INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF CCC S.A. FOR THE PERIOD 01.01.2019 – 30.06.2019

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

NOTE		01.2019-06.2019	04.2019 – 06.2019*	01.2018-06.2018	04.2018-06.2018
			UNAUDITED		
3.1	Sales revenue	1 059,2	682,0	958,2	648,1
3.1	Cost of sale of goods	(701,8)	(494,2)	(637,2)	(474,1)
	Gross profit (loss) on sale	357,4	187,8	321,0	174,0
3.1	Cost of operating stores	(282,7)	(144,4)	(263,1)	(137,9)
3.1	Other cost of sale	(14,7)	(7,3)	(10,5)	(5,8)
3.1	Administrative expenses	(28,0)	(8,5)	(26,7)	(13,9)
3.1	Other cost and operating revenue	(16,0)	(16,1)	6,9	4,8
	Operating profit (loss)	16,0	11,5	27,6	21,2
3.1	Finance revenue	19,3	16,3	7,9	7,8
3.1	Finance cost	(34,0)	(28,7)	(28,2)	(21,7)
	Profit (loss) before tax	1,3	(0,9)	7,3	7,3
3.2	Income tax	(5,8)	(5,3)	(2,9)	(0,6)
	NET PROFIT (LOSS)	(4,5)	(6,2)	4,4	6,7
	Other comprehensive income	—	—	—	—
	Total net comprehensive income	—	—	—	—
	TOTAL COMPREHENSIVE INCOME	(4,5)	(6,2)	4,4	6,7
	Weighted average number of ordinary shares (mln pcs)	41,1	41,1	41,1	41,1
	Basic earnings per share (in PLN)	(0,11)	(0,15)	0,11	0,16
	Diluted earnings per share (in PLN)	(0,11)	(0,15)	0,11	0,16

* Data for Q2 2019 include the accounting impact of material transactions from Q1 2019 such as the provisional settlement of the acquisition of HR Group and the fair value restatement of CCC Germany discontinued operations of CCC Germany.

[in PLN million unless otherwise stated]

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

NOTE		30.06.2019 UNAUDITED	31.12.2018
5.1	Intangible assets	1,8	2,2
	Goodwill	48,8	48,8
5.2	Tangible fixed assets – investments in stores	268,5	255,1
5.2	Tangible fixed assets – factory and distribution	232,7	221,7
5.2	Tangible fixed assets – other	60,5	60,9
5.3	Right of use	661,0	615,0
3.2	Deferred tax assets	13,0	8,4
5.5	Loans granted	201,9	44,6
6.2	Long-term investments	523,4	441,1
6.2	Other financial assets	93,6	—
	Total non-current assets	2 105,2	1 697,8
5.4	Inventories	313,9	303,8
5.5	Trade receivables	23,7	8,1
5.5	Loans granted	79,6	90,0
5.5	Other receivables	30,0	68,4
5.6	Cash and cash equivalents	192,6	104,3
	Total current assets	639,8	574,6
	TOTAL ASSETS	2 745,0	2 272,4
4.2	Debt liabilities	320,6	210,0
5.8	Provisions	2,2	2,2
5.2	Grants received	18,0	19,2
	Employees liabilities	5,5	5,5
5.3	Lease liabilities	491,1	469,5
	Total non-current liabilities	837,4	706,4
4.2	Debt liabilities	0,9	7,1
5.7	Trade liabilities	484,4	184,4
5.7	Other liabilities	187,4	73,9
2.4	Income tax liabilities	10,0	6,7
5.8	Provisions	0,9	77,3
5.2	Grants received	2,4	2,4
5.3	Lease liabilities	192,4	172,3
	Total current liabilities	878,4	524,1
	TOTAL LIABILITIES	1 715,8	1 230,5
	NET ASSETS	1 029,2	1 041,9
	Equity		
4.1	Share capital	4,1	4,1
4.1	Share premium	645,1	645,1
	Retained earnings	380,0	392,7
	TOTAL EQUITY	1 029,2	1 041,9
	TOTAL LIABILITIES AND EQUITY	2 745,0	2 272,4

[in PLN million unless otherwise stated]

INTERIM CONDENSED STATEMENT OF CASH

NOTE		01.2019-06.2019 UNAUDITED	01.2018-06.2018
	Profit before tax	1,3	7,3
4.4	Amortization and depreciation	129,6	116,0
	Profit (loss) on investment activity	(5,4)	(4,4)
4.2	Cost of borrowings	8,7	9,5
4.2	Other adjustments to profit before tax	36,3	20,8
3.2	Income tax paid	(7,1)	24,0
	Cash flow before changes in working capital	163,4	173,2
	Changes in working capital		
5.4	Change in inventory and inventory write-downs	(10,0)	(59,1)
4.4	Change in receivables	(5,5)	(26,0)
4.4	Change in current liabilities, excluding borrowings and bonds	319,2	106,6
	Net cash flows from operating activities	467,1	194,7
	Proceeds from the sale of tangible fixed assets	9,7	28,6
6.2	Repayment of loans granted and interest	21,5	158,5
5.2, 5.1	Purchase of intangible and tangible fixed assets	(64,9)	(92,2)
5.5	Loans granted	(215,8)	(196,5)
	Expenses on capital increase in subsidiaries	—	(40,3)
	Other outflows from investing activity	(5,3)	—
	Expenses related to purchase of Adler enterprise	(16,5)	—
	Purchase of investment in associate	(118,4)	—
	Other investment proceeds	9,4	—
	Net cash flows from investing activities	(380,3)	(141,9)
4.2	Proceeds from borrowings	111,7	49,5
4.2	Issue of bonds	—	209,4
4.1	Dividends and other payments to owners	—	—
4.2	Repayment of bonds	(6,9)	(203,2)
	Payment due to leasing	(95,1)	(84,4)
4.2	Interest paid	(8,1)	(8,4)
4.4	Other financial exspenses	(0,1)	(1,0)
	Net cash flows from finance activities	1,5	(38,1)
	TOTAL CASH FLOWS	88,3	14,7
	Net increase/decrease of cash and cash equivalents	88,3	15,6
	Exchange rate changes on cash and cash equivalents	—	0,9
	Cash and cash equivalents at beginning of period	104,3	300,4
	Cash and cash equivalents at the end of period	192,6	315,0

Other investment inflows presents the returned value of unused cash from the call to sell shares of Gino Rossi S.A.

Other investment expenditure presents expenses related to the repurchase of bills of exchange by Gino Rossi S.A.

[in PLN million unless otherwise stated]

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	RETAINED EARNINGS	SHARE PREMIUM	TOTAL EQUITY
As of 01.01.2018	4,1	502,5	644,9	1 151,5
Net profit (loss) for the period	—	(40,3)	—	(40,3)
Total comprehensive income	—	(40,3)	—	(40,3)
Dividend payment	—	(94,7)	—	(94,7)
Valuation of employee option scheme	—	25,2	—	25,2
Issue of shares	—	—	0,2	0,2
Total transactions with owners	—	(69,5)	0,2	(69,3)
As of 31.12.2018 (01.01.2019)	4,1	392,7	645,1	1 041,9
Net profit (loss) for the period	—	(4,5)	—	(4,5)
Total comprehensive income	—	(4,5)	—	(4,5)
Dividend adopted	—	(19,8)	—	(19,8)
Valuation of employee option scheme	—	11,6	—	11,6
Total transactions with owners	—	(8,2)	—	(8,2)
As of 30.06.2019 (01.07.2019)	4,1	380,0	645,1	1 029,2

[in PLN million unless otherwise stated]

NOTES

1. GENERAL INFORMATION

Name of the company:	CCC Spółka Akcyjna
Headquarters:	. Strefowa 6, 59-101 Polkowice
Registration:	District Court for Wrocław-Fabryczna in Wrocław, IX Commercial Division of the National Court Register
National Court Register/KRS/:	0000211692
Corporate purpose	The Company's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 5142).

The Company CCC S.A. has been listed on the Warsaw Stock Exchange S.A. in Warsaw since 2004.

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union („IFRS"). The financial statements are prepared under the method of historical cost.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management Board to make their own assessments within applying the accounting policies adopted by the Company. Significant estimates of the Management Board are presented in individual notes.

The interim condensed financial statements of the of the CCC S.A. (hereinafter: the Company) cover the six-month period ended 30 June 2019 and include comparative data for the six months ended 30 June 2019 and as of 31 December 2018. The statements of comprehensive income and notes to the statements of comprehensive income covering the data for the 3-month period ended 30 June 2019 and the comparative data for the 3-month period ended 30 June 2018 were not reviewed or audited by an auditor.

The Company is the parent company of the Capital Group CCC S.A.. The interim condensed financial statements of the of the CCC S.A. have been prepared in accordance with IAS 34. The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the Company's financial statements for the year ended 31 December 2018 approved for publication on 14.03.2019.

These interim condensed financial statements for the 6-month period ended June 30, 2019 were approved by the Management Board for publication on September 3, 2019.

Company have prepared also interim condensed consolidated financial statements for the 6-month period ended June 30, 2019 which were approved by the Management Board for publication on September 3, 2019.

These interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, i.e. at least one year from the balance sheet date. As at the date of publication of these condensed financial statements, there are no circumstances indicating a threat to the Company's ability to continue as a going concern for at least one year from the balance sheet date. As at 30.06.2019, the statement of financial position of the Company shows current assets in the amount of PLN 639.8 million, which comprise, among others: inventories in the amount of PLN 313.9 million, cash in the amount of PLN 192.6 million, receivables in the amount of PLN 133.3 million and current liabilities in the amount of PLN

878.4 million, consisting of, among others: credit debt in the amount of PLN 0.9 million, liabilities to suppliers and other liabilities in the amount of PLN 671.8 million and leasing liabilities (IFRS 16) in the amount of PLN 192.4 million, which results in the surplus of short-term liabilities over current assets in the amount of PLN 238.6 million. This situation is largely due to the fact that inventories are presented at cost, whereas the value of inventories at selling prices would be higher by approximately PLN 600 million at the current sales margins of over 50%. Therefore, based on the knowledge available as at the date of this report, in the opinion of the Management Board of the Company, given the growing sales revenues of the Company, both in terms of value and quantity, this situation does not affect the ability to settle liabilities on an ongoing basis.

[in PLN million unless otherwise stated]

The most important accounting principles applied in the preparation of these financial statements are presented in the context of successive individual notes. These principles were applied in all presented years in a continuous manner. Accounting principles applied by CCC S.A.. have not changed in relation to those used in the financial statements for the financial year from 1 January to 31 December 2018, except for the application of new or changed standards and interpretations applicable to annual periods beginning on 1 January 2019 or later.

The list of the most important accounting policies and estimates and judgments for each item of reports on financial results and financial position are presented below:

NOTE	TITLE	ACCOUNTING POLICIES (Y/N)	CRITICAL ESTIMATES AND JUDGEMENTS (Y/N)	PAGE
3.1	Sales revenue	T		14
3.1	Cost of sales of goods	T		13
3.1	Cost of operating stores	T		13
3.1	Other cost of sales	T		13
3.1	Administrative expenses	T		13
3.1	Leasing costs	T	T	14
3.1	Other operating and finance costs and revenues	T		15
3.2	Income tax	T	T	18
3.2	Deferred tax assets	T	T	21
3.2	Income tax liabilities	T		21
4.1	Equity	T	T	22
4.2	Debt liabilities	T		25
5.1	Intangible assets	T	T	30
5.2	Tangible fixed assets	T	T	31
5.2	Grants received	T		32
5.4	Inventories	T	T	35
5.5	Loans granted	T		36
5.5	Trade receivables	T		36
5.5	Other receivables	T		36
5.6	Cash and cash equivalents	T		37
5.7	Trade liabilities	T		38
5.7	Other liabilities	T		38
5.8	Provisions	T	T	39
6.1	Financial instruments	T	T	40
6.4	Cost of incentive program	T	T	53

APPLIED NEW AND REVISED ACCOUNTING STANDARDS

The accounting principles (policies) applied to prepare these financial statements are consistent with those applied to the preparation of the Group's financial statements for the year ended 31 December 2018.

