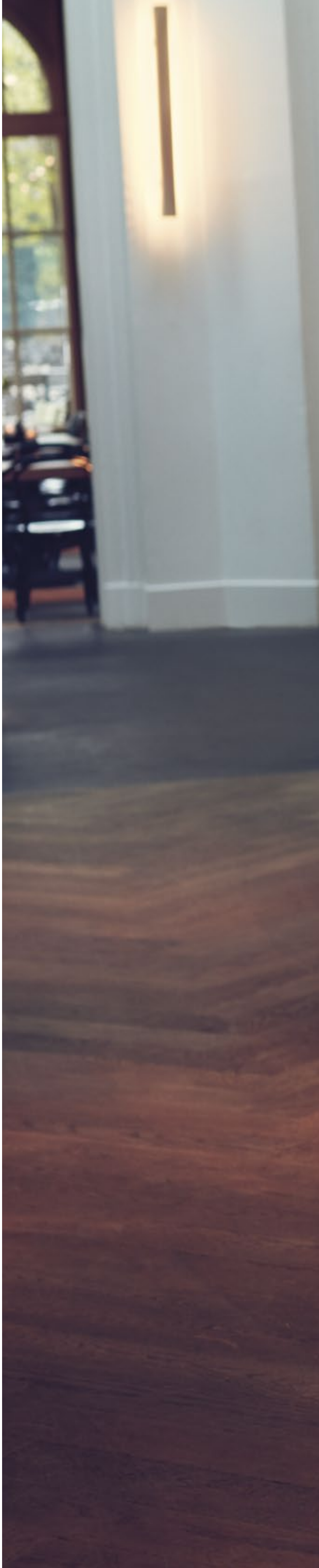
EXTERNAL RISKS

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Exchange rate risk	Companies of the CCC S.A. Capital Group they realize revenues in PLN, EUR, CZK, HUF, HRK, BGN, CHF, RUB. Most of the costs are borne in foreign currencies. As a result, CZK, HUF, HRK, USD and EUR (almost all of the import is denominated in USD and EUR, and a large percentage of rental costs in EUR) will have an impact on the Group's revenue and expenses. The main supply market for the CCC S.A. Capital Group is the Chinese market and, consequently, the CNY Chinese currency exchange rate in relation to the major world currencies may also have a significant impact on the Group's costs. CNY's appreciation may worsen import conditions and, as a result, increase costs for consumers.	The Group has undertaken the following measures to reduce the impact of exchange rate risk: • continuous monitoring of significant, for the Group, changes in exchange rates, • introduction of natural hedging strategy.
The risk of changes in interest rates	The Capital Group CCC S.A. is exposed to the risk of changes in interest rates, in connection with the loan agreements. These loans bear interest at a variable interest rate based on WIBOR or LIBOR. Increase in interest rates will affect the amount of interest paid on loans.	The Group has undertaken the following measures to reduce the impact of interest rate risk: • diversification of sources of capital, • monitoring key interest rates.
The risk of the overall economic situation	The Capital Group CCC S.A. conducts business activity primarily on the Polish, Czech, Hungarian and Slovak markets, so for the Group's consumer purchasing power and propensity to consume is important. The economic downturn could have a negative impact on results of operations and financial position of the Group. Group CCC also operates in several other foreign markets (inter alia: Germany, Austria, Croatia, Slovenia, Bulgaria).	The Group has undertaken the following measures to reduce the impact of risk of the overall economic situation: • diversification in terms of countries where the Group operates (decrease of economic situation correlation between countries) • monitoring the economic situation in the world and in the countries important for the Group, as well as suitable adjustment to the Group's strategy, • monitoring of important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).
Seasonality of sales and weather conditions	Sales and inventory value depends on the seasonality of demand (peak of demand is in spring and autumn). The disorder of weather conditions may result in putting away customer purchase decisions or shortening the season of the highest sales.	Element in reducing the sensitivity of the Capital Group CCC S.A. to seasonal factors and weather is having its own manufacturing capacity. The Group is able to rapidly adjust production and deliver goods to shops line with expectations and current weather conditions.
Trends in fashion and unsuccessful collections	The Capital Group CCC S.A. is exposed to risks associated with unsuccessful collections of footwear.	The factor enabling to reduce this risk is a long-standing market experience of the parent company, permanent observation of trends in the European and world fashion (participation in international fairs of footwear fashion