A) IFRIC INTERPRETATION 23 UNCERTAINTY RELATED TO INCOME TAX RECOGNITION

The interpretation explains how to recognize and measure income tax in accordance with IAS 12 if there is uncertainty about its recognition. It does not apply to taxes or fees that do not fall within the scope of IAS 12, nor does it cover interest and penalty requirements related to the uncertain recognition of income tax. The interpretation applies in particular to:

- the entity's separate consideration of cases of uncertain tax treatment;
- assumptions made by the entity regarding the control of tax treatment by tax authorities;
- the manner in which the entity determines taxable income (tax loss), the tax base, unused tax losses, unused tax credits and tax rates;
- the manner in which the entity reflects changes in facts and circumstances.

An entity must determine whether it considers each uncertain tax treatment separately or in combination with one or more other uncertain tax treatment. An approach should be followed which better provides for resolution of uncertainty.

The interpretation has no significant impact on the interim condensed consolidated financial statements of the Group.

B) AMENDMENTS TO IFRS 9: EARLY REPAYMENTS WITH NEGATIVE COMPENSATION

Pursuant to IFRS 9, a debt instrument may be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are only principal repayments and interest on the principal outstanding (SPPI criterion) and the instrument is held under appropriate business model for this classification. Amendments to IFRS 9 specify that the financial asset meets the SPPI criterion regardless of the event or circumstance that causes early termination of the contract and regardless of which party pays or receives reasonable compensation for early termination.

The changes do not have a significant impact on the interim condensed consolidated financial statements of the Group.

C) AMENDMENTS TO IAS 19: AMENDMENT, RESTRICTION OR SETTLEMENT OF THE PROGRAM

The amendments to IAS 19 specify that in the event of a change, reduction or settlement of the program during the annual reporting period, the entity is required to determine the current cost of the service for the remainder of the period after the change, reduction or settlement of the program, using actuarial assumptions used to re-measure the liability (an asset) net of defined benefits that reflects the benefits of the plan and plan assets after the event. An entity is also required to determine net interest for the remainder of the period following a change, reduction or settlement of the plan using a defined benefit obligation (asset) reflecting the benefits of the plan and plan assets after that event, and the discount rate used for re-measurement net liability (asset) for defined benefits.

The changes do not have a significant impact on the interim condensed consolidated financial statements of the Group.

D) AMENDMENTS TO IAS 28: LONG-TERM INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The amendments specify that the entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method does not apply, but as a rule forms part of the entity's net investment in the associate or joint venture (long-term investment). This explanation is important because it suggests that the expected credit loss model in IFRS 9 applies to such long-term investments.

The amendments also specify that when applying IFRS 9, an entity does not take into account losses of an associate or joint venture or any losses due to impairment of net investment in an associate or joint venture that result from the application of IAS 28 Investments in associates.

The changes do not have a significant impact on the interim condensed consolidated financial statements of the Group.

E) CHANGES RESULTING FROM THE REVIEW OF IFRS 2015-2017

- **IFRS 3 Business Combinations**
  The amendments clarify that when an entity take control over an entity that is a joint operation, it applies the requirements for a business combination in stages, including the re-measurement of previously owned interests in the joint operation at fair value. In this way, the acquirer reassesses all previously held interests in the joint operation.
  The changes do not have a significant impact on the interim condensed consolidated financial statements of the Group.

- **IFRS 11 Joint Arrangements**
  The amendments specify that a party that participates in a joint operation but does not exercise joint control over it may obtain joint control over the joint operation in which the operation of the joint operation is a business as defined in IFRS 3. In such cases, previously held interests in the joint operation are not subject to revaluation.
  The changes do not have a significant impact on the interim condensed consolidated financial statements of the Group.

- **IAS 12 Income tax**
  The amendments specify that the tax consequences of dividend payments are more directly related to past transactions or events that led to distributable profits than to payments to owners. Therefore, the entity recognizes the tax consequences of dividend payments in profit or loss, other comprehensive income or equity, depending on where the entity recognized these past transactions or events.
  The changes do not have a significant impact on the interim condensed consolidated financial statements of the Group.

- **IAS 23 Borrowing costs**
  The amendments specify that the entity treats all loans originally contracted to produce a qualifying asset as part of general loans when, in principle, all the activities necessary to prepare the asset for its intended use or sale are completed.
  The changes do not have a significant impact on the interim condensed consolidated financial statements of the Group.

The Company has not decided to early apply any standard, interpretation or amendment that has been published but has not yet entered into force in the light of European Union legislation.

PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE NOT EFFECTIVE YET AND HAD NOT BEEN EARLY ADOPTED BY THE COMPANY

Below listed are standards and interpretations that have been published by the International Accounting Standards Board but have not yet entered into force. According to the Management Board's assessment, they would not have a significant impact on the financial statements if they were applied by the Company as at the balance sheet date.

- IFRS 14 Regulatory accruals (published on 30 January 2014) – in accordance with the decision of the European Commission, the process of approving the standard in the initial version will not be initiated before the final version of the standard appears – until the date of approval of these financial statements, not approved by the EU – applicable for annual periods beginning on or after 1 January 2016;

- Amendments to IFRS 10 and IAS 28 Sale or contribution transactions between an investor and its associate or joint venture (published on September 11, 2014) – work leading to the approval of these amendments has been postponed by the EU for an indefinite period – the date of entry into force has been postponed by IASB for an indefinite period;

- IFRS 17 Insurance Agreements (published on May 18, 2017) – up to the date of approval of these financial statements, not approved by the EU – applicable to annual periods beginning on January 1, 2021 or later;

- Amendments to the Conceptual Framework References in the International Financial Reporting Standards (published on March 29, 2018) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after January 1, 2020;

- Amendment to IFRS 3 Business Combinations (published on October 22, 2018) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after January 1, 2020;

- Amendments to IAS 1 and IAS 8: Definition of materiality (published on October 31, 2018) – up to the date of approval of these financial statements, not approved by the EU – applicable to annual periods beginning on or after January 1, 2020.

The dates of entry into force are the dates resulting from the content of the standards announced by the International Financial Reporting Council. The dates of application of standards in the European Union may differ from the dates of application resulting from the content of the standards and are announced at the time of approval for use by the European Union.

2. SEGMENTS

The Company uses the exemption for a disclosure concerning segment results based on IFRS 8 par. 4, therefore the analysis of the activities of the operating segments of the Company is presented in the consolidated financial statements of the Capital Group CCC S.A.

3. NOTES TO STATEMENT OF COMPREHENSIVE INCOME

3.1 NOTES TO STATEMENT OF COMPREHENSIVE INCOME

ACCOUNTING POLICY

Cost of goods sold

As the cost of goods sold the Company recognizes:

- value of goods sold
- value of packages expended for sales
- cost of a provision concerning complaints (note 5.8)
- the value of finished goods sold
- impairments for inventories
- impairment losses for fixed assets and intangible assets used in manufacturing of goods or providing services (depreciation of production machines), payroll costs of production workers, other costs related to production.

Cost of operating stores

Cost of operating stores includes the cost of maintenance of stores and other retail outlets. This item includes mainly:

- remuneration costs of employees employed in stores
- amortisation of tangible fixed assets (investments in stores)
- cost of external services (inter alia, the costs of the agent's remuneration (for the comparative period), utility costs.

Other cost of sales

Other cost of sales includes cost of sales not directly related to the maintenance of stores, relating to organizational units supporting the sales. This item includes mainly:

- remuneration costs of employees of organizational units supporting sales
- amortisation of tangible fixed assets
- cost of external services
- other flat costs
- impairment losses on receivables from supplies and services.

Administrative expenses

Administrative expenses include expenses related to managing the general operations of the Company (general-administrative expenses) and general expenses of the Company.

ACCOUNTING POLICY

Lease costs

In accordance with IFRS 16, the Company recognizes the right to use the asset together with the relevant leasing liability determined in the amount of discounted future payments during the lease term.

Lease fees previously recognized in the costs of store operations or in other selling costs in the „lease costs" item are now presented in the costs of store operations or in other selling costs as depreciation and in finance costs as interest expenses. The valuation of the lease liability is periodically settled with the lease payments. Assets under the right of use are amortized on a straight-line basis, while liabilities under leasing contracts are settled with the effective interest rate.

As a result of applying IFRS 16, the Company makes a valuation of leasing contracts that meet the criteria of IFRS 16. The Company includes the following items in current costs:

- Depreciation costs of assets due to the right to use
- Interest costs
- Result of exchange differences
- The costs of completing lease agreements

Sales revenues

IFRS 15 establishes the so-called The Five Steps Model for recognizing revenues resulting from contracts with clients.

In accordance with the above standard, revenues are recognized in the amount of remuneration that the entity is entitled in exchange for transferring the promised goods or services to the client.

The company recognizes revenue at the time of transferring the goods to the customer in a value reflecting the price expected by the entity in exchange for the transfer of these goods and services.

The Management Board of the Company conducted to determine whether a given entity acts as an agent or principal as a comprehensive analysis taking into account the concluded cooperation agreements between the Company and its subsidiary CCC.eu Limited Liability Company („CCC.eu") and the actually operating business model.

The elements that may indicate that the Company could be treated as an intermediary are the following conditions resulting from the concluded agreements:

- according to the adopted settlement model, the Company is guaranteed to obtain a fixed operating margin;
- goods that the Company failed to sell in a given season may be returned to CCC.eu, at the same time CCC.eu may request a return of goods from the Company, and the costs of this return shall be covered by CCC.eu;
- CCC.eu defines standards and supports the Company in terms of pricing, promotion and discounts in stores, including recommendations regarding retail prices, rules for discounts and increases, as well as discounts and promotions for customers;
- CCC.eu decides about the ranges and quantities of goods delivered to the Company;
- The company accepts returns from retail customers and deals with after-sales complaints, while the costs of these complaints are fully covered by CCC.eu.

In the opinion of the Management Board of the Company, other circumstances characterizing the cooperation between the Company and CCC.eu are more important and prevail in the assessment of the role of the Company. In the opinion of the Management Board, the Company does not act as an intermediary because it is exposed to significant risks of its operations and achieves benefits resulting from the sale of goods purchased from CCC.eu. The following conditions for mutual cooperation confirm the assessment of the Company's role:

- The Company has the main responsibility for delivering goods to the customer and the Company is responsible for the acceptability of products purchased by the customer, the Company sells goods purchased from CCC.eu on its own behalf and for its own account, the purchase from CCC.eu follows the terms of delivery of CPT (transfer ownership at the time of loading on the means of transport);
- The Company bears the risk related to inventory before and after the order is placed by the client, during deliveries or refunds, and the inventory remaining in the Company is its property and the Company bears the risk related to their possible loss;
- The Company receives only recommendations from CCC.eu regarding pricing, bonus and rebate policy and has full freedom in pricing, directly or indirectly;
- The Company bears credit risk in relation to amounts due from the client;
- The Company bears full reputational / reputational risk related to the quality of goods sold, and potential customers' reservations may translate into the Company's negative situation.

In relation to the above, the Management Board acknowledges that CCC Joint-stock Company. is the main entity and should not be treated as an intermediary within the meaning of IFRS 15.

[in PLN million unless otherwise stated]

ACCOUNTING POLICY

Other operating income and expenses

Other operating income and expenses include income and expenses on operations that are not the entity's primary operating activity, e.g. gains or losses on disposal of tangible assets, penalties and fines, donations, etc.

Financial revenues and costs

Financial revenues and costs resulting from the Company's financial activities include, but are not limited to: interest, commissions, profits and losses on exchange differences.

SALES REVENUE	06.2019	06.2018	ZMIANA %
Shoes	906,6	816,9	11,0%
Bags	50,8	56,7	-10,3%
Other	44,3	36,1	22,7%
Services/re-invoices	56,3	48,5	16,1%
Retail activities	1058,0	958,2	16,3%
E-commerce	1,2	—	—
Total	1059,2	958,2	16,3%

NOTE	01.2019-06.2019	COST OF SALE OF GOODS	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
	Cost of purchase of goods sold	(697,5)	—	—	—	(697,5)
	Consumption of materials and energy	—	(7,0)	(2,2)	(0,6)	(9,8)
5.4	Provision for inventories	(4,3)	—	—	—	(4,3)
	Remuneration and employees benefits	—	(97,4)	(9,4)	(7,6)	(114,4)
6.4	Cost of incentive program	—	—	—	(5,2)	(5,2)
	Agent services	—	—	—	—	—
	Lease costs	—	(45,5)	—	(1,8)	(47,3)
	Other outsourcing services	—	(14,5)	(2,6)	(6,1)	(23,2)
5.1 5.2	Amortization	—	(118,2)	(0,1)	(3,6)	(121,9)
	Taxes and charges	—	—	—	(2,0)	(2,0)
	Other flat costs	—	(0,1)	(0,4)	(1,1)	(1,6)
	Total	(701,8)	(282,7)	(14,7)	(28,0)	(1 027,2)

* The costs of agency services were incurred until the acquisition of Adler (01/07/2018).

** Utilities and other variable costs; the increase in costs results from the increase in scale

*** The increase in costs results from the provision of IT services at the CCC S.A. Capital Group by the CCC.eu

[in PLN million unless otherwise stated]

NOTE	01.2018-06.2018	COST OF SALE OF GOODS	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
	Cost of purchase of goods sold	(634,4)	—	—	—	(634,4)
	Consumption of materials and energy	—	(9,4)	(1,2)	(0,8)	(11,4)
5.4	Provision for inventories	(2,8)	—	—	—	(2,8)
	Remuneration and employees benefits	—	(86,8)	(7,5)	(7,0)	(101,3)
6.4	Cost of incentive program	—	—	—	(8,3)	(8,3)
	Agent services	—	(20,4)	—	—	(20,4)
	Transportation services	—	—	—	—	—
	Lease costs	—	(29,6)	—	(1,9)	(31,5)
	Other outsourcing services	—	(6,9)	(1,4)	(3,7)	(12,0)
5.1 5.2	Amortization	—	(109,5)	—	(2,4)	(111,9)
	Taxes and charges	—	(0,1)	—	(1,2)	(1,3)
	Other flat costs	—	(0,4)	(0,4)	(1,4)	(2,2)
	Total	(637,2)	(263,1)	(10,5)	(26,7)	(937,5)

* Utilities and other variable costs.

[in PLN million unless otherwise stated]

OTHER INCOME AND OPERATING AND FINANCIAL COSTS

NOTE		01.2019-06.2019	04.2019-06.2019	01.2018-06.2018	04.2018-06.2018
			UNAUDITED		
	Total other costs				
	Loss on disposal of tangible fixed assets	—	—	—	—
	Stocktaking net losses	(0,5)	(0,2)	(1,4)	(0,9)
5.7	Provision establishment	(22,0)	(22,0)	—	—
	Other operating cost	(3,2)	(3,1)	(0,3)	(0,2)
	Loss on exchange rate differences on items other than debt	(0,8)	(0,8)	(0,3)	(0,3)
	Total other costs	(26,5)	(26,1)	(2,0)	(1,4)
	Total other income				
	Profit on disposal of tangible fixed assets	5,4	7,0	4,5	3,9
	Compensations	0,6	0,3	0,4	0,1
	Subsidy of SFRDP remuneration	1,6	0,8	1,5	0,8
	Total other operating costs and income	2,9	1,9	2,5	1,4
	Total other income	10,5	10,0	8,9	6,2
	Total other operating costs and income	(16,0)	(16,1)	6,9	4,8

In 'provision establishment' line has been presented an additional estimation of the negative fair value of CCC Germany, which adjusted the investment cost in the HRG associate.

NOTE		01.2019-06.2019	04.2019-06.2019	01.2018-06.2018	04.2018-06.2018
	Total finance cost				
4.2	Interest on borrowings (recognised in costs)	(8,7)	(3,9)	(7,7)	(4,0)
	Result on exchange rates	—	—	(16,9)	(14,3)
	Commissions paid	—	—	(1,8)	(1,8)
	Other finance cost	(1,1)	(0,6)	(0,6)	(0,3)
	Valuation of HRG call option	(23,1)	(23,1)	—	—
	Guaranties received	(1,1)	(1,1)	(1,2)	(1,3)
	Total finance cost	(34,0)	(28,7)	(28,2)	(21,7)
	Total finance revenue				—
	Interest from current account and other	4,2	3,1	2,7	2,7
	Result on exchange rates	8,1	6,9	—	—
	Other finance revenue	1,6	0,9	0,2	0,1
	Guaranties granted	5,4	5,4	5,0	5,0
	Total finance revenue	19,3	16,3	7,9	7,8

* Data for Q2 2019 include the accounting impact of material transactions from Q1 2019 such as the provisional settlement of the acquisition of HR Group and the fair value restatement of CCC Germany discontinued operations of CCC Germany.

In the valuation of financial instruments, the Company presents a change from the valuation of the option to purchase shares in HR Group in the amount of PLN 23.1million.

3.2 TAXATION

Regulations regarding tax on goods and services, corporate income tax and social security burdens are subject to frequent changes. These frequent changes result in the lack of appropriate benchmarks, inconsistent interpretations and few established precedents that could be applicable. The binding provisions also contain ambiguities, which result in differences in opinions as to the legal interpretation of tax regulations, both between state authorities as well as state authorities and enterprises.

Tax settlements and other areas of activity (for example, customs or currency issues) may be subject to control by authorities that are entitled to impose high fines and fines, and any additional tax liabilities resulting from control must be paid together with high interest. These conditions mean that the tax risk in Poland is higher than in countries with a more mature tax system.

Consequently, the amounts presented and disclosed in the financial statements may change in the future as a result of the final decision of the tax control authority.

As of 15.07.2016, amendments to the Tax Code were introduced to take into account the provisions of the General Fraud Prevention Clause (GAAR). GAAR is to prevent the creation and use of artificial legal structures created to avoid payment of tax in Poland. GAAR defines tax avoidance as an activity carried out primarily to obtain a tax advantage that is contrary to the circumstances under consideration with the subject and purpose of the tax act. According to GAAR, such an activity does not result in a tax advantage if the method of operation was artificial. Any occurrence of (i) unjustified dividing of operations, (ii) engaging intermediary entities in the absence of economic or economic justification, (iii) mutually eliminating or compensating elements, and (iv) other activities with a similar effect to those previously mentioned may be treated as a prerequisite for the existence of artificial activities subject to GAAR regulations. The new regulations shall require much greater judgment in assessing the tax consequences of individual transactions.

The GAAR clause should be applied to transactions made after its entry into force and to transactions that were carried out prior to the entry into force of the GAAR clause, but for which benefits were or are still being achieved after the date of entry into force of the clause. The implementation of the aforementioned provisions shall enable the Polish tax inspection authorities to question the legal arrangements and arrangements made by legal taxpayers, such as the restructuring and reorganization of the Company.

The GAAR clause should be applied to transactions made after its entry into force and to transactions that were carried out prior to the entry into force of the GAAR clause, but for which benefits were or are still being achieved after the date of entry into force of the clause. The implementation of the aforementioned provisions shall enable the Polish tax inspection authorities to question the legal arrangements and arrangements made by legal taxpayers, such as the restructuring and reorganization of the Company.

When there is uncertainty as to whether and to what extent the tax authority shall accept individual tax settlements of the transaction, the Company recognizes these settlements taking into account the uncertainty assessment. The risk is estimated by the Management Board.

[in PLN million unless otherwise stated]

ACCOUNTING POLICY

The obligatory burdens of result include current tax (CIT) and deferred tax.

Current tax is calculated on the basis of the tax result in a given reporting period. Changes in estimates relating to previous years are recognized as an adjustment to the burden for the current year.

Deferred tax assets and liabilities are recognized in the result of the creation of differences between the book value of assets and liabilities and their corresponding tax values and from unaccounted tax losses. Such differences arise in the Company in a situation of different accounting of depreciation for accounting and tax purposes, the recognition of accounting impairment of assets (which for tax purposes will be realized in the form of tax write-offs in future periods) or created for the purpose of accounting provisions (which for tax purposes will be recognized at the moment of incurring respective costs). The differences (not related to acquisitions transactions) related to the initial recognition of a part of an asset or liabilities that does not affect the moment of recognition of a given asset neither the outcome nor the accounting profit (loss) tax are excluded from recognition.

Deferred tax assets and liabilities are calculated using the current (or practically applicable) tax rates. Deferred tax assets and liabilities are subject to offsetting within the Company, when it has the right to settle current tax in a net amount.

Deferred tax assets are recognized to the amount that it is probable to generate taxable income, which will allow the realization of negative temporary differences and tax losses, or when it is expected to simultaneously realize positive temporary differences. Amounts above this are exclusively subject to disclosure.

A. AMOUNTS OF INCOME TAX RECOGNIZED IN THE INCOME STATEMENT AND STATEMENT OF CASH FLOWS

	01.2019-06.2019	01.2018-06.2018
Current tax	(10,4)	(3,6)
Deferred tax	4,6	0,7
Income tax recognized in income statement	(5,8)	(2,9)
Current tax recognized in the result	10,4	3,6
Balance of liabilities/receivables at beginning of period	6,7	(26,2)
Balance of liabilities/receivables at the end of the period	(10,0)	(1,4)
Tax paid recognized in statement of cash flows	7,1	(24,0)

[in PLN million unless otherwise stated]

B. INFORMATION ON THE TAX RATES APPLIED AND RECONCILIATION OF THE RESULT CHARGE

	01.2019-06.2019	01.2018-06.2018
Profit before tax	1,3	7,3
Income tax rate	19%	19%
Tax calculated according to income tax rate	(0,2)	(1,4)
Tax effects of the following items:	—	—
• income not allowable for tax income	(0,2)	—
• non-tax-deductible expenses	(5,2)	(1,3)
• other adjustments	(0,2)	(0,2)
Charging financial result on income tax	(5,8)	(2,9)

The main item of income not constituting tax revenues are received subsidies.

Costs that are not tax-deductible costs include mainly the costs of the CCC Germany negative fair value provision in the amount of PLN 22.0 million and the costs of the intentive scheme valuation in the amount of 5,2 mln PLN.

[in PLN million unless otherwise stated]

C. BALANCE AND AMENDMENTS OF DEFERRED TAX

Changes in assets and liabilities due to deferred income tax during the year is presented as follows:

NOTE	30.06.2019	CREDITING TO / (CHARGING) FINANCIAL RESULT	31.12.2018	CREDITING TO / (CHARGING) FINANCIAL RESULT	01.01.2018
Assets					
Impairment of assets	0,9	—	0,9	0,4	0,5
Provisions for liabilities	4,9	(1,9)	6,8	4,2	2,6
Others	1,9	0,5	1,4	0,1	1,3
Valuation of financial instruments – HRG option	4,4	4,4	—	—	—
Valuation of leasing contracts	2,0	2,2	—	—	—
Total before offsetting	14,1	5,2	9,1	4,7	4,4
Liabilities					
Accelerated tax depreciation of tangible fixed assets	0,7	0,1	0,6	(1,8)	2,4
Others	0,5	0,4	0,1	(0,1)	0,2
Total before offsetting	1,2	0,5	0,7	(1,9)	2,6
Offsetting	(1,2)	(0,5)	(0,7)	1,9	(2,6)
Balance of deferred tax in the balance sheet:					
Assets	13,0	4,6	8,4	6,6	1,8
Liabilities	—	—	—	—	—

4. DEBT, CAPITAL AND LIQUIDITY MANAGEMENT

4.1 CAPITAL MANAGEMENT

The Company's objective in capital management is to secure Company's ability to continue its operations so that it can generate a return for shareholders and benefits for other interested parties and maintain an optimal capital structure in order to reduce its cost.

In accordance with the Company's policy, the dividend is possible in the amount not less than 33% and not higher than 66% of the profit for the period, attributed to shareholders of the parent entity, assuming that the ratio of net debt to EBITDA at the end of the financial year to which the profit distribution will relate will be less than 3.0.