INTERNAL RISK

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Credit risk	The source of this risk is uncertainty regarding whether and when the receivables are settled. Within the wholesale trade sale with deferred payment is used, therefore The Capital Group CCC S.A. is exposed to the risk of funding the recipients. In order to maintain its leading position in the footwear industry, The Capital Group CCC S.A. uses the instrument of a trade credit, additionally increasing the attractiveness of the company for wholesale partners.	The Group has undertaken the following measures to reduce the impact of credit risk: • a continuous verification of the financial situation of the counterparties • a continuous review of the history of cooperation with counterparties.

5.
STATEMENTS
OF THE MANAGEMENT BOARD




CCC
SHOES & BAGS

5.1 STATEMENT ON THE FAIRNESS OF FINANCIAL STATEMENTS PREPARATION

To the best knowledge of the Management Board of CCC S.A., the annual consolidated financial statements and comparative data were prepared in accordance with applicable accounting principles, they give a true and fair view of the financial position of the Group CCC and its financial results.

Management Board's Report on the operations of the Capital Group CCC presents a true picture of the development and achievements and situation of the Capital Group, including basic risks and threats.

5.2 THE STATEMENT AND INFORMATION ABOUT THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS

The Management Board of CCC S.A. declares that the entity authorized to audit financial statements, auditing the review of the interim condensed consolidated and separate financial statements, was selected in accordance with the law. This entity and the statutory auditors who performed the audit met the conditions for issuing an impartial and independent audit opinion, in accordance with applicable regulations and professional standards.

The company CCC S.A. concluded on 23 June 2017 with Ernst & Young Audyt Polska Sp. z o.o., Sp. k. an agreement regarding the audit of the financial statements and the consolidated financial statements for the period from January 1 to December 31, 2017 and from January 1 to December 31, 2018; review of the financial statements and consolidated financial statements for the period from January 1 to June 30, 2017 and from January 1 to June 30, 2018. The amount of net remuneration for the services indicated is PLN 240 thousand.

6.
OTHER INFORMATION

CCC
SHOES & BAGS

6.1 PROCEEDINGS PENDING BEFORE THE COURT, A BODY COMPETENT FOR ARBITRATION OR A PUBLIC ADMINISTRATION BODY

The Companies of the Capital Group CCC S.A. are not a party to the court proceedings the amount in dispute exceeds 10% of the equity of the Group.

6.2 INFORMATION CONSIDERED RELEVANT BY THE ISSUER FOR THE ASSESSMENT OF ITS PERSONNEL SITUATION, PROPERTY, FINANCIAL, FINANCIAL PERFORMANCE AND THEIR CHANGES AS WELL AS THE INFORMATION THAT IS RELEVANT FOR ASSESSING THE FEASIBILITY OF THE ISSUER'S OBLIGATIONS

The financial statements contain basic information that is relevant to the assessment of the Capital Group CCC S.A. In the opinion of the Management Board, there are currently no risks to the realization of the Group's liabilities.

6.3 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE WHICH MAY AFFECT THE FUTURE FINANCIAL RESULTS OF THE ISSUER

Not applicable.

Condensed consolidated statements on operations of the Group CCC were approved for publication by the Management Board of the Company on 24 August 2018.

SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS

Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Marcin Czyczerski	Vice-President of the Management Board	
Karol Półtorak	Vice-President of the Management Board	

Polkowice, 24 August 2018