Detailed information on the dividend policy is described in the Statement on operations of the Company. [Section 2.2.1 (dividend policy)]

4.1.1 EQUITY

ACCOUNTING POLICY

Equity is recognized in the accounting books by type and in accordance with legal regulations and the provisions of the Articles of Association.
The types of equity:

- basic capital (share) is recognized the value specified in the Articles of Association and entered in the court register,
- capital reserve created from the surplus value from the sale of shares above their nominal value less the issuance costs,
- retained earnings created from the dividing of financial result, undivided financial result and profit (loss) for the period covered by the financial statements,
- other capitals – created based on launched stock option scheme for employees

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

SHARE CAPITAL

As at 30 June 2019, the company's equity capital consisted of 41,16 million shares (as at 31 December 2018 it consisted of 41,16 million shares) with a nominal value of PLN 0.1 each, including 34,51 million ordinary shares and 6,65 million voting preference shares. All issued shares have been fully paid up.

Shareholders have a pre-emptive right to acquire registered preference shares held for sale.

The entity which has a significant effect on the Company is a company ULTRO sarl, based in Luxemburg, which holds 26,87% of the share capital and 34,55% of the total number of votes. This entity is dependent on Dariusz Miłek, The Chairman of the Supervisory Board of CCC S.A. Other information on Shareholders is included in Statemenst of operations of the Company.

RESERVE CAPITAL FROM THE SALE OF SHARES ABOVE THEIR NOMINAL VALUE

Reserve capital mainly includes the capital from the surplus of the value of sales over the nominal value of issued shares.

The value of reserve capital as at 30 June 2019 amounted to PLN 645,1 million.

RETAINED EARNINGS

Retained earnings include: retained earnings from previous years (including the amounts transferred to the capital reserve in accordance with the requirements of the Commercial Companies Code) and profit of the fiscal year.

[in PLN million unless otherwise stated]

EARNINGS PER SHARE

In the first half of 2019, the basic and diluted earnings per share amounted to PLN -0,11 (PLN 0,11 in the same period of 2018).

	30.06.2019	30.06.2018
Number of shares (pcs.)	41 168 000	41 164 000
Potential number of shares (pcs.)	293 730	293 730
TOTAL (pcs.)	41 461 730	41 457 730
Net profit (loss)	(4,5)	4,4
Earnings per share (PLN)	(0,11)	0,11
Diluted earnings (PLN)	(0,11)	0,11
Number of warrants (psc.)	293 730	293 730
Price of warrants (PLN)	211,42	211,42
Weighted average price of shares during the period (PLN)	195,93	262,80
Share price at the end of the period (PLN)	168,60	205,00
Number of shares for ordinary earnings per share (psc.)	41 168 000	41 164 000
Number of diluting shares (psc.)	0	36 415
Number of shares after adjustment (psc.)	41 168 000	41 200 415
Net profit [million PLN]	(4,5)	4,4
Diluted earnings per share (PLN)	(0,11)	0,11

DIVIDEND

On the 18 June 2019 the General Meeting of Shareholders passed the resolution regarding allocation of part of the supplementary capital in the amount of PLN 19,760,640.00 to be distributed among shareholders by dividend payment.

The Ordinary General Meeting appointed 18 September 2019 as the date according to which the list of shareholders entitled to a dividend for the financial year 2018 is made (dividend day), and the day 1 October 2019 as the dividend payment date.

[in PLN million unless otherwise stated]

4.2 DEBT LIABILITIES

ACCOUNTING POLICY

Debt liabilities cover mainly bank loans and issued bonds. Debt liabilities are recognized initially at fair value less transaction costs associated with obtaining financing.

After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate. Financial costs are recognized in the financial result in financial costs except for costs that relate to the financing of production of fixed assets (according to the policy in note 5.2).

NOTE	DEBT LIABILITIES			BONDS PAYABLE	TOTAL
	NON-CURRENT	CURRENT	IN CURRENT ACCOUNT		
As of 01.01.2018	—	0,7	—	210,0	210,7
Proceeds from debt contracted					
– financing received	—	—	—	210,0	210,0
– transactional cost	—	—	—	1,8	1,8
Charging interest	—	0,1	—	6,7	6,8
Repayment of debt					
– repayment of capital	—	—	—	(203,2)	(203,2)
– interest paid	—	(0,2)	—	(8,4)	(8,6)
Change in current account	—	—	—	—	—
Change of presentation from short to long-term	—	6,9	—	(6,9)	—
Other non-cash changes	—	(0,4)	—	—	(0,4)
As of 31.12.2018	—	7,1	—	210,0	217,1
Proceeds from debt contracted					
– financing received	111,7	—	—	—	111,7
– transactional cost	—	—	—	—	—
Charging interest	—	0,8	—	3,2	4,0
Repayment of debt					
– repayment of capital	—	(6,9)	—	—	(6,9)
– interest paid	—	(0,1)	—	(3,2)	(3,3)
Change in current account	—	—	—	—	—
Change of presentation from short to long-term	—	—	—	—	—
Other non-cash changes	(1,1)	—	—	—	(1,1)
As of 30.06.2019	110,6	0,9	—	210,0	321,5

[in PLN million unless otherwise stated]

NOTE	DEBT LIABILITIES			BONDS PAYABLE	TOTAL
	NON-CURRENT	CURRENT	IN CURRENT ACCOUNT		
As of 31.12.2017	—	0,7	—	210,0	210,7
Proceeds from debt contracted					
– financing received	—	—	—	210,0	210,0
– transactional cost	—	—	—	1,8	1,8
Charging interest	—	—	—	3,4	3,5
Repayment of debt					
– repayment of capital	—	—	—	(203,2)	(203,2)
– interest paid	—	(0,3)	—	(5,3)	(5,6)
Change in current account	—	—	49,6	—	49,6
Other non-cash changes	—	0,3	—	—	0,3
As of 30.06.2018	—	0,7	49,6	216,9	267,1

Financing received in the amount of PLN 111.7 million relates to a loan agreement of 29.01.2019 with the company CCC.eu sp.z o.o. (a company from the CCC Capital Group) in the amount of EUR 26 million. Interest on the loan is based on a fixed interest rate. Interest on external financing (loans and bonds) are based on variable interest rate (WIBOR rate increased by the bank's margin). Existing debt is exposed to interest rate risk, currency risk and liquidity risk. A description of the exposure to financial risks is provided in Note 6.1.

[in PLN million unless otherwise stated]

4.3 CONNTRACTUAL MATURITIES FOR FINANCIAL LIABILITIES AND LIQUIDITY MANAGEMENT POLICY

Cautious liquidity management implies maintaining sufficient cash and cash equivalents and the availability of further funding through guaranteed sources from credit lines.

The following table provides information on the contractual undiscounted payments under the existing debt.

NOTE	AS OF 30.06.2019	CONTRACTUAL MATURITIES FOR FINANCIAL LIABILITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	BOOK VALUE
		UP TO 3 MONTHS	3-12 MONTHS	1-3 YEARS	3-5 YEARS	OVER 5 YEARS		
4.2	Borrowings	1,5	1,6	112,0	—	—	115,1	111,5
4.2	Bonds	—	6,4	216,4	—	—	222,8	210,0
5.7	Trade liabilities	460,1	24,3	—	—	—	484,4	484,4
	Lease liabilities	50,4	143,3	291,0	152,4	70,1	707,2	683,5
	Liabilities related to purchase of Adler enterprise	2,5	—	—	—	—	2,5	2,5
	Liabilities related to obligation to pay to associates	—	101,4	—	—	—	101,4	101,4
	Financial liabilities	514,5	277,0	619,4	152,4	70,1	1 633,4	1 593,3

NOTE	AS OF 31.12.2018	CONTRACTUAL MATURITIES FOR FINANCIAL LIABILITIES FROM THE END OF THE REPORTING PERIOD					TOTAL UNDISCOUNTED	BOOK VALUE
			3-12 MONTHS	1-3 YEARS	3-5 YEARS	OVER 5 YEARS		
4.2	Borrowings	0,3	—	—	—	—	0,3	0,3
4.2	Bonds	—	7,0	225,8	—	—	232,8	216,8
5.7	Trade liabilities	166,2	18,2	—	—	—	184,4	184,4
	Lease liabilities	47,4	137,4	275,8	144,4	59,6	664,6	641,8
	Liabilities related to purchase of Adler enterprise	19,0	—	—	—	—	19,0	19,0
	Financial liabilities	232,9	162,6	501,6	144,4	59,6	1 101,1	1 062,3

[in PLN million unless otherwise stated]

4.4 ADDITIONAL INFORMATION TO SELECTED ITEMS OF THE STATEMENT OF CASH FLOW

NOTE		RECEIVABLES	LIABILITIES
	As of 31.12.2018	76,5	263,8
	As of 30.06.2019	53,7	677,3
	Change in the statement of financial position	22,8	413,5
	Difference arising from:	—	—
	Change in sureties granted	(5,4)	11,0
	Change in investment liabilities/receivables	4,9	(2,7)
6.2	Change in receivables related to payment for the aquisition of Gino Rossi S.A. shares	(27,7)	—
6.2	Change in liabilities related to obligation to pay to associates	—	(101,4)
	Declared dividend	—	(19,8)
	Other	(0,1)	18,6
	Change recognized in the statement of cash flows	(5,5)	319,2
	As of 31.12.2017	54,2	217,4
	As of 30.06.2018	75,0	280,7
	Change in the statement of financial position	(20,8)	63,3
	Difference arising from:		
	Change in sureties granted	(5,2)	9,7
	Change in investment liabilities/receivables	—	(13,8)
	Deduction of loan receivables	—	141,7
	Other*	—	0,4
	Declared dividend	—	(94,7)
	Change recognized in the statement of cash flows	(26,0)	106,6

*In the amount of other differences in relation to the change in liabilities in the period from 31/12/2018 to 30/06/2019, an adjustment was primarily recognized resulting from the repayment of the liability for the acquisition of Adler in the amount of PLN 16.5 million.

NOTE		RECEIVABLES BEFORE ADJUSTMENTS	ADJUSTMENTS	RECEIVABLES AFTER ADJUSTMENTS
	As of 31.12.2018	166,5	(90,0)	76,5
	As of 30.06.2019	53,7	—	53,7
	Change in the statement of financial position	112,8	(90,0)	22,8
	Adjustments related to:	—	—	—
	Loans granted	—	(90,0)	(90,0)

[in PLN million unless otherwise stated]

	01.2019-06.2019	01.2018-06.2018
Other profit adjustments before taxation:	—	—
Profit (loss) on exchange rates differences	(8,2)	19,4
Change in provisions	—	(0,2)
Valuation of employee option scheme	5,2	8,3
Sureties granted	(5,5)	(3,8)
Valuation of HR Group option	23,1	—
Valuation of fair value of CCC Germany	22,0	—
Other	(0,3)	(3,1)
	36,3	20,6

	01.2019-06.2019	01.2018-06.2018
Amortization and depreciation resulting from changes in fixed assets	—	—
Amortization and depreciation disclosed in note of costs by nature	121,9	111,9
Change due to re-invoicing of costs	9,0	5,9
Other	(1,3)	(1,8)
	129,6	116,0

[in PLN million unless otherwise stated]

5. NOTES TO STATEMENTS OF FINANCIAL POSITION

5.1 INTANGIBLE ASSETS

ACCOUNTING POLICY

Company measures intangible assets in the value of incurred cost less depreciation write-offs and impairment losses.
Depreciation is calculated with linear method by estimating the utility period of a particular asset, which for selected Companys refers to:
• patents and licenses – from 5 to 10 years
• trademarks – from 5 to 10 years
In case when there were events or changes in circumstances indicating that the book value of intangible assets may not be recoverable, they undergo verification for impairment in accordance with the policy described in note 5.2.

	TRADEMARKS, PATENTS AND LICENCES	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross value 01.01.2018	11,1	0,2	11,3
Aggregated amortization	(8,5)	—	(8,5)
Net value 01.01.2018	2,6	0,2	2,8
Amortization	(0,8)	—	(0,8)
Purchase	0,2	—	0,2
Transfer between groups	0,2	(0,2)	—
Gross value 31.12.2018 (01.01.2019)	11,5	—	11,5
Aggregated amortization	(9,3)	—	(9,3)
Net value 31.12.2018 (01.01.2019)	2,2	—	2,2
Amortization	(0,4)	—	(0,4)
Purchase	—	—	—
Transfer between groups	—	—	—
Gross value 30.06.2019	11,5	—	11,5
Aggregated amortization	(9,7)	—	(9,7)
Net value 30.06.2019	1,8	—	1,8

[in PLN million unless otherwise stated]

5.2 TANGIBLE FIXED ASSETS

ACCOUNTING POLICY

Tangible fixed assets include mainly: investments in foreign fixed assets (i.e. outlays in rented premises used for selling retail goods) and land and buildings, machinery and equipment.

Fixed assets are recognized at purchase price or production cost less depreciation write-offs and recognized impairment losses. Lands and fixed assets in progress are not depreciated.

Subsequent outlays are included in the book value of the fixed asset or recognized as a separate fixed asset (where appropriate) only when it is probable that this item will generate economic benefits for the Company, whereas the cost of the item can be measured reliably. Book value of the mentioned item is removed from the balance sheet. All other outlays on repairs and maintenance are recognized in financial result during the financial period in which they are incurred.

Borrowing costs are subject to capitalization and are recognized as an increase in the value of the fixed asset. Depreciation is calculated with linear method by estimating the utility period of a particular asset, which for selected Companys refers to:

COMPANY OF FIXED ASSETS	DEPRECIATION PERIOD		OTHER UTILITY PERIOD
Investment in stores	Depreciation period is determined by two factors and accept lesser of values: – utility period of outlays (typically 10 years) – duration of the lease store in which the fixed asset is placed (usually 10 years)		
Factory and distribution	– Buildings – Machines and equipment – Means of transport – Other tangible fixed assets	– from 10 to 40 years – from 3 do 15 years – from 5 to 10 years – from 5 to 10 years	
Other	– Machines and equipment – Means of transport – Other tangible fixed assets	– from 3 do 15 years – from 5 to 10 years – from 5 to 10 years	

Depreciation method and its period are reviewed at each balance sheet date.
Principles of testing for impairment and accounting write-downs due to impairment of tangible fixed assets is disclosed in Note 5.2.

Impairment on non-financial fixed assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate the possibility of not realizing their book value. An impairment loss is recognized for the amount by which the book value of a particular part of assets exceeds its recoverable amount. The recoverable amount constitutes the higher of two amounts: fair value of assets less costs of sale or value in use. For the purposes of assessing impairment, assets are Companyed at the lowest level in regard to which there are separately identifiable cash flows (cash generating units). Non-financial assets in regard to which impairment had been identified previously are assessed at each balance sheet date for the occurrence of reasons for possible reversal of the made impairment.

In retail sales each of the stores is a separate cash generating unit. In accordance with the above principles, in respect of investments in stores at each balance sheet date, the Company makes analysis for impairment loss. Operating profit realized by each of the retail units is assessed.

In order to estimate the impairment loss of non-financial assets, the Company takes into account the following reasons:

1. Store operates at least 24 months.
2. Store suffers a loss at the gross level including the customs tolerances in each of the last two years of operation.
3. Analysis of the current value of future cash flows indicates the lack of coverage of investment outlays.

In the event that the assets are recognized as irrecoverable, the Company performs an impairment loss in the amount of surplus of investment outlays over the recoverable amount. Impairment is recognized in cost of sales of goods.

ACCOUNTING POLICY

Grants received

Grants for the purchase or production of tangible fixed assets the Company recognizes in the books of the Company at the moment of inflow or prima facie evidence of its inflow in the future (e.g. receiving a promissory note, incentive on operating lease) if there is reasonable assurance that the Company will meet the conditions necessary to receive a grant. Grants are recognized as deferred income (position „grants received"). Included in deferred income the amounts of grants gradually adjust the depreciation in other operating income, in parallel to depreciation write-offs or tangible fixed assets impairment financed from these sources.

In 2019, neither creation nor release of write-down was made for non-financial assets.

Some of the assets relating to the specific points of sales can be permanently connected to the rented premise (outlays in stores), which causes the lack of an alternative way of using them or reselling. Their utility period, as well as the amortization period is related to the estimation of the lease of the premises. Approved utility periods are described in accounting policy.

Accordingly, the level of costs of depreciation depends on the estimated rental period of the point of sales. Changes of this period can affect the level of write-down.

Assets under construction consist primarily of investments in stores.

Information on fixed assets creating a collateral for the debt incurred is presented in note 4.2.

The Company CCC S.A. on 23 December 2009 concluded the agreement with the Polish Agency for Enterprise Development for financing investments in fixed assets. The company applied for a grant from the Innovative Economy Operational Programme in connection with the investment of building high-storage warehouse located in Polkowice. The final amount of the grant was fixed in the amount of PLN 38.5 million.

The grant was, in accordance with the accounting policy of the Company, classified as deferred income in the statement of financial position.

In the first half of 2019, a total of PLN 1.3 million was settled to the comprehensive income statement (PLN 1.3 million in 2018), which was recognized in other operating income.

[in PLN million unless otherwise stated]

		FACTORY AND DISTRIBUTION				OTHER TANGIBLE FIXED ASSETS				
	INVESTMENT IN STORES	LAND, BUILDINGS AND NSTRUCTIONS	MACHINES AND EQUIPMENT	TANGIBLE FIXED ASSETS IN PROGRESS	TOTAL	LAND AND BUILDINGS	MACHINES AND EQUIPMENT	OTHER	TOTAL	TOTAL
Gross value 01.01.2018	291,8	117,5	95,6	23,1	236,2	27,0	27,0	28,9	82,9	610,9
Aggregated depreciation	(120,8)	(15,2)	(52,2)	—	(67,4)	(2,0)	(16,6)	(12,4)	(31,0)	(219,2)
Impairment loss	—	—	—	—	—	—	—	—	—	—
Net value 01.01.2018	171,0	102,3	43,4	23,1	168,8	25,0	10,4	16,5	51,9	391,7
Purchase	140,9	76,1	—	—	76,1	18,3	3,1	0,1	21,5	238,5
Produced on its own	—	—	—	—	—	—	—	—	—	—
Depreciation	(33,6)	(3,5)	(9,5)	—	(13,0)	(2,2)	(2,7)	(1,0)	(5,9)	(52,5)
Liquidation and sale	(27,5)	—	—	—	—	(3,1)	(0,7)	(21,2)	(25,0)	(52,5)
Decrease	4,1	—	—	—	—	0,2	0,7	7,5	8,4	12,5
Transfers	0,1	12,9	—	(23,0)	(10,1)	13,1	(3,1)	—	10,0	—
Impairment loss	—	—	—	—	—	—	—	—	—	—
Gross value 31.12.2018	405,3	206,5	95,6	0,1	302,2	55,3	26,3	7,8	89,4	796,9
Aggregated depreciation	(150,3)	(18,7)	(61,7)	—	(80,4)	(4,0)	(18,6)	(5,9)	(28,5)	(259,2)
Impairment loss	—	—	—	—	—	—	—	—	—	—
Net value 31.12.2018	255,0	187,8	33,9	0,1	221,8	51,3	7,7	1,9	60,9	537,7
Purchase	42,9	4,2	13,6	3,5	21,3	3,1	0,5	—	3,6	67,8
Produced on its own	—	—	—	—	—	—	—	—	—	—
Depreciation	(20,2)	(4,4)	(5,9)	—	(10,3)	(1,2)	(1,4)	(0,3)	(2,9)	(33,4)
Liquidation and sale	(13,7)	—	—	—	—	—	(2,2)	—	(2,2)	(15,9)
Decrease	4,5	—	—	—	—	—	1,0	—	1,0	5,5
Transfers	—	—	—	—	—	—	—	—	—	—
Impairment loss	—	—	—	—	—	—	—	—	—	—
Gross value 30.06.2019	434,5	210,7	109,2	3,6	323,5	58,4	24,6	7,8	90,8	848,8
Aggregated depreciation	(166,0)	(23,1)	(67,6)	—	(90,7)	(5,2)	(19,0)	(6,2)	(30,4)	(287,1)
Impairment loss	—	—	—	—	—	—	—	—	—	—
Net value 30.06.2019	268,5	187,6	41,6	3,6	232,8	53,2	5,6	1,6	60,4	561,7

[in PLN million unless otherwise stated]

5.3 RIGHT OF USE ASSETS AND LEASE LIABILITIES

RIGHT OF USE	SHOPS	STORES	VEHICLES	OTHER	TOTAL
Gross value 01.01.2019	786,8	5,9	1,8	—	794,5
Depreciation	(177,0)	(1,6)	(0,9)	—	(179,5)
Net value 01.01.2019	609,8	4,3	0,9	—	615,0
Conclusion of new leasing agreements	31,9	1,7	1,1	11,7	46,4
Changes resulting from the modification of contracts	91,7	0,3	0,9	4,7	97,5
Changes resulting from the change of the scope of the contract – shortening the period – gross value	(3,3)	—	—	—	(3,3)
Gross value 30.06.2019	907,1	7,9	3,8	16,4	935,1
Depreciation 01.01.2019	(177,0)	(1,6)	(0,9)	—	(179,5)
Depreciation over the period	(94,5)	(1,0)	(0,8)	(0,8)	(97,1)
Changes resulting from the change of the scope of the contract – shortening the period – depreciation	2,5	—	—	—	2,5
Depreciation 30.06.2019	(269,0)	(2,6)	(1,7)	(0,8)	(274,1)
Net value 30.06.2019	638,0	5,3	2,1	15,6	661,0

The Other item includes primarily contracts lease of warehouse and office space.

RIGHT OF USE	SHOPS	STORES	VEHICLES	TOTAL
Gross value 01.01.2018	621,8	3,3	1,3	626,4
Depreciation	—	—	—	—
Net value 01.01.2018	621,8	3,3	1,3	626,4
Conclusion of new leasing agreements	82,3	0,9	0,8	84,0
Changes resulting from the modification of contracts	20,8	—	—	20,8
Changes resulting from the change of the scope of the contract – shortening the period – gross value	(7,1)	—	—	(7,1)
Gross value 30.06.2018	717,8	4,2	2,1	724,1
Depreciation 01.01.2018	—	—	—	—
Depreciation over the period	(92,7)	(0,5)	(0,5)	(93,7)
Changes resulting from the change of the scope of the contract – shortening the period – depreciation	0,4	—	—	0,4
Depreciation 30.06.2018	(92,3)	(0,5)	(0,5)	(93,3)
Net value 30.06.2018	625,5	3,7	1,6	630,8

[in PLN million unless otherwise stated]

Lease liabilities 01.01.2019	641,8
Accrued interest	4,7
Payment due to leasing	(99,9)
Exchange rate differences	(6,7)
Adding a new contract	46,4
Modification of the terms of the contract	91,0
Indexation	7,0
Change of scope	(0,8)
Lease liabilities 30.06.2019	683,5

5.4 INVENTORIES

ACCOUNTING POLICY

Inventories are recognized at purchase price or production cost or the net selling price, depending which of these amounts is lower. Net selling price it is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

In the event of circumstances as a result of which there has been a decrease in the value of inventories, the write-down loss in cost of sales of goods is made. In the case of termination of the circumstances that caused the decrease in the value of inventories, the reversal of a write-down is made by deducting the cost of sales of goods. In regard to the disbursement of all inventories of similar kind and similar usage the FIFO method is applied.

	30.06.2019	31.12.2018
Materials	—	—
Manufacturing in progress	—	—
Goods	318,2	307,1
Finished goods	—	—
Total (gross)	318,2	307,1
Inventory provision	(4,3)	(3,3)
Total (net)	313,9	303,8

	30.06.2019	31.12.2018
At the beginning of the period	(3,3)	(1,8)
Establishment in cost of sales of goods	(4,3)	(3,3)
Utilisation	3,3	1,8
Reversal in cost of sales of goods	—	—
At the end of the period	(4,3)	(3,3)

In order to determine the amount of write-down, the Management Board relies on the most appropriate available historical data and expectations for sales. Sales of footwear depends mainly on the changing trends and customer expectations.

At the balance sheet date, the company recorded a significant increase in the value of inventories relative to comparative data. The reason for this situation is the fact that the peak of sales of summer footwear falls on July and August with the highest sales recorded in December for winter footwear.

In 2019, the Company made a write-down revaluating inventories in the amount of PLN 4.3 million.

[in PLN million unless otherwise stated]

5.5 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate less the write-down losses (further policy described in note 6.1).

If the amount payable can be expected within one year, receivables are classified as current assets. Otherwise, it is recognized as fixed assets.

Other receivables

Other receivables not being financial assets are initially recognized at nominal value and measured on the last day of the reporting period in the due amount.

Loans granted

Loans are measured initially at fair value. After initial recognition, valuation is made in the amount of amortised cost using the effective interest rate, less depreciation, write-down (further in this regard, the policy presented in note 6.1).

	30.06.2019	31.12.2018
Trade and other receivables	24,6	9,0
Provision for receivables	(0,9)	(0,9)
Total net receivables	23,7	8,1
Short-term loans granted	79,6	90,0
Payments on future supplies of goods	0,1	4,4
Accrued expenses	6,9	6,4
Tax receivables	1,3	10,3
Sureties granted	5,4	12,3
receivables from repurchase of Gino Rossi	—	27,7
Other	16,3	7,3
Total other receivables	109,6	158,4
Long-term loans granted	201,9	44,6

In other receivables, the Company presents receivables from the sale of fixed assets in the amount of PLN 8.8 million (in 2018: PLN 3.0 million).

Customer receivables are exposed to credit risk and currency exchange risk.

[in PLN million unless otherwise stated]

Policy for managing these risks and further information on these risks (including assessment of credit quality, the maximum exposure to credit risk, sensitivity analysis on the change rate of the exchange rate) are shown in note 6.1. There are no overdue receivables for this asset.

i MORE INFORMATION IN SECTION **2.3**
IN THE STATEMETNS ON THE OPERATIONS OF THE GROUP AND IN THE NOTE **6.1**.

Information on loans granted is presented in note 6.3.

Loan receivables are exposed to credit risk, currency risk and interest rate risk.

Credit risk	Policy for risk management presented in note 6.1. In the opinion of the Management Board, the credit quality of the receivables is good. The loan is unsecured and the maximum amount of exposure to credit risk is the nook value of the receivable. The receivable is not expired or no impairment is stated.
Interest rate risk	Policy for managing this risk is presented in note 6.1. Analysis of sensitivity to interest-rate changes is presented in note 6.1.
Fair value	The fair value of the receivables is close to their book value.

5.6 CASH

ACCOUNTING POLICY

Cash and cash equivalents include cash in hand, bank deposits payable on demand. Overdrafts are presented in the statement of financial position as a component of short-term debt liabilities, but for the purposes of the statement of cash flows statement it decreases cash and cash equivalents.

	30.06.2019	31.12.2018
Cash in hand	19,0	20,7
Cash at bank	5,5	54,6
Short-term deposits (up to 3 months)	168,1	29,0
Total	192,6	104,3

Cash and cash equivalents are exposed to credit risk and currency exchange risk.

Policy for managing these risks and further information on these risks (including assessment of credit quality, the maximum exposure to credit risk, sensitivity analysis on the change rate of the exchange rate) are shown in note 6.1.

[in PLN million unless otherwise stated]

5.7 TRADE AND OTHER LIABILITIES

ACCOUNTING POLICY

Trade liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Trade liabilities are classified as current liabilities if payment is due within one year. Otherwise, liabilities are recognised as non-current. Other liabilities are measured at the amount due.

	30.06.2019	31.12.2018
Trade liabilities		
• supply of goods and services	442,8	145,2
• investment	24,4	21,0
• factoring	17,2	18,2
Total	484,4	184,4
Liabilities for indirect taxes, duties and other benefits	10,3	3,1
Liabilities for employee benefits	31,2	33,9
Accrued expenses	23,0	19,3
Sureties received	1,1	2,1
Dividend liabilities	19,8	—
Liabilities related to obligation to pay to associate	101,4	—
Liabilities related to purchase of Adler enterprise	2,5	19,0
Other liabilities	3,6	2,0
Total	192,9	79,4

Trade liabilities are mostly related to liabilities to the CCC.eu (company from the CCC Capital Group) and amount to PLN 388.9 million.

Liabilities to suppliers are exposed to currency risk. Management of currency risk and sensitivity analysis are presented in note 6.1.

Liabilities involve liquidity risk (for further information see note 4.3.). The fair value of liabilities to suppliers approximates their book value.

[in PLN million unless otherwise stated]

5.8 PROVISIONS

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	OTHER PROVISIONS	TOTAL
As of 01.01.2018	2,8	—	2,8
Establishment	0,4	76,4	76,8
Utilisation	—	—	—
Release	(0,1)	—	(0,1)
Exchange rate differences	—	—	—
As of 31.12.2018	3,1	76,4	79,5
Current	0,9	76,4	77,3
Non-current	2,2	—	2,2
As of 01.01.2019	3,1	76,4	79,5
Establishment	—	22,0	22,0
Utilisation	—	(98,4)*	(98,4)
Release	—	—	—
Exchange rate differences	—	—	—
As of 30.06.2019	3,1	—	3,1
Current	0,9	—	0,9
Non-current	2,2	—	2,2

* In other provisions have been included only the provision related to negative fair value of CCC Germany GMbH. In the reporting period, the use of the provision adjusted the investment cost in the associate HR Group.

[in PLN million unless otherwise stated]

6. OTHER NOTES

6.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

ACCOUNTING POLICY

Impairment of financial assets

The application of IFRS 9 fundamentally changed the approach to impairment of financial assets by departing from the concept of loss incurred in favour of expected loss, where the entire expected credit loss is recognized ex-ante

In the case of trade assets, the Company applies a simplified approach and measures the write-down for expected credit losses in the amount equal to the expected credit losses over the whole life using the reserve matrix. The Company uses its historical data on credit losses, adjusted, where appropriate, for the impact of information about the future.

In the case of other financial assets, the Company measures the write-down for expected credit losses in the amount equal to 12-month expected credit losses. The company investigates receivables in terms of overdue payments, which is the basis for the assessment of credit risk growth. If the credit risk related to a given financial instrument has significantly increased since the initial recognition, the Company measures the write-down for expected credit losses from the financial instrument in an amount equal to the expected credit losses over the entire lifetime.

	30.06.2019		31.12.2018	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
Financial assets measured at amortised cost	506,6	—	250,0	—
Loans granted	281,5	—	134,6	—
Trade receivables	23,7	—	8,1	—
Receivabes from the sale of fixed asstes	8,8	—	3,0	—
Cash and cash equivalents	192,6	—	104,3	—
Financial assets measured at fair value through profit or loss	93,6	—	—	—
Other financial assets	93,6	—	—	—
Financial liabilities measured at amortised cost	—	1 593,3	—	1 062,3
Debt liabilities	—	321,5	—	217,1
Trade and other liabilities	—	484,4	—	184,4
Lease liabilities	—	683,5	—	641,8
Obligation to pay for aquired company	—	2,5	—	19,0
Liabilities related to obligation to pay to associate	—	101,4	—	—

FINANCIAL RISK MANAGEMENT

There are many different financial risks related to the activities carried out by the Company CCC S.A. The Management Board identifies the main ones: the risk of changes in exchange rates, interest rate change, credit risk (described below) and liquidity risk (see note 4.3.).

RISK OF CHANGES IN CURRENCY EXCHANGE RATES

CCC S.A. operates internationally and therefore is exposed to the risk of changes in currency exchange rates, in particular EUR in relation to the transaction costs of stores rentals and loans granted.

Key balance sheet items exposed to currency risk are trading liabilities (leases of shops), trade receivables (due to sublease of stores), loans granted and cash.

The Company monitors the exchange rate fluctuations and on regular basis takes steps to minimize the negative impact of currency fluctuations, e.g.: by taking these changes into account in product prices. The Company does not apply hedging instruments.

The amounts were translated to a functional currency according to the rate applicable at the last day of the reporting period:

- currency exchange rate as at 30.06.2019 amounted to 1 EUR – 4,2520 PLN
- currency exchange rate as at 31.12.2018 amounted to 1 EUR – 4,3000 PLN
- currency exchange rate as at 30.06.2019 amounted to 1 USD – 3,7336 PLN
- currency exchange rate as at 31.12.2018 amounted to 1 USD – 3,7597 PLN

The translation was made according to the exchange rates indicated earlier by dividing the amounts expressed in millions of Polish zlotys by the currency exchange rate.

[in PLN million unless otherwise stated]

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

30.06.2019	TOTAL BOOK VALUE	POSITIONS IN FOREIGN CURRENCY			POSITIONS IN FUNCTIONAL CURRENCY
		USD	EUR	OTHER	
Financial assets measured at amortised cost	506,6	34,3	73,0	73,2	326,1
Loans granted	281,5	33,6	72,7	71,4	103,8
Trade receivables	23,7	—	—	1,8	21,9
Receivabes from the sale of fixed asstes	8,8	—	—	—	8,8
Cash and cash equivalents	192,6	0,7	0,3	—	191,6
Financial assets measured at fair value through profit or loss	93,6	—	93,6	—	—
Other financial assets	93,6	—	93,6	—	—
Financial liabilities measured at amortised cost	1 593,3	0,7	820,3	—	772,3
Debt liabilities	321,5	—	111,2	—	210,3
Trade liabilities	484,4	0,7	1,0	—	482,7
Lease liabilities	683,5	—	606,7	—	76,8
Obligation to pay for aquired company	2,5	—	—	—	2,5
Liabilities related to obligation to pay to associate	101,4	—	101,4	—	—

31.12.2018	TOTAL BOOK VALUE	POSITIONS IN FOREIGN CURRENCY			POSITIONS IN FUNCTIONAL CURRENCY
		USD	EUR	OTHER	
Financial assets measured at amortised cost	247,0	34,5	28,3	14,5	169,7
Loans granted	134,6	9,4	1,3	12,3	111,6
Trade receivables	8,1	—	—	2,2	5,9
Cash and cash equivalents	104,3	25,1	27,0	—	52,2
Financial liabilities measured at amortised cost	1 043,3	0,7	527,4	1,0	514,2
Debt liabilities	217,1	—	—	—	217,1
Trade liabilities	184,4	0,7	2,4	—	181,3
Lease liabilities	641,8	—	525,0	1,0	115,8

[in PLN million unless otherwise stated]

Sensitivity analysis of exchange rate fluctuations is presented in the table below:

30.06.2019	ITEM VALUE IN CURRENCY USD	INCREASE/ DECREASE OF EXCHANGE RATE USD		ITEM VALUE IN CURRENCY EUR	INCREASE/ DECREASE OF EXCHANGE RATE EUR	
		0,05	-0,05		0,05	-0,05
Financial assets measured at amortised cost	34,3	0,5	(0,5)	73	0,9	(0,9)
Loans granted	33,6	0,5	(0,5)	72,7	0,9	(0,9)
Trade receivables	—	—	—	—	—	—
Cash and cash equivalents	0,7	—	—	0,3	—	—
Financial assets measured at fair value through profit or loss	—	—	—	93,6	1,1	(1,1)
Other financial assets	—	—	—	93,6	1,1	(1,1)
Financial liabilities measured at amortised cost	0,7	—	—	820,3	9,6	(9,6)
Debt liabilities	—	—	—	111,2	1,3	(1,3)
Trade liabilities	0,7	—	—	1,0	—	—
Lease liabilities	—	—	—	606,7	7,1	(7,1)
Liabilities related to obligation to pay to associate	—	—	—	101,4	1,2	(1,2)
Impact on net result	—	0,5	(0,5)	—	11,6	(11,6)

31.12.2018	ITEM VALUE IN CURRENCY USD	INCREASE/ DECREASE OF EXCHANGE RATE USD		ITEM VALUE IN CURRENCY EUR	INCREASE/ DECREASE OF EXCHANGE RATE EUR	
		0,05	-0,05		0,05	-0,05
Financial assets measured at amortised cost	34,5	0,5	(0,5)	28,3	0,3	(0,3)
Loans granted	9,4	0,1	(0,1)	1,3	—	—
Trade receivables	—	—	—	—	—	—
Cash and cash equivalents	25,1	0,3	(0,3)	27,0	0,3	(0,3)
Financial liabilities measured at amortised cost	(0,7)	—	—	527,4	6,1	(6,1)
Debt liabilities	—	—	—	—	—	—
Trade liabilities	(0,7)	—	—	2,4	—	—
Lease liabilities	—	—	—	525,0	6,1	(6,1)
Impact on net result	—	0,5	(0,5)	—	6,5	(6,5)

[in PLN million unless otherwise stated]

RISK OF INTEREST RATE CHANGES

Company CCC S.A. is exposed to interest rate change risk mainly due to the debt resulting from concluded loan agreements and issued bonds, cash in bank accounts and loans granted.

The entire debt bears interest at a variable interest rate based on WIBOR. An increase in interest rates affect the cost of debt servicing, which is partially offset by cash deposits and loans granted with variable interest rates. Loans granted in PLN bear interest using a variable WIBOR rate plus a margin.

The items bear interest at variable rates expose the Company to risk of changes in cash flows due to changes in interest rates.

The Company does not use hedging activities limiting the impact on the financial result of changes in cash flows resulting from changes in interest rates.

The following table presents a sensitivity analysis of the risk of changes in interest rates, which in the opinion of the Company would be reasonably possible at the balance sheet date.

	AMOUNT VULNERABLE TO RISK OF INTEREST RATE CHANGE %		AS OF 30.06.2019		AS OF 31.12.2018	
	30.06.2019	31.12.2018	+1 P.P.	-1 P.P.	+1 P.P.	-1 P.P.
Cash at bank	5,5	54,6	0,1	(0,1)	0,5	(0,5)
Loans granted	281,5	134,6	2,8	(2,8)	1,3	(1,3)
Other financial assets	93,6	—	0,9	(0,9)	—	—
Debt liabilities	(321,5)	(217,1)	(3,2)	3,2	(2,2)	2,2
Lease liabilities	(683,5)	(641,8)	(6,8)	6,8	(6,4)	6,4
Effect on net result	—	—	(6,2)	6,2	(6,8)	6,8

CREDIT RISK

Credit risk it is the risk by the Company to incur financial losses due to a failure by the customer or counterparty to a financial instrument to meet its contractual obligations. Credit risk is mainly related to the Company's receivables from customers, loans granted and cash and cash equivalents in bank accounts.

The maximum exposure to credit risk at balance sheet date (30 June 2019 and 31 December 2018) is presented in the table below:

	30.06.2019	31.12.2018
Loans granted	281,5	134,6
Trade receivables	23,7	8,1
Cash and cash equivalents	192,6	104,3
Guarantees granted	1 121,9	658,7
Total	1 619,7	905,7

[in PLN million unless otherwise stated]

Granted loans are not secured, however, due to the fact that they were granted to the entities over which the Company exercises control or long-term business partners, their repayment in the Company's opinion is not affected by a material credit risk.

The table below presents the value of collateral granted by CCC S.A. to subsidiaries:

	30.06.2019	31.12.2018
	AMOUNT/OR BOOK VALUE OF GUARANTEE	
Sureties granted	1 094,0	1 056,0
Capped mortgages on property	1 346,1	746,1
Registered pledge on movable assets	1 800,0	1 500,0
In blanco bills of exchange	709,9	797,0
Assignments of insurance policies	17,0	17,0
Bank guarantees	73,7	129,5

Credit risk related to financial instruments in the form of cash in bank accounts is limited, due to the fact that the parties to the transaction are banks with high credit ratings received from international rating agencies.

	30.06.2019	31.12.2018
Banks with a rating of A-	171,7	82,3
Banks with a rating of B+	0,1	—
Banks with a rating of BBB+	—	1,1
Banks with a rating of BBB-	—	0,1
Banks with a rating of BB-	2,0	—
Total cash at banks	173,8	83,5

The Company has no significant concentration of credit risk. The risk is spread over a large number of banks, whose services are used, and customers it cooperates with.

[in PLN million unless otherwise stated]

6.2 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, LOANS GRANTED AND TRANSACTIONS WITH RELATED ENTITIES

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

ACCOUNTING POLICY

Subsidiaries in the Company's financial statements are those entities over which the Company exercises control. Investments in subsidiaries the Company values according to cost after reducing write-down.

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

The write-down test is carried out when there is evidence for write-down by calculating the recoverable amount as the higher of two amounts: fair value less costs of sale and value in use). Write-down represents the excess of the carrying amount over the recoverable amount.

Associates are companies over which the Company has significant influence, but does not exercise control over them.

Investments in associates are accounted for at historical cost after taking into write-down.

	30.06.2019	31.12.2018
01.01.2019	441,1	379,2
Purchase*	78,6	47,6
Sale	(2,9)	—
Impairment loss	—	—
Valuation of employee option scheme	6,6	14,3
Capital increase	523,4	441,1

* Including for the period 01.01.2019-30.06.2019: acquisition of 30.55% shares in HR Group in the amount of PLN 0 million, acquisitions 66.13% shares in Gino Rossi in the amount of PLN 18.3 million, acquisition of 23.89% shares in Gino Rossi through the debt conversion of Gino Rossi SA to CCC S.A with a value of PLN 60.3 million

For these assets there is no impairment occured. There are also no loans overdue.

Loans are mainly granted to the subsidiaries of CCC S.A. The currency in which loans are mainly made are PLN and EUR. The amounts of loans in other foreign currencies (USD, BGN) are insignificant. Further analysis of the currency risk is described in note 6.1.

The interest rate on loans granted is based on the variable WIBOR plus a margin (loans in PLN) or fixed interest rates defined in contracts (loans in euro and other currencies). Further analysis regarding interest rate risk is presented in note 6.1.

[in PLN million unless otherwise stated]

The investment structure by subsidiaries is presented below:

COMPANY	COUNTRY	TYPE OF BUSINESS ACTIVITY	SHARES AS OF 30.06.2019	SHARES AS OF 31.12.2018
CCC.eu sp. z o.o.*	Poland	purchase and selling	100%	100%
CCC Shoes & Bags sp. z o.o.	Poland	investing	100%	100%
CCC Factory sp. z o.o.	Poland	manufacturing	100%	100%
DeeZee Sp. z o.o.	Poland	commercial	51%	51%
eobuwie.pl S.A.*	Poland	commercial	74,99%	74,99%
Gino Rossi SA	Poland	commercial	100%	—
Karl Voegele AG*	Switzerland	commercial	70%	70%
CCC Czech s.r.o.	Czech Republic	commercial	100%	100%
CCC Slovakia s.r.o.	Slovakia	commercial	100%	100%
CCC Hungary Shoes Kft.	Hungary	commercial	100%	100%
CCC Austria G.m.b.H	Austria	commercial	100%	100%
CCC Germany GmbH	Germany	commercial	—	100%
CCC Obutev d.o.o.	Slovenia	commercial	100%	100%
CCC Hrvatska d.o.o.	Croatia	commercial	100%	100%
CCC Shoes Ayakkabicilik Limited Sirketi	Turkey	commercial	100%	100%
CCC Isle of Man Ltd.	Isle of Man	commercial	100%	100%
CCC Shoes Bułgaria EOOD	Bulgaria	commercial	100%	100%
NG2 Suisse sarl	Switzerland	services	100%	100%
CCC Shoes & Bags d.o.o. Beograd	Serbia	commercial	100%	100%
CCC Russia OOO*	Russia	commercial	75%	75%
Shoe Express S.A.*	Romania	commercial	100%	100%

* entities controlled indirectly by CCC S.A.

All subsidiaries are directly or indirectly controlled by the Company. Stake in the capital of companies is consistent with stake in voting rights.

ASSOCIATES	COUNTRY	TYPE OF BUSINESS ACTIVITY	SHARES AS OF 30.06.2019	SHARES AS OF 31.12.2018
HR Group Holding S.a.r.l.	Luxembourg	commercial	30,55%	—
Pronos Sp. z o.o.	Poland	services	10%	10%

ACQUISITION OF INVESTMENT IN HR GROUP HOLDING S.A.R.L.

According to the information published in Current Report No. 5/2019 as of 31.01.2019, on 30-31.01.2019, after fulfilling the conditions precedent provided for in the agreements, the transaction of acquisition by CCC S.A. of a non-controlling block of shares in HR Group Holding S.à r.l. seated in Luxembourg („HR Group" or HRG) and sale of 100% of shares in the subsidiary CCC S.A., CCC Germany GmbH, was closed.

Upon closing of the transaction on January 31, 2019, the remaining transaction agreements entered into force, which the Company reported in Current Report No. 52/2018 of November 24, 2018, i.e. the Operational Contribution Agreement, the Shareholders Agreement and the Option Agreement.

In performance of the operating contribution agreement on 31 January 2019, the Company concluded a loan agreement with HR Group under which the loan granted to HR Group will amount to EUR 41.5 million (the discounted value of the loan as at the acquisition date is EUR 40.94 million) and will bear interest at 8% per annum. HR Group will use these funds to integrate CCC Germany GmbH with HR Group by closing selected unprofitable stores operated by CCC Germany GmbH, to make rebranding of selected stores operated so far under the „CCC" brand by CCC Germany GmbH to the „RENO" brand, which will continue to operate and integrate other activities of CCC Germany GmbH with HR Group. The loan shall be disbursed in instalments in accordance with the conditions laid down by the parties in the operational contribution agreement and the loan agreement.

On the day of the transaction CCC S.A. received a CALL option for the purchase of the remaining (69.45%) shares of HR Group Holding S.a.r.l.l. for EUR 53.6 million in the option with a maturity of 6 months and for EUR 74.6 million in the option with a maturity of 24 months. The Management Board of the Company decided not to exercise the call option with a maturity of 6 months.

Additionally CCC S.A. issued a PUT option to Capiton for 0.32% of preferred shares of HR Group Holding S.a.r.l. with the execution amount of EUR 4.5 million.

The valuation of the provided option CALL 6M and 24M and PUT was prepared taking into account the strategic premises as to the probability of option exercise. In particular, it was assumed that the probability of exercising the CALL 6M option is low (close to zero), due to the fact that the maturity of the 6M option falls within 6 months from the date of the sale of CCC Germany and the acquisition of a block of HRG shares. The basic strategic assumption of this transaction was to give HRG control over the activities of CCC Germany in order to restructure its activities and then integrate it with the HRG business. As at the date of exercising the 6M option, i.e. six months after the transaction, it is not possible to reliably assess the progress of both the restructuring and integration process. Due to the relative attractiveness of the purchase price of shares under the 6M option (strike price lower than under the 24M option), its possible exercise forces the company to take control over HRG, together with the risk of failure in the described restructuring and integration processes. According to the Management Board, the likelihood of exercising the 6M option reflects correctly the low strategic rationale of exercising the 6M option in the context of the perception of the market value of the discussed option by other market participants.

As a result of the transaction, the Company acquired a total of 30.55% of shares in the share capital of HR Group, entitling to a total of 30.55% of the total number of votes at the General Meeting of Shareholders.

The purchase price of 30.55% of HRG shares by CCC was set at EUR 0 million, which in PLN terms is PLN 0 million as at the acquisition date.

FORM OF PAYMENT AND INSTRUMENTS PURCHASED

The fair value of the transferred payment amounted to EUR 45.5 million (PLN 195.0 million), which corresponds to the sum of the amounts:

	(IN EUR MILLION)	(IN PLN MILLION)
purchase of ordinary shares of HRG from Flo and Caption	4,7	21,0
the purchase of privileged HRG shares from Flo and Caption	21,2	90,1
providing an operational contribution to execute the restructuring of CCC Germany	40,9	175,2
transaction costs	1,7	7,1
utilization of the provision for negative fair value of CCC Germany **	(23,0)	(98,4)
Total	45,5	195,0

* As at 30 June 2019, the CCC Group made payments to HRG in the amount of EUR 17.0 million (PLN 72.7 million). Moreover, in the statement of financial position, the Group presents a commitment to make a contribution in the amount of PLN 101.4 million.

** The fair value of 100% of CCC Germany's net assets was revalued as at 31 January 2019 and changed by EUR 5.2 million (PLN 22.0 million) compared to 31 December 2018. Costs related to revaluation were presented in discontinued operations as other operating costs.

The fair value of the acquired instruments amounted to EUR 45.5 million (PLN 195.0 million), which corresponds to the sum of the amounts:

	(IN EUR MILLION)	(IN PLN MILLION)
Conversion of preference shares into a claim on HRG*	18,3	78,3
Total call/put option**	27,2	116,7
Share of 30.55% in HR Group Holding S.a.r.l.	—	—
Total	45,5	195,0

* Discounted value of CCC's receivables from HRG with a nominal value of EUR 21.2 million. CCC S.A. paid EUR 21,20 million for the preference shares in HRG (at the time of the transaction the conversion of these shares into an unconditional receivable of CCC from HRG with a maturity of 30.09.2024 was carried out). The receivable was recognized in the amount of PLN 79.2 million in the balance sheet item „Loans granted", after taking into account the discount reversal.

** The value of the total call/put option as at 30.06.2019 amounted to EUR 21.8 million (PLN 93.6 million) and is presented under the balance sheet item „Other financial assets". The resultant effect of option valuation was presented in financial costs.

ACQUISITION OF GINO ROSSI S.A.

On 25.02.2019 The Management Board of CCC S.A. informed about¬ the completion of the subscription for the sale of shares of the company Gino Rossi S.A. based in Słupsk on 15.02.2019. The Company announced a tender offer for the sale of 50,333,095 ordinary bearer shares, i.e. all shares issued by Gino Rossi S.A., entitling to 100% of the total number of votes at the General Meeting of Shareholders, at a price of PLN 0.55 per share.

As a result of the settlement of the call to purchase the shares on 20 February 2019. CCC S.A. purchased 33,283,510 shares representing in total 66.13% of the share capital of Gino Rossi and entitling to 33,283,510 votes at the General Meeting of Gino Rossi representing 66.13% of the total number of votes at the General Meeting of Gino Rossi.

The purchase price amounted to PLN 0.55 per share, so the payment for taking control of the company was PLN 18,311 thousand.

On 7 December 2018 the Company entered into a conditional sale agreement with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, whereby upon satisfaction of certain conditions precedent set forth in the Agreement and completion of certain closing actions, the Company shall acquire all cash receivables (whether due now or in future) existing as at the date of the transfer of the Bank from the Company under the loan agreements between the Bank and the Company in a total amount of PLN 70 million. The Price of the receivables to be acquired has been agreed between the parties taking into account the financial condition of the Company. Along with the transferred receivables the Tenderor shall acquire all rights that are accessory or related thereto, in particular any security for such receivables. The terms of the agreement were met on December 18, 2018.

On 24 May 2019 CCC S.A. concluded with Gino Rossi S.A. agreement for the acquisition of shares in the increased share capital of Gino Rossi. Under the agreement, the Issuer accepted an offer to subscribe for 120,500,000 newly created shares in the share capital of Gino Rossi, i.e. ordinary registered shares of series K, to which no special privileges or restrictions will be attached, which will be issued as part of the increased share capital of Gino Rossi, pursuant to Resolution No. 4 of the Extraordinary General Meeting of Gino Rossi held on 20 March 2019.

[in PLN million unless otherwise stated]

TRANSACTIONS WITH RELATED ENTITIES

In presented periods the Company made the following transactions with related entities:

TRANSACTIONS WITH RELATED ENTITIES	30.06.2019	30.06.2018
Subsidiares of CCC S.A		
Transactions in the financial year:		
Sales of products/goods	—	—
Sale of services	59,6	49,9
Credit sureties granted	5,4	5,0
Interest on borrowings	3,1	2,0
Purchase of products/goods	540,2	725,4
Purchase of services	17,3	33,7
Sale of tangible fixed assets	1,2	0,6
Balances of transactions indicated as at the balance sheet date:	—	—
Trade receivables	0,9	14,4
Receivables from loans	276,2	94,5
Trade liabilities	(389,6)	(94,1)
Debt liabilities to NG2 Suisse s.a.r.l.	(0,3)	(0,3)
Contingent assets and liabiliteiesat the balance sheet date:	—	—
Contingent assets due to guarantees and sureties received	816,0	988,0
Contingent liabilities due to granted collateral	3 115,7	4 435,7

LOANS GRANTED

	30.06.2019	31.12.2018
As at 1 January	134,6	200,2
Loans granted *	215,9	260,5
Purchase of receivables	—	37,7
Accrued interest	3,1	3,6
Loans repayment	(21,5)	(232,3)
Loan to equity conversion	(49,8)	—
Offsetting claims	(5,1)	—
Effect on discounting of loan given to HRG	0,9	
Result on exchange rates	0,8	—
Other changes**	2,6	(135,1)
As at 31 December	281,5	134,6
– current	79,6	90,0
– non-current	201,9	44,6

* Including PLN 78.3 million in discounted CCC claims on HRG arising from the conversion of preference shares purchased.

** In the item 'other' as at 30/06/2019 was presented primarily to all, the effect of converting receivables from HR Group into loans in the amount of PLN 3.6 million. Under 'other' as at 31/12/2018, an assignment of PLN 141 million and a balance-sheet valuation of PLN -5.9 million were presented.

[in PLN million unless otherwise stated]

	30.06.2019	31.12.2018
Subsidiaries of CCC S.A.		
CCC.EU Sp. z o.o.	33,7	9,4
CCC Shoes Bulgaria EOOD	8,9	4,7
eobuwie.pl S.A.	60,4	61,5
CCC OBUTEV d.o.o.	0,9	—
CCC Hrvatska d.o.o.	1,0	—
CCC Shoes & Bags Sp. z o.o.	1,9	12,4
CCC Shoes & Bags d.o.o. Beograd – Stari Grad	1,4	1,3
NG2 Suisse S.a.r.l.	7,7	7,6
KVAG	53,7	—
Gino Rossi*	32,7	37,7
Associates		
HR Group Holding S.a.r.l.	79,2	—
Total	281,5	134,6
– current	79,6	90,0
– non-current	201,9	44,6

* During the comparative period Gino Rossi S.A. was not a subsidiary of CCC S.A.

	30.06.2019	31.12.2018
Entities related to members of key management personnel		
Transactions in the fiscal year:		
Sale	—	—
Purchase	1,9	1,9
Transactions in the fiscal year:		
Receivables	—	—
Liabilities	0,6	0,4

Transactions with related entities were concluded under market conditions.

6.3 REMUNERATION OF THE KEY MANAGEMENT PERSONNEL

IN '000 PLN	FIXED REMUNERATION	PROGRAM OF PAYMENTS BASED ON SHARES – FAIR VALUE AT THE MOMENT OF GRANTING	OTHER (BONUSES)	TOTAL
30.06.2019	—	—	—	—
Members of Management Board	1 635,8	868,3	750,0	3 254,1
Supervisory Board	195,1	—	34,2	229,2
Total	1 830,9	868,3	784,2	3 483,4
30.06.2018	—	—	—	—
Members of Management Board	1 730,0	1 297,7	720,0	3 747,7
Supervisory Board	201,0	—	—	201,0
Total	1 931,0	1 297,7	720,0	3 948,7

All bonuses in the period 2018-2019 are short-term bonuses. There are no long-term bonuses.

6.4 PAYMENTS IN FORM OF SHARES

ACCOUNTING POLICY

The Company runs a program of benefits based on shares settled in capital instruments, under which the entity receives services of employees in exchange for equity instruments (options) of the Company. The fair value of employee's services received in exchange for granting options is recognized as an expense over the period of conferring rights to exercise the option in correspondence to equity – retained earnings.

The total amount subject to recognition in cost is determined by referring to the fair value of options granted at the date of granting the option:

- taking into account any market conditions (for example entity's share price);
- excluding the impact of any related work experience and non-market conferring rights (for example, sales profitability, the goals connected with growth in sales and the indicated period of the compulsory employment of the employee in the unit); and
- taking into account the impact of any conditions unrelated to conferring the rights (for example, the requirement by the current staff to keep received instruments for a specified period).

At the end of each reporting period, the entity revises the made estimates of the expected number of options to which rights are to be conferred as a result of the conditions of conferring rights of a non-market. The Company presents the impact of a possible revision of the original estimates in the report on the financial result, with a corresponding adjustment to equity.

In addition, in certain circumstances, employees can provide services before the date of granting them the stock options. In this case, the fair value of at the date of granting stock options is estimated to recognize costs during the period from commencement of the service by the staff to the actual date of granting them the options.

Upon exercise of the options, an entity issues new shares. The funds obtained after the deduction of any costs that can be directly attributable to the transaction, increase the share capital (nominal value) and the surplus of the issue price of shares over their nominal value.

Social security contributions payable in connection with the granting of stock options are considered an integral part of the benefit granted and the cost is treated as a transaction settled in a form of cash.

[in PLN million unless otherwise stated]

On 13 April 2017, the Issuer's Supervisory Board adopted a resolution on giving the positive opinion and conditional approval of the three-year Incentive Scheme presented by the Issuer's Management Board for 2017-2019 („Scheme"), subject to a positive decision of the Issuer's General Meeting regarding conditional share capital increase of the Issuer and issuance of shares and subscription warrants for the implementation of the Scheme. The main objectives of the scheme are additional, long-term motivation of the CCC Capital Company managers to implement the Company's strategy in 2017-2019 and taking actions and efforts aimed at further development of the Company and its perspectives for 2020 and another years – as a consequence of increasing the value of the Company's shares and the value for shareholders. The Scheme 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 it up are the 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, however the warrants cannot be offered to the persons directly or indirectly holding at least 10% of the Company's stake. The condition for granting the rights to subscribe for the Warrants is that the persons concerned obtain positive performance review for 2017-2019. The total number of persons entitled under the incentive scheme will not exceed 149 people. The scheme assumes minimum EBITDA thresholds (which condition the launch of the Scheme tranches) at PLN 550, 650 and 800 million for 2017, 2018 and 2019 respectively, that is, a total of not less than PLN 2 billion in this period.

THE MAIN TERMS OF THE SCHEME:	2019	2018	2017
Date of conferring rights		26.08.2017	
Number of employees covered by the scheme		149	
The value of the scheme by date of conferring rights		93,3 mln PLN	
Number of warrants granted	—	705.960 pcs.	1.097.600 pcs.
The value of a warrant by the date of by date of conferring rights	211,42 PLN	211,42 PLN	211,42 PLN
Cost recognized in the financial result in 2019	5,2 mln PLN		
Cost recognized in the financial result in 2018		11,1 mln PLN	
Cost recognized in the financial result in 2017			3,6 mln PLN
"Cumulative amount recognized in equity as of 31 December 2018 (""retained earnings"")"	44,8 mln PLN	33,6 mln PLN	8,2 mln PLN
Terms of conferring rights			
Period of conferring rights		from 08.06.2017 until 31.12.2019	
Period of execution of warrants to which rights are conferred		until 30.06.2024	

SIGNIFICANT PARAMETERS ADOPTED IN THE VALUATION MODEL WERE:	VALUE OF PARAMETER
Valuation model of warrants	Simulation Monte-Carlo
Number of warrants granted	1.174.920 pcs.
Share price at the grant date	212,56 PLN
The exercise price of the warrant	211,42 PLN
Expected volatility	32,8%
Value of expected dividend	2,60 PLN
The average lifetime of the option	6 year

6.5 ADJUSTMENT OF PREVIOUS YEARS

In the reporting period, there were no adjustments of previous years.

6.6 EVENTS AFTER BALANCE SHEET DATE

On 12 July 2019 there was a settlement of a squeeze-out of shares of Gino Rossi Spółka Akcyjna belonging to all minority shareholders of Gino Rossi announced on 9 July 2019 pursuant to Article 82 (1) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws of 2018, item 512, as amended) („Squeeze-Out"). The subject of the squeeze-out were all shares in Gino Rossi owned by all minority shareholders of Gino Rossi, i.e. 17,049,585 ordinary bearer shares with a nominal value of PLN 0.50 each, representing approx. 9.98% of the share capital of Gino Rossi and entitling to 17,049,585 votes at the general meeting of shareholders of Gino Rossi, which corresponds to 9.98% of the total number of votes in Gino Rossi.All the shares covered by the Squeeze-Out request were purchased by the Issuer.

The financial statements were approved for publication by the Management Board of the Company on 3 September 2019 and signed on behalf of the Management Board by:

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS		
Edyta Banaś	Chief Accountant	
SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS		
Marcin Czyczerski	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Karol Półtorak	Vice-President of the Management Board	

Polkowice, 3 September 2019